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Government Affairs

# COVID-19 Unemployment Insurance/Benefits

**Paid Sick/Family Leave**

Under the second relief package that was signed into law, workers are eligible for two to 12 weeks of paid sick or family leave. This covers businesses of fewer than 500 employees, which will be fully reimbursed by the federal government, within three months, through tax credits. Employees are eligible for 80 hours of sick leave at full pay if they are unable to work or telework because they are under medical quarantine or being given treatment for COVID-19. Employees would also be eligible if they suspect they have the virus or if they are ordered to quarantine by the government. In addition, those employees who are caring for someone else that has COVID-19, including children, will be eligible for the two weeks of sick pay as well, but at a two thirds rate. Businesses with fewer than 50 employees may be eligible for some exemptions.

**Unemployment Insurance and Unemployment Benefits**

The third COVID-19 relief package contains a significant expansion of both the length and amount of unemployment insurance (UI) that is available. The expansion of UI includes gig workers, independent contractors, and individuals who are self-employed, which are groups of the workforce that traditionally have not been eligible for UI. It is not yet clear how state benefits will be calculated for gig workers, independent contractors, freelancers, and other individuals who have varying income from month to month.

The third stimulus bill provides for a $600 increase per week on top of regular UI benefits. This weekly increase will only be available for four months. Currently, UI benefits vary from state to state. The process of obtaining UI benefits will not change, but the amount will for those who have been impacted by the COVID-19 pandemic. Minority Leader Chuck Schumer (D-NY) indicated that most Americans will get their full salary as a result of this weekly increase, or close to it. This mechanism will supplement the traditional unemployment calculation that is a percentage of weekly income, up to a specific amount.

Under the third package, workers are eligible to obtain company benefits and UI. This means that workers who are furloughed, and not actually laid off, will be eligible for unemployment benefits. Workers will be able to stay on their company benefit plans (i.e. health insurance), while still being eligible for the UI weekly payments.

Additionally, states are allowed to waive the seven-day application period usually required for unemployment benefits. Normal circumstances to receive unemployment assistance include when a worker is laid off from work and are able to, and actively seeking, work. The legislation allows individuals who have not been laid off but are unable to work for a myriad of reasons due to the COVID-19 pandemic, eligibility for unemployment compensation.

The federal government will release guidelines to the states on these new benefits and corresponding eligibility and will backstop state unemployment funds with the federal funds provided under this Act.