



JANUARY 2021 UPDATE UNEMPLOYMENT COMPENSATION

Under the CARES Act enacted in March 2020, Congress broadened the safety net for the unemployed. Historically, states operated unemployment compensation programs that typically excluded the self-employed, independent contractors and others who hadn't worked sufficient time to qualify for benefits. Given the COVID-19 pandemic, Congress created new support to ensure that as many individuals as possible who were out of work would receive unemployment benefits.

In addition, because states historically set very low benefits for unemployment compensation (to provide an incentive for individuals to look for work), with community spread of COVID-19, Congress provided supplemental unemployment benefits (in addition to basic minimum payments) to ensure that during the pandemic, individuals would be able to pay their bills, provide food for their families and otherwise get by during a national health emergency.

Most of the unemployment support under the CARES Act enacted in March expired at the end of December 2020. Some benefits expired sooner. The FY2021 Consolidated Appropriations & COVID Relief Act enacted in December 2020 (P.L. 116-260) extended the CARES Act unemployment provisions for several months. Benefit extensions are explained below.

PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)

PUA offers minimum weekly benefits for the self-employed, gig workers, independent contractors and others who typically were excluded from state unemployment compensation programs. PUA expired at the end of December 2020. The new law extends PUA through March 14, 2021. There is a gradual phase-out of benefits through April 5, 2021 (unless extended by Congress).



PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION (PEUC)

PEUC offers minimum weekly benefits for individuals who exhaust state or federal unemployment compensation provided an additional 13 weeks of unemployment compensation through December 2020. The new law extends PEUC from 13 to 24 weeks through March 14, 2021, with a phase-out by April 5, 2021 (unless extended by Congress).

FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION (FPUC)

FPUC offers minimum weekly supplements to basic unemployment compensation (state and federal) of \$600 per week through July 31, 2020. The new law restores the expired supplement at \$300 per week through March 14, 2021 (unless extended by Congress).

ADDITIONAL FEDERAL FUNDING TO SUPPORT UNEMPLOYMENT FOR GOVERNMENT AND NONPROFIT EMPLOYEES

Under the CARES Act, employers that used “reimbursable arrangements” (e.g., they reimbursed state unemployment agencies for unemployment compensation paid on behalf of their employees) were allowed to pay 50% of the cost of benefits instead of 100%. The federal government paid the other 50%. This cost-sharing arrangement expired at the end of December 2020. The new law extends this federal cost-sharing through March 14, 2021.

State labor agencies administer both the state and federal unemployment compensation.

Currently, the maximum base unemployment benefit amount in North Carolina is \$350 a week for 12 weeks (actual payments will vary). Prior to the COVID-19 public health pandemic, many states, including North Carolina, had a “waiting week” that delayed the first payment of unemployment compensation to eligible individuals. Under the CARES Act, the federal government paid 100% of benefits for the first week as an incentive for states to eliminate “the waiting week.” The new law extends federal assistance through March 14, 2021, at 50% to help offset the cost to states. How North Carolina will utilize this support is yet to be determined.





FILE FOR UNEMPLOYMENT

To file for unemployment in North Carolina, go online to the application [here](#) or call the Division of Employment Security (DES) Customer Call Center at **888-737-0259**. There may be a long wait time due to the number of calls made to the call center.

DES has a list of frequently asked questions and information related to COVID-19 [here](#).

FOR MORE INFORMATION

- [SBA Paycheck Protection Program application](#)
- [SBA Economic Injury Disaster Loan \(EIDL\) application](#)
- [North Carolina Department of Commerce, Division of Employment Security application](#)
- [North Carolina Department of Commerce Unemployment Frequently Asked Questions](#)
- Contact the [Small Business Development Centers](#) located in North Carolina
- Contact the [Women's Business Centers](#) in North Carolina

SOURCES

- [The FY2021 Consolidated Appropriations and COVID-19 Emergency Relief Act](#) (December 27, 2021, P.L. 116-260).
- [The Coronavirus Aid, Relief, and Economic Security \(The CARES\) Act](#) (March 27, 2020, P.L. 116-136).
- Bipartisan Policy Center. [U.S. Small Business Administration Support, the Coronavirus Aid, Relief, and Economic Security Act](#), March 26, 2020.
- Committee for Economic Development. [Federal Paycheck Protection Program \(PPP\) Re-Opened; Unemployment Compensation Update](#), January 5, 2021.

THANK YOU TO OUR CHILD CARE WORKFORCE FOR YOUR INCREDIBLE DEDICATION AND PASSION DURING THE TIME OF COVID-19. WE WISH YOU ALL SAFETY AND GOOD HEALTH.



**CHILD CARE SERVICES
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