

LABOR & EMPLOYMENT ADVISORY

Consolidated Appropriations Act, 2021: Key Unemployment Provisions



January 19, 2021

The Continued Assistance for Unemployed Workers Act of 2020 (the Act), a chapter within the Consolidated Appropriations Act, 2021 (CAA), revives and extends most CARES Act unemployment benefits through March 14, 2021. The Act also provides a supplemental \$300 per week in unemployment benefits for an 11-week period, akin to the \$600 per-week benefit that expired in July 2020. The following is summary of the Act's key unemployment provisions, both new and extended.

Pandemic Emergency Unemployment Compensation (PEUC)

Created by the CARES Act, the Pandemic Emergency Unemployment Compensation program originally provided federal funding to the states for an additional 13 weeks of unemployment benefits, beyond the 26 weeks typically provided under state law for employees who are able and available to work and are actively seeking work. The CAA extends the PEUC program through March 14, 2021, while simultaneously increasing the length of the PEUC benefits from 13 weeks to 24 weeks (yielding a maximum total benefit period of 50 weeks). The CAA also provides a transition period through April 5, 2021, for eligible individuals who have not exhausted their full PEUC benefits by March 14, 2021.

Pandemic Unemployment Assistance (PUA)

As established by the CARES Act, the Pandemic Unemployment Assistance program provided up to 39 weeks of unemployment compensation for individuals who were unable to work for COVID-related reasons and who were not otherwise eligible for benefits under state law or PEUC. Although PUA was originally scheduled to end on December 31, 2020, the CAA extends the program through March 14, 2021. As with PEUC, the CAA also increases the maximum duration of benefits from 39 weeks to 50 weeks and provides a transition period through April 5, 2021, for eligible individuals who have not exhausted all 50 weeks by the new March end date. To protect the program's integrity, the CAA enhances the documentation and verification requirements for new PUA applicants.



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Federal Pandemic Unemployment Compensation (FPUC)

The original FPUC program, which expired on July 31, 2020, provided an extra \$600 per week for individuals collecting regular unemployment benefits or who became eligible to do so under PUA. The CAA revives the FPUC program for the period running from December 27, 2020, through March 14, 2021, but provides an extra \$300 per week instead of the previous \$600 per week. Importantly, the FPUC benefit does not apply to any weeks during the gap between July 31, 2020, and December 27, 2020.

Mixed Earner Unemployment Compensation (MEUC) — New

Additionally, the CAA expands FPUC by giving states the option to offer a new Mixed Earner Unemployment Compensation benefit. The MEUC program provides an additional \$100 per week in unemployment benefits for individuals who received at least \$5,000 in self-employment income in the most recent tax year, who are eligible for at least \$1 in state unemployment benefits, and who are not receiving benefits under PUA. As with the FPUC program, these supplemental payments are available for weeks of unemployment between December 27, 2020, and March 14, 2021.

Emergency Unemployment Relief for Government Entities and Nonprofits

The CAA extends the Emergency Unemployment Relief for Government Entities and Nonprofits program through March 14, 2021. This program provides for transfers of funds from the federal government to states for use in providing partial reimbursement to government entities and certain nonprofit organizations that elect to pay unemployment in lieu of making contributions to state unemployment insurance programs.

Short-Time Compensation

Also known as Shared Work or Work Share, this CARES Act program provided reimbursement to states that implemented shared work programs, which provide employees with partial unemployment benefits when an employer reduces employees' hours in lieu of a layoff. The CAA extends financing for this program through March 14, 2021.

Railroad Unemployment Insurance Act Benefits

The CARES Act augmented certain benefits for qualified individuals under the Railroad Unemployment Insurance Act. As with the other programs, the CAA modifies these provisions of the CARES Act to last through March 14, 2021.

Return to Work Reporting Requirement — New

New for 2021, the CAA requires states participating in CARES Act unemployment programs to develop methods for addressing situations in which claimants refuse to return to work or to accept an offer of employment without good cause. States can fulfill this obligation by, among other things, creating a reporting program for employers to notify state agencies whenever someone declines an offer of employment.

Questions

If you have any questions, please contact a member of our [Labor & Employment Group](#).