



Education in Personal Money Management

Coronavirus – Covid-19: Stimulus for Unemployment

Recipients of the expanded program: The plan covers far more workers than are usually eligible for unemployment benefits, and now includes: the unemployed, part-time workers, self-employed people like gig workers, freelancers and independent contractors and those who cannot work for a wide variety of coronavirus-related reasons.

Other eligible recipients:

- Part-time workers who lost their job because of a coronavirus reason where their state doesn't cover part-time workers are still eligible. But the benefit amount and length of time benefits will last depend on their state. They are also eligible for the additional \$600 weekly benefit.
- For those who have Covid-19, or who need to care for a family member who has it, or if a person received a diagnosis, is experiencing symptoms or is seeking a diagnosis — and is unemployed, partly unemployed or cannot work as a result, coverage will be available.
- For those who have been advised by a health care provider to be quarantined because of exposure to coronavirus or has broader orders to stay home, they will be covered. The legislation also says that individuals who are unable to get to work because of a quarantine imposed as a result of the outbreak are eligible.
- If people were about to start a new job and now can't get there because of an outbreak, they will be eligible for benefits. They will also be covered if they were immediately laid off from a new job and did not have enough work history to qualify for benefits under normal circumstances.
- If people must quit because their child's day care closed and they are the primary caregiver, they would be covered.
- If the employer shuts down the workplace because of coronavirus and you are unemployed, partly unemployed or unable to work because your employer closed, you are covered under the bill.
- If the breadwinner of the household has died as a result of coronavirus and someone has relied on that person for income, and is not working, that person will be covered.
- If a child's school or day care shut down because of the coronavirus and you rely on a school, a day care or another facility to care for a child, elderly parent or another household member so that you can work, then you are eligible.

Those not eligible for the plan:

- People who quit their job because they fear that continuing to work puts them at risk of getting coronavirus will not be covered.
- Workers who can work from home, and those receiving paid sick leave or paid family leave are not covered.
- New entrants to the work force who cannot find jobs are also ineligible.

The amount for most: depends on your state. Benefits will be expanded to replace the average worker's paycheck. The average worker earns about \$1,000 a week, and the usual unemployment benefits often replace roughly 40 to 45 percent of that. The expansion will pay an extra amount to fill the difference.

Under the plan, eligible workers will get an extra \$600 per week from the Federal Stimulus on top of their state benefit. But some states are more generous than others. The maximum weekly benefit in Alabama is \$275, but it's \$450 in California and \$713 in New Jersey.

If a worker was making \$1,100 per week in New York; that person would be eligible for the maximum state unemployment benefit of \$504 per week. Under the new expansion, the person gets an additional \$600 of federal pandemic unemployment compensation, for a total of \$1,104, essentially replacing the original paycheck.

States have the option of providing the entire amount in one payment or sending the extra portion separately. But it must all be done on the same weekly basis.

The amount for self-employed: Benefit amounts will be calculated based on previous income, using a formula from the Disaster Unemployment Assistance program. Self-employed workers will also be eligible for the additional \$600 weekly benefit provided by the federal government.

Length of the payments: Many states currently provide 26 weeks of benefits, though some have trimmed that back while others provide a sliding scale tied to unemployment levels.

The bill provides all eligible workers with an additional 13 weeks. So participants in states with 26 weeks would be eligible for a total of 39 weeks. The total amount cannot exceed 39 weeks, but it may be shorter in certain states. The extra \$600 payment will last for up to four months, covering weeks of unemployment ending July 31.

Coverage would be available to workers who were newly eligible for unemployment benefits for weeks starting on Jan. 27, 2020 through Dec. 31, 2020.

Already receiving unemployment benefits: If you're already receiving unemployment benefits for reasons unrelated to the coronavirus, your state-level benefits will still be extended by 13 weeks. You will also receive the extra \$600 weekly benefit from the federal government.

Unemployment recently ran out: If you've exhausted your benefits, eligible workers can generally reapply. But how much you get and for how long depends on the state where you worked. Everyone gets at least another 13 weeks, along with the extra \$600 payment through July 31.

File soon if eligible: Make sure you file as quickly as you can if you are eligible. The states are swamped with applications, so you want to get yours in so that it is in line for processing. Your state may be able to give you a time frame for when you will start receiving the money but then again, they might not even know.

This recap is only meant to be a summary. More information will come out as time goes on and we will try to keep you updated.

Source: Many sources and Financial Awareness Institute