Unemployment Insurance: What the CARES Act Means for Workers

The Coronavirus Aid, Relief and Economic Security (CARES) Act is a $2-trillion stimulus package to support workers and shore up the U.S. economy during the COVID-19 public health crisis.

The bill establishes the federally administered Pandemic Unemployment Assistance (PUA) system, which will assist workers who are unemployed due to the COVID-19 pandemic and its economic effects.

The CARES Act provides $250 billion in funding and makes substantial positive changes to the unemployment insurance (UI) system. The program is in effect through December 31, 2020.

Most importantly, the bill:

❖ Extends benefits to workers who have not necessarily lost their jobs, but who are unable to work as a result of coronavirus – e.g. they are sick, quarantined or caring for a child home from school

❖ Covers all workers, including self-employed and misclassified “gig” workers, who are not covered by state-based UI

❖ Provides benefits to workers who have exhausted other UI benefits

❖ Provides an additional $600 per week – on top of existing UI benefits (which currently average $300) – for four months (through July 31, 2020)

❖ Covers an additional 13 weeks of UI benefits, up to 39 weeks

❖ Provides funding for beginning on the first day of unemployment (i.e. There is no 7-day waiting period required)

❖ Funds 100% of “short-time compensation” programs (in states that have these programs in law) through which employers reduce workers' hours instead of laying them off and employees receive pro-rated UI benefits; also provides some funding to states that enact “short-time compensation” programs

❖ Calls for administration of the Pandemic Unemployment Assistance program through state-based UI programs under the condition that all state requirements for UI be waived

❖ Requires that all states allow UI applications to be made online

FAQs on Unemployment Insurance Benefits are here

For more information: Contact your TWU local leadership.

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