

## **FEDERAL CARES ACT: Unemployment and Small Business Assistance**

On March 27, Congress passed a \$2 trillion stimulus package, the third in a series of legislative packages responding to the COVID-19 crisis.

The legislation does a number of things, including creating a new federal program called Pandemic Unemployment Assistance (PUA), designed to address the special problems for workers created by the COVID-19 crisis. This fact sheet focuses only on expanded unemployment benefits and small business relief, particularly in New York, New Jersey, Connecticut, and Massachusetts.

### **Pandemic Unemployment Assistance (PUA) -- Expanded Unemployment Program**

#### **What is the expanded Unemployment benefit? How much would I receive?**

The new expanded Federal Unemployment Benefit pays an additional \$600 on top of normal state benefit. It also expands the categories of workers who are eligible to receive benefits.

#### **Who is eligible?**

Most workers who are unemployed (including part-time, self-employed, etc.), or who have had their hours cut, or cannot work due to coronavirus-related reasons, are eligible for benefits. The Federal legislation includes workers who do not have sufficient work history or otherwise would not qualify for regular unemployment or extended benefits, including because they have exhausted their benefits or are not looking for work. Searching for work is not a requirement to receive benefits under this legislation because the government understands that we actually want people to stay at home and “socially distance” during the health crisis to the extent possible.

#### **What are coronavirus-related reasons?**

- If you or a member of your family or household has been diagnosed, are experiencing symptoms, or are seeking a diagnosis.
- If you rely on school, daycare or another facility to care for your child, elderly parent or other household members so you can work – and that facility has been shut down because of coronavirus.
- If you must self-quarantine or unable to get to work because of a quarantine imposed because of the outbreak.
- If your employer closed.
- If the primary breadwinner has died due to coronavirus, the surviving person would be eligible.

**What happens if my hours are cut or I am “partially unemployed”?**

“Partial unemployment” refers to any individual who has had their hours reduced or is employed part-time involuntarily. Some states normally cover “partially employed workers” and others don’t. But the stimulus bill created a “Short Time Compensation” (STC) program that provides pro-rated unemployment benefits to “partially unemployed” workers in states which choose to implement such programs. Workers who have had their hours cut and/or are only working part-time due to any of the above coronavirus related reasons therefore may be eligible for partial unemployment benefits under your state unemployment program and the new Federal program. For more information regarding your specific situation, contact your state unemployment office.

**Who is not eligible?**

Workers who are able to work from home, are receiving paid leave, or paid family leave. Also, new entrants into the workforce who cannot find jobs are also ineligible.

**How long does the benefit last?**

The supplemental \$600 payment would last for up to four months, covering weeks of unemployment until July 31. However, this legislation separately provides workers with an additional 13 weeks of unemployment benefits subsidized by the federal government. This 13-week extension is in addition to the duration of your state benefit for workers who become unemployed between Jan. 27, 2020 and Dec. 31, 2020. It is not yet 100% clear at what rate the 13-week, federally funded, extension of benefits will be paid.

**When would I be paid?**

It typically takes two to three weeks after filing a claim to receive your first benefit check. Some states require a one-week waiting period. The legislation asks states to waive waiting periods for access to unemployment benefits. New York and Massachusetts already have. Neither Connecticut nor New Jersey has waiting periods. Keep in mind, due to the significant increase in unemployment as a result of the COVID-19 crisis, most state unemployment agencies are operating with delays.

**Would the additional \$600 disqualify me from any other programs or aid?**

Potentially. The additional \$600 would count as income when determining eligibility for means-tested programs, except for Medicaid and CHIP.

## **STATE UNEMPLOYMENT INFORMATION**

Your unemployment benefits are calculated based on your exact circumstances and vary by state. The following summaries provide general guidelines. To figure out if you are eligible for benefits, for how long, and what you will be paid, please contact your state's unemployment office directly.

### **How are state unemployment benefits generally calculated?**

Most states determine your weekly unemployment benefit rate by using wages and employment during a period of time called the "base period." To figure out your base period, figure out how much you earned in each of the first four of the five most recent, completed, calendar quarters (3 months = 1 calendar quarter). Take the quarter with the highest-earned amount, and divide it by 26, and that is generally your weekly benefit rate up to a maximum that varies by state.

## **NEW YORK**

### **How many weeks of unemployment does NY offer?**

New York offers a maximum of 26 weeks of unemployment. With the additional 13 weeks authorized by the federal stimulus, an unemployed worker can collect up to 39 total weeks in benefits. New York has waived the initial 7-day waiting period.

### **How much will I be paid?**

In New York, your benefit is based on your average wages and ranges from \$104 to \$504/week. You can use this online calculator to help figure out your estimated weekly benefit: <https://labor.ny.gov/benefit-rate-calculator/>. The new Federal benefit adds \$600 per week to whatever your normal weekly benefit would have been up until the end of July.

## **NEW JERSEY**

### **How many weeks of unemployment does NJ offer?**

New Jersey offers a maximum of 26 weeks of unemployment. With the additional 13 weeks authorized by the federal stimulus package, this brings the total amount of unemployment up to 39 weeks. There is no waiting period for New Jersey.

### **How much will I be paid?**

In New Jersey, the weekly benefit rate is generally 60% of your average weekly wage, up to the maximum benefit amount, which is \$713 in 2020. To calculate your estimated weekly benefit, go to: <https://lwd.state.nj.us/uiapp/Start.html>. The new Federal benefit adds \$600 per week to whatever your normal weekly benefit would have been through the end of July.

## **CONNECTICUT**

### **How many weeks of unemployment does CT offer?**

Connecticut offers a maximum of 26 weeks of unemployment, with the additional 13 weeks, this brings the total amount of unemployment up to 39 weeks. There is no waiting period for Connecticut.

### **How much will I be paid?**

Connecticut offers an unemployment benefit up to a maximum of \$649 per week. The new Federal benefit adds \$600 per week to whatever your normal weekly benefit would have been through the end of July.

## **MASSACHUSETTS**

### **How many weeks of unemployment does MA offer?**

Massachusetts offers a maximum of 30 weeks of unemployment in some cases; with the additional 13 weeks authorized under the federal stimulus bill, this brings the total amount of available unemployment up to 43 weeks. Massachusetts has also waived the initial 7-day waiting period.

### **How much will I be paid?**

In Massachusetts, the weekly benefit amount is generally 50% of your average weekly wage, up to the maximum of \$823 per week. To calculate your estimated weekly benefit, go to <https://www.mass.gov/info-details/how-your-unemployment-benefits-are-determined#unemployment-benefits-determination-calculator-> The new Federal benefit adds \$600 per week to whatever your normal weekly benefit would have been.

## **Federal CARES Act: Help for Small Businesses**

### **What relief is being provided for small businesses?**

This legislation includes \$377 billion in loans for small businesses. Approximately \$28 billion will be dedicated to New York's small businesses for a "Paycheck Protection Program."

### **What is the Paycheck Protection Program?**

This will help small businesses meet their payroll and cover other expenses from February 15, 2020 through June 30, 2020. Small businesses may take out loans up to \$10 million — limited to a formula tied to payroll costs — and can cover employees making up to \$100,000 per year. Loans may be forgiven if a firm uses the loan for payroll or interest payments on mortgages, rent, and utilities. The amount forgiven would be reduced proportionally by any reduction in

the number of employees retained compared to the prior year and a 25 percent or greater reduction in employee compensation.

Payments can be deferred by up to a year, and businesses will be able to apply for forgiveness of the loan (or a portion of it), based on the amount used during the eight weeks following loan approval. Any amount not forgiven would have a maximum interest rate of 4%.

The bill also waives typical SBA loan requirements that credit must be unavailable elsewhere and that the borrower must personally guarantee the amount or provide collateral.

### **Which businesses are covered?**

Businesses with fewer than 500 employees

### **Where can I get a loan?**

The new loans will be available through private financial institutions — i.e., banks, credit unions — that participate in the Small Business Administration's lending network, although the Treasury Department may expand that to include non-network lenders.

If you are a small-business owner hoping to qualify for one of these loans, start by reaching out to your bank.