

Unemployment Compensation

On March 18th President Trump signed the Families First Coronavirus Response Act, which included several important initial provisions related to unemployment compensation (UC):

- Gave states flexibility to waive certain requirements that were impeding eligibility
- Provided \$500 million for support state UC benefits and \$500 million to help administration
- Authorized federally-funded extended UC (beyond the usual 26 weeks)

On March 25th the PA legislature passed H.B. 68 amending state UC law, including the following:

Easing benefit access: Eases eligibility requirements and access to UC for individuals who are separated from employment due to the emergency. This includes waiving the standard one-week waiting period to apply for benefits and ongoing work-search requirements.

Authorizing authority: Authorizes the PA Secretary of Labor & Industry to adopt temporary regulations to ensure Pennsylvania is compliant with federal law and able to receive and distribute federal benefits

Notification: Requires all employers to notify employees at the time of separation of their potential eligibility for benefits and other helpful information.

Relief from Charges: Provides automatic “relief from charges” for employers whose employee’s separation and eligibility for UC is based on the emergency. In other words, these employers will not experience a tax increase, as they otherwise would, if a former employee receives benefits.

Relief for Reimbursable employers: Under current law, some employers like nonprofits and school districts can opt to forgo paying UC taxes and simply reimburse the state for benefits paid to separated employees. Unless they pay an annual fee, these employers are typically not eligible for relief from charges. H.B. 68 allows reimbursable employers who have not paid the fee to receive immediate relief from charges, but requires repayment within a maximum of 180 days. For these employers, there will be no interest for late payments until 2021 and the option of zero-interest payment plans for those who demonstrate financial hardship.

Reports: The Secretary is required to submit monthly reports describing claims processed, approved and denied, benefits paid and any new regulations enacted.

Expiration: These emergency UC measures expire 1/1/2021

Filing for relief: The emergency measures previously outlined were added to an existing bill to extend from 15 to 21 days the amount of time an employer has to file for relief from charges. Though this change is not relevant to the current emergency (since relief is automatic) it will become law once the bill is signed.

On March XX President Trump signed Federal stimulus legislation, which provided significant additional UC expansion, funding and benefits:

Eligibility expansion: Creates a temporary Pandemic Unemployment Assistance program to qualify individuals not traditionally eligible for UC, such as self-employed and independent contractors, who are unable to work as a direct result of the emergency.

Federal funding for claimants: Additional 13 weeks of UC for those who remain unemployed after regular UC expires and additional \$600 per week payment to UC recipients for up to four months.

Federal funding for states: Funding to partially reimburse nonprofits and government agencies; full federal funding for the first week of benefits for states that waive the traditional one-week waiting period; and temporary, limited flexibility for states to hire temporary staff, rehire former staff, or take other steps to quickly process unemployment claims.

Short-time compensation programs: Federal funding to incentivize and support state “short-time compensation” programs in which employers reduce employee hours instead of laying off workers and the employees with reduced hours receive a pro-rated unemployment benefit.

Expiration: These emergency UC measures expire 12/31/2020