

CARES Act Expands Unemployment Benefits

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As part of the CARES Act, Congress broadly expanded unemployment compensation benefits and allocated substantial federal funds to support state-based Short-Time Compensation (STC) or “work sharing” compensation programs which allow employers to make an agreement with state Unemployment Compensation offices to reduce hours, instead of laying employees off, and then have workers receive partial unemployment compensation benefits for their lost hours in addition to the pay they receive from their employers. The CARES Act also provides nonprofits and government agencies with reimbursement for 50% of the costs they incur (reimbursement) related to unemployment.

The CARES Act provides benefits above and beyond those provided under state unemployment compensation laws. Subject to agreements entered into between states and the federal government, generally, individuals who are unemployed or unable to work due to COVID-19 will be eligible to receive $600 per week in federal assistance in addition to the weekly compensation calculated under state unemployment compensation laws. However, these programs do not benefit those who can work from home with pay or who are receiving sick leave or paid leave benefits.

Click here for a summary of these new benefits in Provisions Related to Unemployment Compensation in the Senate-passed CARES Act.

This article is general in nature and does not constitute legal advice. We encourage you to seek legal advice for the application of these new laws to your specific situation. Please note that legal requirements are changing on a daily basis. Therefore, readers are encourage to refer to our firm **COVID-19 Resources page** and applicable government web sites. Readers with legal questions should consult the authors, (JVering@sb-kc.com), John Neyens (JNeyens@sb-kc.com), Mark Opara (MOpara@sb-kc.com)or any other shareholders in Seigfreid Bingham’s Employment Law Group, including: Brenda Hamilton, Shannon Johnson, Chris Tillery, or your regular contact at Seigfreid Bingham at 816-421-4460.