
North Carolina Changes Unemployment Benefit Requirements to Assist Employees Dealing with COVID-19

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On March 17, 2020, North Carolina Governor Roy Cooper issued Executive Order 118, which, among other measures, makes temporary changes to North Carolina's unemployment benefits program in order to assist employees and employers dealing with economic hardship and uncertainty brought on by the current spread of COVID-19. These changes will (1) make it **easier for individuals whose jobs are impacted by the virus to apply for and receive unemployment benefits**, and (2) **ease the burden on employers by not allocating charges to their accounts for COVID-19 related benefits**.

What Does Executive Order 118 Change About Applying for Benefits?

Executive Order 118 makes several temporary changes to the administration of unemployment benefits under North Carolina law. While recently terminated employees must generally wait for a period of one week before applying for unemployment benefits, **the Executive Order removes that requirement**, while also **removing the requirements that employees must be actively seeking work**, allowing workers who temporarily lose their jobs because of COVID-19 to quickly apply for benefits.

The Executive Order **also makes it easier for employees who have their hours reduced as a result of COVID-19 to apply for partial unemployment benefits**. The Executive Order does this by loosening and/or waiving the requirement that individuals applying for partial unemployment benefits cannot work more than three days during a payroll week. Instead, eligibility is determined by whether an individual's income during that week qualifies for benefits. For more information about determining eligibility, contact us.

Finally, the Executive Order postpones in-person application and other in-person contact, and **allows individuals to apply for benefits and submit weekly certifications by phone or over the internet**.

How does Executive Order 118 Impact Employers?

In addition to easing the application burdens for employees, the Executive Order also instructs the North Carolina Department of Commerce to **not charge employers for benefits that are paid out to individuals who are receiving benefits for reasons related to COVID-19**. While North Carolina typically charges employers' accounts for unemployment benefit claims, the state will instead account for such expenditures separately to seek reimbursement for those benefits from the federal government instead.

What do These Changes Mean for Employers and Employees?

Taken together, these changes provide another resource for employers and employees currently dealing with forced closures and reduced hours arising from the spread of COVID-19. Employers can reduce some employee's hours, knowing that North Carolina will help ensure

that their employees will be able to have their income supplemented by the government in many cases. Likewise, the expansion of benefits will provide an additional lifeline for employees facing uncertainty about their income in the face of unprecedented temporary business slowdowns and closures.

If you have questions about Executive Order 118's changes to North Carolina's unemployment benefits please contact Denis Jacobson at djacobson@tuggleduggins.com or (336) 271-5242 or Daniel Stratton at dstratton@tuggleduggins.com or (336) 271-5240. Please also follow our Twitter account - @TuggleDuggins - at <https://twitter.com/TuggleDuggins> for continuing, up-to-date information related to navigating the law during the COVID-19 outbreak.

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