

Summary of Pandemic Unemployment Assistance (PUA) rules as of April 2021

General provisions

What PUA is: Pandemic Unemployment Assistance (PUA), a benefit program launched during the COVID-19 pandemic, provides federally funded payments to part-time workers, self-employed and gig workers, people without the 680 hours of work in the claimant's base year that Washington requires, and others who have a COVID-19-related reason for being unemployed or partially unemployed. (See Eligibility Checker attached for specific reasons under which claimants are eligible.)

How to qualify: To qualify for PUA benefits, claimants must be denied regular unemployment benefits and must be unemployed, partially unemployed, or unable or unavailable to work because of certain health or economic consequences of the COVID-19 pandemic. (See Eligibility Checker attached)

Who is covered: PUA generally includes self-employed persons (e.g. independent contractors, freelancers, or gig economy workers) who received 1099 income rather than W-2 income and part-time workers if they have a COVID-19-related reason for being out of work or partially out of work.

When benefits are available: PUA benefits are available retroactively starting with weeks of unemployment beginning on or after January 27, 2020, if a PUA claim was filed before December 27, 2020. All benefits will end by September 5, 2021, even if claimants have a claim balance remaining.

Number of weeks available: Starting March 14, 2021, the PUA program was extended by another 29 weeks under the American Rescue Plan. The total number of covered weeks in the PUA program is now 79. Weeks of PUA would be reduced by any weeks of regular UI and EB that the individual receives during the coverage period.

Amount of benefit: The minimum PUA payment is still 50% of a state's average weekly benefit amount (\$235) and the maximum PUA is limited to the state's maximum weekly benefit amount (WBA) (\$844).

Order of entitlement Those who had regular W2-wage jobs can technically qualify for the PUA program, but would need to first use up their allocation of regular state unemployment, extended benefits, and enhanced unemployment benefits under the PEUC program. New applicants or those whose PUA claims have been exhausted prior to or including the week ending December 26, 2020, may need to reapply or reactivate their claim if they are unemployed, partially unemployed, or unable or unavailable to work after December 27, 2020 because of COVID-19

Receiving extended weeks: Claimants whose PUA benefits expired on or before March 14, 2021 will have to reapply or submit a new claim to receive the extended weeks of PUA. Claimants with weeks remaining on their claim March 14 should not need to file a new claim.

FPUC Add-on The \$300 per week supplemental FPUC (federal Pandemic Unemployment Compensation) benefit continues to be added on to UI, PEUC or PUA benefits up to September 4, 2021.

Notification requirement: ESD is required to notify claimants if they qualify for the new extension from the American Rescue Plan and explain how to reopen or refile their claim to enable them to certify to get their UI payments, including the \$300 FPUC weekly payment.

Applying for PUA

Application through portal: Claimants apply for PUA through their eServices account at esd.wa.gov.

Weekly certification of availability: Claimants must certify eligibility for PUA benefits weekly. As with all unemployment benefits, claimants must be able and available to accept suitable work; however, the requirement to search for jobs during this public health emergency has been suspended in Washington until September 2021 unless restored earlier by the legislature.

Retroactive FPUC add-on: If a claimant was eligible for PUA in a given week that retroactive benefits are payable, they will get the relevant payment amount for the supplementary FPUC benefit (\$600 in up to July 31, 2020, or \$300 in 2021) available for that time. However, the Lost Wages Assistance supplement paid temporarily in August and September 2020 is not available retroactively.

Documentation of wages/income: If claimants have a hard time officially proving their wages during the applicable 2019-20 wage based period, their weekly benefit amount will be reduced to whichever amount is higher: the benefit based on the record of wages already on file or the minimum PUA weekly benefit amount for the state.

Backdated FPUC: Backdated payments also include the \$300 FPUC payment for weeks a claimant was eligible for PUA.

State of filing Claimants should generally file their claim in the state where they worked or received income, or their state of primary residence if income has come from several states. Claimants who moved states will need to reapply in that state for PUA, based on the state's process, which varies. When they file a claim, the state will request certain information, such as addresses/location and dates of the former employment, in order to make a determination of a claimant's partial benefit.

Prior benefit offset: If a claimant had received UI or EB benefits and then applies for PUA, any week of regular UC benefits or any week of state extended benefits (EB) collected since February 2, 2020 will be deducted from the weeks of PUA they are eligible for.

Tax withholding PUA is considered taxable income and claimants may elect to have 10% withholding taxes deducted from their payments. Claimants will receive Form 1099-G from the state UI agency to file with their 2020 income taxes in 2021.

Child support deduction: Child support obligations will be deducted from PUA, as they would with regular state unemployment. Up to 50% of each weekly PUA benefits may be deducted to repay an overpayment from a prior claim, owed to the state.

Denials and Delays

Program eligibility Some PUA claims processed by ESD are denied or rejected because the claimant is eligible for regular state unemployment insurance rather than federally funded PUA.

IT problems Other reasons PUA claims are being denied are due to ongoing “glitches” in unemployment filing systems/websites that have required various updates to support the new PUA provisions.

Document verification Fraud checks or additional document verification where many UI applications are being flagged have also been cited as a big reason for PUA delays/rejections, especially common for self-employed workers or contractors.

Potential fraud flags: UI application processing and payment delays can occur if a claimant is flagged for fraud, if multiple people are using the same address for UI, PUA, EB, etc., or if the claimant relocated.

PEUC and EB: The federally supported Pandemic Emergency Unemployment Compensation (PEUC) and Extended Benefits (EB) programs are different from the PUA program (they are extensions of regular UI benefits) and claimants cannot continue in the PEUC or EB programs if they are deemed eligible for PUA.

Overpayment waiver: If an overpayment of PUA to a claimant occurs, the claimant may apply for a waiver of the a PUA overpayment if there is financial hardship.

Identity and employment verification

Validation requirement: States must implement procedures to validate the identity of claimants and to ensure timely payments. These documentation requirements have been the underlying cause of significant delays for people to claim or continue getting PUA benefits under the extended coverage period.

Window for providing documentation: New PUA applicants have 21 days to submit documentation substantiating their employment, self-employment, or planned commencement of employment/self-employment. Claimants already receiving PUA benefits (continuing claimants) must provide documentation within 90 days.

Employer reporting: Employers may report instances to local state UI agencies in which a former employee refuses to return to work or refuses to accept an offer of suitable work without good cause (which renders the individual ineligible for unemployment benefits).

Continuing to file claims: The average unemployment claim is approved with no issues and benefits become available 1-3 weeks after a claimant applies. Other claims require more research to reach a decision on whether the claimant will receive benefits and may take longer. While waiting for resolution, claimants should continue to file weekly claims as it is difficult to back-date claims later.

Mixed Earner coverage

MEUC: Mixed Earner Unemployment Compensation is a new federally funded provision that addresses gaps with some of the original PUA rules for those who received a mix of self-employment and wage income.

Mixed-Earner Eligibility: Claimants who received at least \$5,000 a year in self-employment income during 2019 now will receive an additional \$100 weekly benefit in addition to the benefit amounts they otherwise would be entitled to receive from regular state unemployment, including the \$300 FPUC weekly benefit.

Source of MEUC Provisions: Previously, those claimants were not eligible for PUA benefits if they received some regular state unemployment benefits for traditional employment, and regular state UI benefits did not consider self-employment in calculating benefit amounts.

Backdating

Backdating restriction: A new limitation on backdating means that initial or new applications for PUA after December 27, 2020 may not be backdated earlier than December 6, 2020.

Backdating availability: PUA applications filed before December 27, 2020 are able to be backdated to the date the claimant became eligible for PUA.

Multi-state claimants

Multi-state claimant filing: For workers with multiple states in their base year, a self-employed claimant must file with the state where they were working when they became unemployed, partially unemployed, or unable or unavailable to work because of an approved COVID-19 related reason. If a claimant worked in more than one state at this time, the claimant may file in any of those states.