Federal Unemployment Funding for COVID-19 Response Through October 2021

Report No. 2021-132

December 2021
Federal Unemployment Funding for COVID-19 Response
Through October 2021
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Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to summarize the unemployment benefits and relief received by Missouri citizens, government entities, and nonprofit organizations related to the Coronavirus Disease 2019 (COVID-19) emergency from declaration of the emergency through October 2021.

In March 2020, Congress passed several legislative measures signed into law to provide assistance to citizens becoming unemployed due to the COVID-19 emergency. In August 2020, following expiration of a significant program in the initial legislation, the President issued an executive memorandum for a new short-term program. In December 2020, Congress passed another legislative measure signed into law extending provisions set to expire that month and establishing new or modified unemployment assistance programs. In March 2021, Congress passed another legislative measure signed into law extending provisions set to expire that month and establishing new or modified unemployment assistance programs. The unemployment assistance funding is processed through the state's Unemployment Insurance Trust Fund at the Department of Labor and Industrial Relations.

Through October 31, 2021, more than 740,000 Missouri citizens have received assistance totaling approximately $5.37 billion from at least one of the unemployment benefit programs. Also, through that date, approximately 1,700 government entities and nonprofit organizations have received $30.2 million in emergency unemployment relief. Missouri ended participation in all pandemic-related unemployment benefits effective June 12, 2021.

Nicole R. Galloway, CPA
State Auditor
Federal Unemployment Funding for COVID-19 Response
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Missouri citizens have received unemployment assistance under the following federal laws enacted or executive action taken in March, August, and December 2020 and March 2021:

- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019
- Consolidated Appropriations Act, 2021 (Public Law 116-260; H.R. 133)
- American Rescue Plan (ARP) Act of 2021 (Public Law 117-2; H.R.1319)

The Families First Coronavirus Response Act included the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA).¹ That act provided, among other things, (1) emergency administrative grants to states; (2) emergency flexibilities to states related to temporarily modifying certain aspects of their unemployment compensation laws; (3) a short-term waiver of interest payments due and interest accrual on Title XII advances to states; and (4) full federal funding, under certain circumstances, of extended benefits (EB) paid through December 31, 2020. The EUISAA also required the U.S. Department of Labor to provide technical assistance and guidance to assist states in establishing, implementing, and improving employer awareness of the Short-Time Compensation (STC) program, also known as Shared Work or Work Share. The Consolidated Appropriations Act extended certain EUISAA provisions and STC program benefits to March 14, 2021. The ARP Act extended that date to September 6, 2021.

The CARES Act authorized the following provisions with changes and extensions authorized by the Continued Assistance Act (part of the Consolidated Appropriations Act) and the ARP Act:²

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| Pandemic Unemployment Assistance | The CARES Act authorized the Pandemic Unemployment Assistance (PUA) program, which provides up to 39 weeks of benefits and was available starting with weeks of unemployment beginning on or after January 27, 2020, and ending on or before December 31, 2020.

The program covered individuals who were self-employed, seeking part-time employment, or whom otherwise would not qualify for regular unemployment compensation (UC) or EB under state or federal law or Pandemic Emergency Unemployment Compensation (PEUC). Coverage also included individuals who had exhausted all rights to regular UC or EB under state or federal law, or PEUC.

The Continued Assistance Act extended the end of the period of applicability for the program, without interruption, to weeks of unemployment ending on or before March 14, 2021. The act increased the maximum number of weeks of PUA benefits from 39 weeks to 50 weeks. The number of weeks available continued to be reduced by any weeks of regular UC and EB that the individual receives with respect to the pandemic assistance period. Individuals could only collect these additional 11 weeks of benefits with respect to weeks of unemployment beginning on or after December 27, 2020.

The ARP Act extended the end of the period of applicability for the program, without interruption, to weeks of unemployment ending on or before September 6, 2021. The maximum number of weeks of PUA benefits increased from 50 weeks to 79 weeks. The number of weeks available continued to be reduced by any weeks of regular UC and EB that the individual received with respect to the pandemic assistance period. Generally, an individual must have exhausted all entitlement to regular UC, PEUC, and EB before being eligible for PUA. However, the ARP Act provided a "hold harmless" provision for an individual who previously exhausted PEUC and was receiving PUA, but, because of Section 9016(b), the ARP Act, became eligible for additional amounts of PEUC beginning on or after March 11, 2021. States could temporarily continue paying PUA to an individual currently receiving PUA who was newly eligible to receive PEUC due to the additional weeks of PEUC.

States had to continue to take new applications for PUA for 30 days after the date of termination or expiration (whichever came first) of the program. The state would backdate such claims, as appropriate, to the first week during the pandemic assistance period the applicant was eligible for benefits. |

| Pandemic Emergency Unemployment Compensation | The CARES Act authorized the Pandemic Emergency Unemployment Compensation program, which provided up to 13 weeks of benefits and was available for weeks of unemployment beginning after the date on which the state entered into an agreement with the U.S. Department of Labor and ending with weeks of unemployment ending on or before December 31, 2020. |
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This program covered individuals who: had exhausted all rights to regular UC under state or federal law; had no rights to regular UC under any other state or federal law; were not receiving compensation under the UC laws of Canada; and were able to work, available for work, and actively seeking work. However, states had to offer flexibility in meeting the "actively seeking work" requirement if individuals were unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

Among the requirements of this program was a non-reduction rule, which prohibited states from changing the computation method governing regular UC law in a way that resulted in the reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).

The Continued Assistance Act extended the end of the period of applicability for the PEUC program, without interruption, to weeks of unemployment ending on or before March 14, 2021. Individuals receiving PEUC as of the end of the program could continue to collect PEUC if they had remaining entitlement and were otherwise eligible to receive these benefits. However, no PEUC was payable for any week beginning after April 5, 2021. The maximum amount of PEUC benefits increases from 13 times the individual's average weekly benefit amount (WBA) to 24 times the individual's average WBA. Individuals could only collect the additional amount, 11 times their average WBA, with respect to weeks of unemployment beginning on or after December 27, 2020.

The ARP Act extended the end of the period of applicability for the PEUC program, without interruption, to weeks of unemployment ending on or before September 6, 2021. The maximum amount of PEUC compensation that could be established in an individual's account for the benefit year increased from 24 times the individual's average WBA to 53 times the individual's average WBA. No amount of benefits was payable by virtue of the amendments made by the ARP Act with respect to any week of unemployment ending on or before March 14, 2021.

If a state's UC law provided for claims to be backdated, the state had to continue to take new applications for PEUC as provided under state law for late filing of claims after the date of termination or expiration (whichever came first) of the program.

The CARES Act authorized the Federal Pandemic Unemployment Compensation (FPUC) program, which provided an additional $600 per week to individuals who were collecting regular UC (including Unemployment Compensation for Federal Employees and Unemployment Compensation for Ex-Servicemembers), PEUC, PUA, EB, STC, Trade Readjustment Allowances, Disaster Unemployment Assistance, and payments under the
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Self Employment Assistance program. The program was available for weeks of unemployment beginning after the date on which the state entered into an agreement with the U.S. Department of Labor and ending with weeks of unemployment ending on or before July 31, 2020.

The Continued Assistance Act reauthorized the FPUC program and modified it to provide $300 per week in supplemental benefits for weeks of unemployment beginning after December 26, 2020, and ending on or before March 14, 2021. FPUC was not payable with respect to any week during the gap in applicability, that is, weeks of unemployment ending after July 31, 2020, through weeks of unemployment ending on or before December 26, 2020. The ARP Act extended the program at the same weekly benefit level through the week ending on or before September 6, 2021.

Individuals did not have to submit an application to receive FPUC benefits. If an individual was eligible to receive payment under a qualifying program, the state had to pay FPUC with respect to weeks of unemployment ending on or before the date of termination or expiration (whichever came first) of the program.

Mixed Earners Unemployment Compensation

The Continued Assistance Act authorized the Mixed Earners Unemployment Compensation (MEUC) program for states that elected to participate. The program provided $100 each week, in addition to FPUC, to individuals with $5,000 or more in self-employment income in the previous tax year who were receiving unemployment benefits from a program other than PUA. MEUC was payable beginning with weeks of unemployment no earlier than week ending January 2, 2021, through the week of unemployment ending on or before March 14, 2021. The ARP Act extended that date to September 6, 2021.

If a state's UC law provided for claims to be backdated, the state had to continue to take new applications for MEUC as provided under state law for late filing of claims after the date of termination or expiration (whichever came first) of the program.

Emergency Unemployment Relief for Governmental Entities and Non-profit Organizations

The CARES Act provided for transfers to a state's account in the unemployment trust fund from the Federal Unemployment Account to provide partial reimbursements (generally 50 percent of the amount of payments in lieu of contributions) to state and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes for weeks of unemployment between March 13, 2020, and December 31, 2020. These partial reimbursements applied to all payments made during this time period, even if the unemployed individual was not unemployed as a result of COVID-19.
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The Continued Assistance Act extended the relief to weeks of unemployment ending on or before March 14, 2021. The ARP Act extended that date to September 6, 2021. With that extension, the amount of emergency relief for weeks of unemployment beginning after March 31, 2021, increased from 50 percent of compensation paid to 75 percent.

Waiting Week
Under the CARES Act, states that provided compensation to individuals for their first week of unemployment (i.e., states that did not require a waiting week) and that entered into an agreement with the U.S. Department of Labor could receive 100 percent federal funding for the total amount of regular UC paid to individuals for their first week of regular UC. This funding was available for weeks of unemployment beginning after the date on which the state entered into the agreement and ended with weeks of unemployment ending on or before December 31, 2020.

The Continued Assistance Act extended this benefit through weeks of unemployment ending on or before March 14, 2021. The amount of federal funding for reimbursement under this provision decreased from 100 percent to 50 percent for weeks of unemployment ending after December 31, 2020.

The ARP Act extended this benefit through weeks of unemployment ending on or before September 6, 2021. The act also retroactively re-established the amount of federal funding for reimbursement at 100 percent for weeks of unemployment ending after December 31, 2020.

Other Needs Assistance Program
Through a Federal Emergency Management Agency (FEMA) administered grant for lost wages assistance from the Disaster Relief Fund, a state could provide eligible recipients a $400 payment per week, which would reflect a $300 federal contribution, to eligible claimants from the week of unemployment ending August 1, 2020. The state was responsible for $100 of the weekly benefit. The President issued the memorandum on August 8, 2020.

This program was available until the Disaster Relief Fund balance reached $25 billion or for weeks of unemployment ending not later than December 6, 2020, whichever occurred first, at which time the lost wages assistance program would terminate. In Missouri, this program ended in early September 2020. The program allowed states 90 days following the period of assistance for a period of performance to resolve outstanding program issues. Missouri received 6-month extensions for this work in March and August 2020.

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2021. The second extension expires March 27, 2022. The closeout and liquidation period for the grant is extended to June 27, 2022.

Assistance Provided Through October 2021

Through October 31, 2021, more than 740,000 Missouri citizens have received assistance totaling approximately $5.37 billion from at least one of these programs. Also, through that date approximately 1,700 government entities and nonprofit organizations have received $30.2 million in emergency unemployment relief. Missouri ended participation in all pandemic-related unemployment benefits effective June 12, 2021. The state is required to process and pay benefits under the PUA, FPUC, PEUC, and MEUC programs for all weeks of unemployment ending on or before June 12, 2021, and comply with all responsibilities with respect to claims filed under these programs for those weeks, and processing claims with respect to those weeks that are filed after the state terminates participation in the programs.
Appendix

Federal Unemployment Funding for COVID-19 Response
Benefits and Employer Refunds or Credits
Through October 31, 2021

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Benefits/Employer Refunds or Credits Through October 31, 2021</th>
<th>Number of Citizens Impacted</th>
<th>Start Date(^2)</th>
<th>End Date(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pandemic Unemployment Assistance</td>
<td>530,115,366</td>
<td>145,235</td>
<td>1/27/2020</td>
<td>6/12/2021</td>
</tr>
<tr>
<td>Temporary Federal Funding of the Waiting Week</td>
<td>45,413,982</td>
<td>339,604</td>
<td>3/28/2020</td>
<td>6/12/2021</td>
</tr>
<tr>
<td>Federal Funding of Extended Benefits</td>
<td>12,982,963</td>
<td>8,459</td>
<td>5/31/2020</td>
<td>6/12/2021</td>
</tr>
<tr>
<td>Mixed Earners Unemployment Compensation</td>
<td>1,230,062</td>
<td>892</td>
<td>12/27/2020</td>
<td>6/12/2021</td>
</tr>
<tr>
<td>Lost Wage Assistance(^3)</td>
<td>301,197,535</td>
<td>214,909</td>
<td>7/26/2020</td>
<td>6/27/2022</td>
</tr>
<tr>
<td>Total Benefits Programs</td>
<td>$5,365,858,908</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emergency Relief for Government Entities and Nonprofit Organizations(^4)</th>
<th>30,207,154</th>
<th>1,709</th>
<th>3/13/2020</th>
<th>6/12/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total all Programs</td>
<td>$5,396,066,062</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Benefits paid are reported on a cash basis, net of cancellations and recoupment of any overpayments.

\(^2\) The start and end dates for benefit programs refer to the week of unemployment that is reported by the claimant after the week is over. If a claim is under review because of an issue, the payment for the week will be delayed until the issue is resolved. Issues may include reason for termination, other wages received, availability for work, etc. Missouri ended participation in all pandemic-related unemployment benefits effective June 12, 2021.

\(^3\) The state's portion of this program is not included in the total.

\(^4\) The total presented is through December 31, 2020. Beginning in 2021, the process of handling this benefit changed. The information for 2021 was not readily available.

Source: Missouri Department of Labor and Industrial Relations