

CLIENT ALERT: Unemployment Benefits & the Stimulus Package: What Employers Should Know

The new stimulus package Congress passed on December 21, 2020 included an extension of the temporary federal unemployment assistance **signed into law in March 2020 as part of the CARES Act**. The following is an overview of what employers should know about the stimulus package's unemployment provisions.

- **Unemployment Assistance Extended.** Under the CARES Act passed last March, individuals who were eligible for regular, state unemployment benefits were also eligible for extended federal benefits under the Pandemic Emergency Unemployment Compensation (PEUC) program through December 31, 2020. These federal PEUC benefits now have been extended for another 11 weeks. Congress has increased the total maximum number of weeks for state and federal unemployment benefit eligibility to 50 weeks (from original cap of 39 weeks). Benefits will be available until at least the week ending March 14, 2021, and some claimants may be eligible for benefits through the week ending April 10, 2021 if they have not reached the maximum number of weeks as of March 14. The Pandemic Unemployment Assistance (PUA) program, which provides workers not traditionally covered by state unemployment statutes eligibility for unemployment benefits, also has been extended an additional 11 weeks through March 14, 2021, with the same transition period for potential benefits through the week ending April 10, 2021.
- **Federal Unemployment Supplemental Benefit Extended But Amended.** In addition to the PEUC and PUA updates above, the federal unemployment supplemental benefit also has been extended, but has been reduced to \$300 per week (from the \$600 per week established by the CARES Act). Workers are entitled to this federal unemployment supplemental benefit if they are receiving any unemployment benefits, including those under PEUC or PUA. The Massachusetts Department of Unemployment Assistance (DUA) has begun distributing the additional benefits to claimants (having started during the week ending January 2, 2021), except that it has not yet begun distributing the supplemental benefit to PUA claimants as of this writing.
- **Return To Work Reporting Requirement Mandated.** States are required to establish and effectuate a method to address circumstances in which workers receiving unemployment compensation refuse to return to work or accept an offer of suitable work without good cause. States must also provide notice to workers receiving unemployment benefits about return to work laws and workers' rights to refuse to return to work or to refuse suitable work.
- **Mixed Earner Unemployment Benefit Added.** A Mixed Earner Unemployment Compensation (MEUC) benefit has been added to the PUA. The MEUC provides an additional \$100 per week to individuals who earn their income as both a W-2 wage earner and a self-employed individual (at least \$5,000 in self-employed income). Please note that states may choose whether to implement the MEUC benefit. The DUA has not indicated whether it will implement the MEUC benefit as of this writing.



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The DUA notes that additional updates will be forthcoming as it anticipates further guidance from the Department of Labor on these newly passed provisions. Please note the foregoing is based on information available as of the date of this publication and may be altered or modified by future legislation or government regulations. Employers who have questions regarding unemployment benefits should consult with their MBJ attorney.

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