



## **CARES Act Expands Unemployment Insurance Compensation**

***Note: This article was posted on April 1, 2020 at 11 am PDT. Because the COVID-19 situation is rapidly changing as the federal government and State of California continue to fight this pandemic, individuals and businesses should consult with their counsel for the latest developments and updated guidance on this topic.***

The challenges workers and their families face during the COVID-19 pandemic and resulting economic slowdown has not been lost on Congress. To assist unemployed and furloughed workers while the economy reels from mandated business closures and the uncertainty of the public health crisis, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act” or “Act”). The CARES Act, in part, provides additional financial support to workers for up to 39 weeks between January 27, 2020<sup>1</sup> and December 31, 2020. Importantly, this support supplements rather than replaces unemployment insurance (“UI”) benefits and other aid provided by states.

### **Emergency Increase in Unemployment Compensation Benefits**

Perhaps the most widely publicized addition to UI benefits in the CARES Act is the Federal Pandemic Unemployment Compensation that pays unemployed and furloughed workers \$600 per week for up to 39 weeks on top of state UI benefits. These benefits are available even if the worker has otherwise exhausted state or federal UI benefits. To qualify for Federal Pandemic Unemployment Compensation, a worker need only qualify for his or her state’s UI benefits. Once qualified, the worker’s state will pay the \$600 per week on top of the state’s UI benefits and will do so on the same weekly basis as the state’s benefits. Additionally, the CARES Act specifically bars states from reducing state UI benefits because workers are receiving the additional benefits from the Federal Pandemic Unemployment Compensation. The Federal Pandemic Unemployment Compensation seems to be Congress’s genuine, good faith attempt at providing workers affected by the COVID-19 pandemic support with no strings attached.

However, this does not mean that workers can sit back and collect benefits until the public health emergency is over. Rather, workers must remain cognizant of their states’ requirements. These requirements, for example, often require an individual to continue to apply for jobs and document their efforts. Failure to meet all state UI benefit qualifications could mean losing state UI benefits *and* Federal Pandemic Unemployment Compensation.

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<sup>1</sup> The CARES Act allows for retroactive benefits if a worker qualified for state unemployment benefits after January 27, 2020 but before enactment of the CARES Act.

## Qualifying for California UI Benefits

California has relaxed its requirements to file a claim for UI benefits, including waiving the one-week waiting period ordinarily required for workers. To qualify for benefits, a worker must meet all of the eligibility requirements at the time they file their claim and when they certify for the benefits. These requirements include: the worker must (1) have earned enough wages during the base period to establish a claim; (2) be totally or partially unemployed; (3) be unemployed through no fault of their own;<sup>2</sup> (4) be physically able to work; (5) be available to work; (6) be ready and willing to accept work immediately; and (7) be actively looking for work. Additionally, workers receiving UI benefits are generally required to register on CalJOBS and create an online resume that can be viewed by employers.

However, with respect to requirement (7), California's Employment Development Department ("EDD") is relaxing the actively-looking-for-work requirement in situations such as furloughs. Per the EDD's FAQs: "If you are temporarily out of work and plan to return to the same employer, you do not need to meet the usual requirement of looking for work while you are collecting unemployment benefits. The EDD will inform you if you are not required to look for work each week."

California weekly benefits amounts range from \$40 to \$450 depending on your income while working. Thus, with Federal Pandemic Unemployment Compensation, a worker that qualifies will receive between \$640 and \$1,050 per week. To calculate the amount of UI weekly benefits you are likely to qualify for in California, visit <https://www.edd.ca.gov/unemployment/UI-Calculator.htm>.

If you are a resident of California who has become unemployed, underemployed, or furloughed, you can file an unemployment insurance claim here: [https://www.edd.ca.gov/Unemployment/UI\\_Online.htm](https://www.edd.ca.gov/Unemployment/UI_Online.htm). Additional resources can be found here: [https://www.edd.ca.gov/about\\_edd/coronavirus-2019/faqs.htm](https://www.edd.ca.gov/about_edd/coronavirus-2019/faqs.htm).

The CARES Act and state UI benefits create some income security at a time when the economy and personal finances are seemingly in a state of tumult. With Congress mulling additional support, these benefits may only be the tip of the iceberg. The Maloney Firm is monitoring proposed legislation in Congress and rulemaking by the Department of Labor for updates, specifics, and clarifications and will update this piece accordingly. If you have questions about what UI benefits you qualify for or how to make a claim for the benefits discussed in this article, consult with your counsel.

*For more information regarding this article, call The Maloney Firm at 310.540.1505.*

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<sup>2</sup> There are some exceptions where workers that quit or were fired may still qualify for UI benefits. According to the California Employment Development Department, "If you quit, you must prove good cause for quitting. If you are fired, your employer must prove there was misconduct." Under either of these circumstances, the worker should still file a claim for UI benefits. Then, the Employment Development Department will schedule a phone interview to discuss the worker's circumstances and claim before making a qualification decision.