



## Extension of CARES Act Unemployment Benefits

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Unemployment insurance provides benefits for employees who are unemployed through no fault of their own. Due to the impact on employers and employees from the COVID-19 coronavirus, some measures have been taken to increase eligibility for unemployment benefits and to increase the available benefits.

As highlighted in this issue brief, the Coronavirus Aid, Relief, and Economic Security Act<sup>1</sup> (CARES Act), enacted on March 27, 2020, provided certain special unemployment benefits that are extended or modified under the Consolidated Appropriations Act, 2021, passed by both houses of Congress on December 21, 2020, and expected to be signed by the President.<sup>2</sup>

### REGULAR UNEMPLOYMENT UNDER STATE LAW

The unemployment insurance program is governed by state law, which adheres to basic requirements provided in federal law.<sup>3</sup> In general, a person who has been laid off from a job or has had hours reduced is eligible for unemployment benefits if the person had been employed and received wages, and the employer had paid federal and state unemployment taxes on those wages. A self-employed person or person employed by a church or nontaxable religious organization is generally not eligible for unemployment benefits, unless unemployment taxes had been paid for the person.

The amount of benefits depends on the person's wage history, and is capped at \$370 per week. If all eligibility requirements are met, a person may receive benefits for up to 26 weeks within the 52-week benefit year that follows the date of filing an initial claim. In defined periods of high unemployment, extended benefits are provided for up to an additional 13 weeks.<sup>4</sup>

### PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)

The CARES Act created a new unemployment benefit for persons who are not eligible for regular unemployment benefits.

The benefit, called **pandemic unemployment assistance** and sometimes referred to as "PUA," is available to a person who is self-employed, is seeking part-time employment, has insufficient work history, has exhausted regular benefits or the pandemic emergency unemployment compensation described below, or otherwise would not qualify for regular unemployment. The person must also be unable or unavailable to work for reasons relating to COVID-19, such as a diagnosis of COVID-19, providing care for a household member who has been diagnosed with COVID-19, a lack of childcare, or closure of the place of employment.

PUA is available between February 2 and December 31, 2020, for up to 39 weeks, including up to 26 weeks at the regular unemployment rate and up to 13 weeks of extended benefits. A person may receive the same amount of benefits the person would receive if the person had been eligible for regular unemployment, plus the \$600 per week supplement that was available between March 29 and July 31, 2020, as described in the next section.

**Under the extension**, PUA benefits are available through March 14, 2021, rather than December 31, 2020, for a total of up to 50 weeks, rather than 39 weeks. The extension also grants a transition to provide that if a person is receiving PUA benefits but has not yet exhausted those rights on March 14, 2021, benefits may be received until April 5, 2021. If a person first applies for PUA benefits after enactment of the extension, benefits may be retroactive only to December 1, 2020.

Under the extension, a person continues to be eligible for the same amount of PUA benefits the person would receive if the person had been eligible for regular unemployment, plus the modified supplement that is available between December 26, 2020, and March 14, 2021, as described in the next section.

## PANDEMIC UNEMPLOYMENT COMPENSATION (FPUC)

The CARES Act created a \$600 weekly supplement to a person's unemployment benefits, for both regular unemployment and CARES Act benefits. The supplement, called **pandemic unemployment compensation** and sometimes referred to as "FPUC," was available between March 29 and July 31, 2020.

**Under the extension**, a modified FPUC benefit is available in the amount of a \$300 weekly supplement to a person's unemployment benefits, for both regular unemployment and extended CARES Act benefits. The modified FPUC supplement is available between December 26, 2020, and March 14, 2021.

The extension adds an additional \$100 per week, at the option of the state, for "mixed earner unemployment compensation," if a person earned at least \$5,000 in self-employment income, as defined by the Internal Revenue Service, in the most recent taxable year before applying for unemployment benefits. The additional \$100 per week mixed earner unemployment compensation is available as an extra supplement only if elected by the state.

## PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION (PEUC)

The CARES Act created a special extended timeframe in which a person may be eligible for benefits, called **pandemic emergency unemployment compensation** and sometimes referred to as "PEUC."

PEUC is available between March 29 and December 31, 2020, for up to 13 weeks, after a person has exhausted the 26 weeks of regular unemployment benefits. A person may receive the same amount of benefits the person would receive under regular unemployment, plus the \$600 per week supplement that was available between March 29 and July 31, 2020, as described in the previous section.

**Under the extension**, PEUC benefits are available through March 14, 2021, rather than December 31, 2020, for a total of up to 24 weeks, rather than 13 weeks. The extension also grants a transition to provide that if a person is receiving PEUC benefits but has not yet exhausted those rights on March 14, 2021, benefits may be received until April 5, 2021.<sup>5</sup>

Under the extension, a person continues to be eligible to receive the same amount of PEUC benefits the person would receive under regular unemployment, plus the modified supplement that is available between December 26, 2020, and March 14, 2021, as described in the previous section.

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<sup>1</sup> P.L. 116-136. The unemployment benefits under the CARES Act are administered by the state, but are federally funded.

<sup>2</sup> H.R. 133, 116<sup>th</sup> Congress.

<sup>3</sup> 26 U.S.C. ss. 3301 to 3311; and ch. 108, Stats.

<sup>4</sup> For example, extended benefits were available for benefit weeks ending between May 23 and November 7, 2020, if a person had exhausted regular unemployment benefits and pandemic emergency unemployment compensation. See Department of Workforce Development, [DWD Launches Extended Benefit Program](#) (December 2, 2020).

<sup>5</sup> Under the extension, a transition is also provided for a person whose benefit year has ended and whose new weekly benefit rate is at least \$25 less than the benefit amount in the benefit year that has expired. In that circumstance, if the person has not exhausted PEUC benefits, PEUC benefits may be used to supplement or defer the regular benefits, if allowed under state law.