

Unemployment Benefits

Congress has taken aggressive action to assist workers who have been laid off in this difficult economic environment.

In the **Families First Coronavirus Response Act**, Congress provided states with \$1 billion, paid in two \$500 million installments, to help them deal with the initial influx of unemployment compensation (UC) benefit applications. The Department of Labor is required to distribute the first \$500 million within 60 days of enactment. It also gave states flexibility to modify their state policies to work in the current crisis without any federal penalty, and allows them to temporarily borrow interest-free from the federal government if the crisis strains their UC trust fund. The law also provides for 100 percent temporary federal funding for extended benefits in states that trigger those benefits because of very high and rising unemployment.

In the **Coronavirus Aid, Relief, and Economic Security (CARES) Act**, Congress significantly expanded UC eligibility and increased benefit amounts. Notable provisions of the bill include:

- **Supplemental Federal Pandemic Unemployment Compensation:** Through July 31, 2020, the federal government will provide a temporary Federal Pandemic Unemployment Compensation (FPUC) of \$600 a week for any worker eligible for state or federal UC benefits. The FPUC will be paid in addition to and at the same time (but not necessarily in the same check) as regular state or federal UC benefits. The federal supplement will not affect eligibility for Medicaid or the Children’s Health Insurance Program.
- **13 Weeks of Emergency Unemployment Compensation Available in All States for Workers who Exhaust Regular Benefits:** All states will be eligible to provide an additional 13 weeks of unemployment benefits to workers who need beyond what is provided for in state and federal law.
- **Pandemic Unemployment Assistance Following the Model of the Disaster Unemployment Assistance program:** States will be permitted to expand eligibility to provide unemployment compensation to workers who are not normally eligible for benefits, so long as their unemployment was connected to the COVID-19 pandemic, as determined by the state and the Department of Labor. Expanded eligibility will provide benefits to self-employed people, independent contractors, “gig economy” employees, and people who were unable to start a new job or contract due to the pandemic. People will apply for these temporary new federal benefits at the state UC office, and states will be fully reimbursed for the cost of benefits and administration.

Frequently Asked Questions: Unemployment Benefits

How do I apply for unemployment benefits?

You may do so by visiting myunemployment.nj.gov/

What will my benefit amount be?

Information about how benefits are calculated in New Jersey can be found [here](#). Those who qualify for unemployment benefits from the state will also receive a \$600 a week federal supplement.

When does the temporary emergency benefit increase end?

The \$600 a week federal supplement ends on July 31, 2020.

Are self-employed workers and workers in the gig economy eligible for unemployment compensation generally or the Federal Pandemic Unemployment Compensation benefit specifically?

Self-employed and gig economy workers whose states make an agreement with the U.S. Department of Labor will receive Pandemic Unemployment Assistance based on their recent earnings and will also be able to receive the \$600 a week federal supplement on top of that benefit.

How much Pandemic Unemployment Assistance will self-employed workers, people about to start work, and others receive?

The amount would vary by state. All Pandemic Unemployment Assistance recipients will be eligible for the \$600 a week federal supplement. They will also receive a base benefit calculated according to state benefit formulas and using recent information about their wages, but no lower than half the state's minimum regular UC payment.

What about tipped workers?

Tipped workers who qualify for UC will also receive the \$600 a week federal supplement, on top of their state UC payment like any other worker receiving UC benefits.

What about workers who were about to start new jobs and had them canceled due to the COVID-19 outbreak?

Workers who had a contract or other offer of employment suspended due to the COVID-19 outbreak will be eligible Pandemic Unemployment Assistance calculated by the state's UC program, and also for the \$600 a week federal supplement.

Can workers get UC at the same time as they receive employer-provided paid leave?

No, workers who are receiving paid leave are not eligible for UC.

Can self-employed workers get UC and also claim the refundable tax credit for lost wages in the Families First Coronavirus Response Act?

No, workers who elect to claim the refundable credit will not be eligible for UC for that time period.

Why hasn't Disaster Unemployment Assistance (DUA) turned on already?

DUA is primarily designed for natural disasters, and the Stafford Act only triggers on for specific types of mostly physical disasters (floods, fires, etc.). The CARES Act will replicate the aspects of DUA that are the most relevant to the COVID-19 pandemic – expanded eligibility and relaxed documentation requirements.

How does the CARES Act help local governments and non-profits which are required to reimburse state UC programs for the full cost of all unemployment benefits provided to their laid off or furloughed workers?

Many non-profit organizations and state and local governments participate in UC using a “reimbursable arrangement.” That means they do not pay the per-worker UC taxes paid by private employers and instead reimburse the state UC office for 100 percent of the cost of benefits paid to workers they furlough or lay off. The CARES Act will provide federal funding to cover half of the cost of reimbursable benefits and provide additional flexibility for those entities to pay the other half over time.

Can workers on UC receive health insurance benefits from their prior employer?

Workers receiving UC are eligible to stay on employer-sponsored insurance through COBRA but will no longer receive employer contributions for the premium. Workers who lost their job and were previously covered by employer-sponsored insurance are eligible for a special enrollment period in the ACA marketplace for coverage and may be eligible for advanced premium tax credits and cost-sharing subsidies.

Why does the CARES Act replace 100 percent of wages for the average worker? Will that discourage people from working?

The COVID-19 pandemic has created a unique, difficult, and unprecedented situation. Normally, the goal of UC benefits is to provide earned benefits to tide workers over while they search for new jobs, and UC does not replace all of the worker’s lost wages, which further strengthens Americans’ natural desire to work and earn wages to support themselves and their families. In this case, public health officials tell us the best thing most Americans can do is to stay home. So in this case, we do not want inadequate wage replacement to force workers, especially those who would normally earn very low UC benefits, to continue searching for jobs or working in violation of public health orders.