

Unemployment Benefit Changes

The Families First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law by President Trump on March 18 and 27, 2020, respectively, contain significant changes to unemployment benefits. The changes shift some of the burden to cover costs from employers to federal funds and expand benefits to workers not previously eligible. Beneficiaries would also receive a \$600 per week payment in addition to the regular benefit for up to four months. The laws also authorize additional federal support for state administrative costs. As of April 10, more than 130,000 individuals have applied for unemployment since March 9. Prior to that, fewer than 11,000 were collecting benefits. The changes are summarized below:

First Week of Benefits. The CARES Act provides full federal funding for benefits in states which waive the first week waiting period allowing individuals to immediately collect benefits. Rhode Island's waiting week was waived by emergency regulation effective March 12, 2020.

Regular Benefits. The first 26 weeks of benefits are unchanged for most employers. The CARES Act provides self-insured employers including nonprofit, governmental, or tribal employers would only have to pay half of the costs of benefits paid to their former employees with the remaining costs covered by federal funds retroactive to March 13, 2020 through December 31, 2020.

Pandemic Emergency Unemployment Compensation. The CARES Act provides federal funds for an additional 13 weeks through December 31, 2020 to beneficiaries who have exhausted their unemployment benefits and remain unemployed.

Extended Benefits. The Families First Coronavirus Response Act provides 100 percent federal funding for any extended benefits through December 31, 2020; these costs are normally split equally between employer and federal funds. Rhode Island has two extended benefit provisions which would be covered. Extended benefits, available for 13 weeks, are triggered by a three month average unemployment rate of 6.5 percent. High extended benefits, available for seven weeks, are triggered by a three month average unemployment rate of 8.0 percent. An additional 20 weeks of benefits would be available, should both trigger.

Emergency Increase in Benefits. The CARES Act provides federal funding to support adding \$600 to the weekly benefit payment to all beneficiaries April 4, 2020 until July 31, 2020.

Short Time Compensation Programs. The CARES Act includes full federal funding for benefits paid through programs like WorkShare, that allow for partial collection of unemployment for reduced work hours, through December 31, 2020.

Previously Non-Covered Employment The CARES Act creates a program to assist workers not traditionally covered by unemployment benefits including the self-employed, independent contractors, those with limited work histories, as well as others ineligible for state benefits. The program, similar to traditional benefits, is paid 100 percent from federal funds and covers up to 39 weeks of benefits retroactive to January 27, 2020 and ending December 31, 2020.

Applicants must self-certify that the pandemic is the direct cause of this unemployment and are subject to criminal prosecution for fraud. As with covered employment, federal funding is provided to support adding \$600 to the weekly benefit payment to all beneficiaries April 4, 2020 until July 31, 2020.

Unemployment Insurance Programs					
Covered Employment					
Benefits Program	Max. Weeks	Funding Source		Effective Method /Applicability	Expires
		Normally	Federal Acts		
First Week	-	N/A	100% Federal*	CARES Act, beginning April 4, 2020*	December 31, 2020
Regular Benefits	26	100% Employer	100% Employer; 50% Federal for some	CARES Act, 50% federal funding for nonprofit & governmental entities only beginning March 13, 2020	December 31, 2020
Pandemic Emergency Unemployment Compensation	13	N/A	100% Federal	CARES Act, effective after exhaustion of regular benefits, before any extended benefits	December 31, 2020
Extended Benefits	13	50% Federal; 50% Employer	100% Federal	Families First Act, triggered by 3-month average unemployment rate of 6.5%	December 31, 2020
High Extended Benefits	7	50% Federal; 50% Employer	100% Federal	Families First Act, triggered by 3-month average unemployment rate of 8.0%	December 31, 2020
Emergency Increase in Benefits	-	N/A	100% Federal	CARES Act, adds \$600 to the weekly benefit payment for all programs, beginning April 4, 2020	July 31, 2020
*RI waived first week waiting period via emergency regulation on March 12. DLT indicates federal funding will be retroactive.					
Non-Covered Employment					
Pandemic Unemployment Assistance	39	N/A	100% Federal	CARES Act, for unemployment as a direct result of COVID-19 beginning January 27, 2020. Covers those not traditionally covered, such as self-employed, independent contractors, and those with limited work histories, and others ineligible for state benefits.	December 31, 2020
Emergency Increase in Benefits	-	N/A	100% Federal	CARES Act, adds \$600 to the weekly payment for all programs of unemployment, beginning April 4, 2020	July 31, 2020