

Enhanced Unemployment Assistance Under the CARES Act

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As the pandemic rages on, the number of North Carolina workers applying for unemployment benefits is staggering.

Between March 16, 2020 and the end of the day on March 25, 2020, the N.C. Division of Unemployment Security reports that it processed over 210,000 claims for

unemployment benefits. Almost 90% of those filing a claim during that same period indicated their loss of job and/or reduction in wages was related to COVID-19's impact on their employment.

Once passed by the House and signed into law by the President, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) approved by the Senate on March 25, 2020, will provide additional relief to unemployed North Carolinians, many of whom would otherwise be ineligible for North Carolina state benefits. Below are some of the highlights.

[Ed. Note: The CARES Act was signed into law on March 27, 2020.]

Through July 31, 2020, the federal government will provide a temporary Federal Pandemic Unemployment Compensation (FPUC) benefit of \$600 a week for any worker eligible for state or federal unemployment compensation (UC) benefits. The FPUC would be paid in addition to and at the same time (but not necessarily in the same check) as regular state or federal UC benefits. Moreover, eligible workers who otherwise qualify for state unemployment will receive the full \$600 FPUC benefit even if they earned less than that amount before becoming unemployed.

The CARES Act also creates a temporary Pandemic Unemployment Assistance program through December 31, 2020, to provide payments to those not traditionally eligible for unemployment benefits who are unable to work as a direct result of the COVID-19 public health emergency. Expanded eligibility would provide benefits to self-employed individuals, independent contractors, "gig economy" workers, and individuals who were unable to start a new job or contract due to the pandemic. Individuals would apply for these temporary new federal benefits at the state UC office, and states would be fully reimbursed for the cost of benefits and administration.

Unemployed North Carolina workers will be eligible for an additional 13 weeks of unemployment benefits after regular benefits are exhausted. This supplemental unemployment benefit is available through December 31, 2020.

During this period of turmoil and economic uncertainty, the enhanced and supplemental benefits for unemployed individuals and the federal credits afforded state unemployment offices will be welcomed by employees and employers. Many of our small and medium sized businesses, especially in the service industries, have made or in the coming days will have to make gut-wrenching decisions about reducing employee hours and layoffs. The enhanced unemployment benefit provisions of the CARES Act will not make these decisions any easier, but may provide a small measure of relief that the impact of these tough business decisions on employees and their families will be cushioned, however slightly.

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