

UPDATE: Unemployment Insurance and COVID-19



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Unemployment claims have been rising due to COVID-19. Both local and federal governments have responded by enacting measures to expand unemployment insurance for those who have been laid off or had hours reduced because of COVID-19. Below is a brief summary of Executive Order 118 and the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

STATE UNEMPLOYMENT INSURANCE

Unemployment insurance provides regular payments to eligible workers. Generally, individuals must meet four basic criteria to be eligible for unemployment benefits in North Carolina:

- 1. the individual must be unemployed due to no fault of their own,**
- 2. must have earned sufficient wages to establish a claim,**
- 3. must be physically able, available, and actively seeking work, and**
- 4. must register for work with North Carolina's job service office.**

In North Carolina, the maximum weekly benefit available is \$350. Benefits may be received for a maximum of 12 to 20 weeks depending on the state's unemployment rate. For more information about general eligibility requirements, visit the NC Division of Employment Security (DES) website at: <https://des.nc.gov/need-help/faqs/unemployment-insurance-faqs>.

The North Carolina legislature dramatically reduced unemployment insurance benefits in 2013. As a result, North Carolina has among the lowest average weekly and lowest maximum weekly benefits, and the shortest duration of benefits in the country. Even with the additional federal unemployment benefits described below, North Carolina workers will still be receiving less in benefits than workers in other states. The NC State AFL-CIO is working with the NC Justice Center and sympathetic legislators to urge the General Assembly to raise the maximum benefit amount and duration of benefits and

improve monetary eligibility standards for state unemployment insurance.

EXECUTIVE ORDER 118

On March 19, 2020, Governor Roy Cooper signed Executive Order 118 to address rising unemployment in the wake of the COVID-19 crisis. The Executive Order expands unemployment insurance eligibility to include workers who are laid off or have their hours reduced because of COVID-19. Pursuant to this order, DES waived the following requirements relating to state unemployment insurance claims:

- 1. the one-week waiting period normally required following the filing of a claim,**
- 2. the requirement that an individual be able and available for other work in order to receive benefits, and**
- 3. the requirement that an individual actively seek other work in order to receive unemployment insurance.**

Currently, the DES encourages individuals to apply for unemployment insurance through their website at <https://des.nc.gov/>. Individuals may also file claims by calling the Customer Call Center at 888-737-0259. Once a claim is filed, a claimant's last employer has 10 days to respond. Due to the high volume of unemployment claims, it is possible that applicants will experience difficulties reaching the DES. In that case, it is recommended that applicants try using the online application during non-business hours.

FEDERAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

On March 26, 2020, the CARES Act was signed into law. Part of a nearly \$2 trillion economic stimulus package, the Act provides an estimated \$260 billion in expanded unemployment insurance. The CARES Act creates three new unemployment insurance programs, which are all federally funded. North Carolina has entered an agreement with the federal government to receive this funding. Thus, workers can apply for these benefits through the NC DES office as discussed above.

Pandemic Unemployment Compensation (PUC)

provides individuals with \$600 in addition to any state unemployment insurance benefits, including partial unemployment benefits. PUC is a flat amount that must be paid on a weekly basis. PUC assistance is available through July 31, 2020.

Unemployment insurance benefits are taxable income. However, PUC will not be considered as income when determining eligibility for public assistance programs.

Pandemic Emergency Unemployment

Compensation (PEUC) provides an additional 13 weeks of state unemployment insurance benefits. These benefits become available after an individual exhausts their regular state unemployment insurance benefits. The vast majority of states offer 26 weeks of unemployment insurance benefits. North Carolina does not. In order to receive PEUC, claimants must be actively seeking work, but states can be flexible with this requirement in light of COVID-19.

Pandemic Unemployment Assistance (PUA)

provides unemployment insurance for workers typically left out of state unemployment insurance programs, or for those who have exhausted their state unemployment insurance benefits. For example, self-employed workers, independent contractors, freelancers, workers seeking part-time work, and workers who do not have a long enough work history to qualify for state benefits, may be eligible for PUA benefits.

Applicants for PUA benefits must be either partially or fully unemployed, or unable and unavailable to work because:

- 1. they have been diagnosed with COVID-19 or have symptoms and are seeking diagnosis,**
- 2. a member of their household has been diagnosed with COVID-19,**

- 3. they are providing care for a child or household member who can't attend school or work because of COVID-19,**
- 4. they have been quarantined or advised by a medical professional to self-quarantine,**
- 5. they were scheduled to start work and do not have a job because of the COVID-19 outbreak,**
- 6. they had to become the breadwinner for a household because the head of household died as a result of COVID-19,**
- 7. their place of employment is closed as a result of COVID-19, or**
- 8. they meet other criteria as established by the Secretary of Labor.**

PUA claimants will also be eligible to receive the weekly \$600 PUC amount.

Workers are not eligible for PUA if they can telework with pay or are receiving paid sick days or leave. The PUA program expires on December 31, 2020. Because the CARES Act is a federal law, we encourage local unions to reach out to their international offices for further guidance.

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