

Society of St. Vincent de Paul District Council of Attleboro

Practical Guidance for Vincentians: Unemployment Assistance Arising from COVID-19 Circumstances

Last Revised: April 27, 2020

Neighbors whose current need for assistance is linked in any way, **direct or remote**, to loss of income from COVID-19 fallout should be strongly encouraged to apply for Unemployment Insurance through the Massachusetts Department of Unemployment Assistance. The Web Portal to process such claims is now open (*see page 5 for hyperlinks*), though Neighbors trying to access it will almost certainly need to be persistent because of the overwhelming number of such claims being filed.

In counseling Neighbors, **these seven (7) things are critical**:

1. **Those who previously were not eligible** for unemployment assistance due to the nature of their income-producing work – namely, those who are independent contractors, individual entrepreneurs such as a small business owners, “gig” economy workers, free-lancers, etc. – **are now likely eligible and entitled to benefits**. This is true even if such individuals have had only reductions in their normal earnings.

This is the first such departure from past practice. Past rejections because an individual did not receive a regular paycheck from a company or business no longer matter.

2. Even those working part-time or whose hours have been reduced due to COVID-19 ramifications should apply for Unemployment Insurance.
3. Unemployment assistance is available in certain circumstances **even if the Neighbor has never worked!** [Details below.](#)
4. Delays in being able to file immediately due to the inability to access the Massachusetts Department of Unemployment Assistance website will not reduce the benefit. Once a claim is approved, benefits are retroactive to the date when the loss of income due to COVID-19 related conditions started.
5. Government decisions about eligibility for pandemic related unemployment insurance benefits will be construed liberally in favor of the claimant. [Later in this Advisory the qualifying reasons are listed.](#) They are broad. A Neighbor in need should refrain from applying **only** if the Neighbor is very certain that the loss of income cannot be tied to COVID-19. **If there is any doubt, APPLY.**
6. **Benefits are substantial**, even for an independent contractor or a gig worker. The **minimum** weekly benefit for the period between the last week of April and the last week of July is \$600, or \$2,400 a month, even for a Neighbor who may be still be working but on a reduced basis. This applies to both regular employees and those not previously eligible for unemployment insurance like gig workers or independent contractors.
7. **It is distinctly possible, if not likely, that Neighbors receiving unemployment assistance due to COVID-19 will receive significantly more money for a period of time than they did while working.** This is intentional and intended not only to help the vulnerable, but to keep the economy stable.

However, Vincentian Neighbors counseling and mentoring Neighbors in need should caution against treating this significant new source of income as a “windfall.” It should be used to continue to pay monthly rent, for instance, even though evictions cannot occur. Otherwise, “balloon” payments of accumulated missed rent payments will be due when the State of Emergency Order ends. These special, time-limited unemployment insurance benefits should also be used to meet other basic expenses or critical needs. Neighbors in need should be encouraged to budget the special \$600 weekly payment (or \$10,200 maximum for 17 weeks).

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Helping a Neighbor Understand Benefit Amounts

There are two main parts: **Amount** and **Duration**. Duration is easy – benefits, except for the \$600 weekly supplement, are available for 39 weeks.

Amount

The amount will be determined in one of two basic ways, **plus a Supplement in both cases:**

Case A: This is the traditional, customary route for Massachusetts Unemployment Insurance assistance.

If the Neighbor's unemployment arises out of work situation in which the Neighbor is an "employee" in the traditional, classic sense (i.e., receives a paycheck from the employer from which taxes are deducted; receives a W-2 from his employer, not a 1099, at year's end), then the benefit level will be based on the existing State unemployment formula.

Generally, that formula provides unemployment assistance at 50% of the Neighbor's average weekly wage over a base period. The current Massachusetts maximum benefit is \$823 per week. In addition, there is a \$25 weekly benefit for each dependent child,¹ subject to certain limitations. There is no benefit allowance for a spouse. The average benefit level in 2019 was about \$555 a week.

A Neighbor with a pending application under Case A should not apply Case B benefits. If denied for Case A benefits, then apply for Case B coverage.

Case B: This is the new program specially authorized by the Federal CARES Act. It applies to Neighbors in need who **1) are/were "gig" economy workers, independent contractors, free-lancers, a small business owner, etc.; or 2) who are not eligible for benefits under Case A above because of certain special conditions applicable to their circumstances** (e.g., insufficient work history and earnings, laid off from churches and religious organizations).

In Case B, because there is not a readily available history of earnings for the Neighbor, the initial benefit, to be adjusted later, will be the minimum benefit provided under the CARES Act, which is 50% of the average state weekly benefit rate. That should mean the benefit will be about \$275 (50% of \$555) per week.

Once past earnings are verified, an adjustment will occur, retroactive to the date when the COVID-19 unemployment commenced, but no earlier than February 8, 2020.² To derive the adjusted benefit level, earnings will be established using 1099s, tax returns, bank receipts, etc.

The Case B scenario is the new CARES Act funded Pandemic Unemployment Assistance (PUA) Program.

SUPPLEMENT: In addition, Neighbors receiving benefits under either Case A or Case B situations will receive \$600 a week. **There is no reduction in the \$600 even if Neighbor was working part-time, seasonally, or has only had work hours reduced.**

¹ The Massachusetts Legislature is considering increasing this amount to \$40 per dependent child.

² Initially, the system has the capacity only to pay benefits retroactively to the week ending March 14, 2020, but a subsequent adjustment to an earlier date, if applicable, will occur.

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However, this \$600 weekly payment continues only until the week ending July 25th. It starts when the Neighbor lost income due to COVID-19, but no earlier than March 29, 2020. Therefore, the maximum number of weeks for this benefit is seventeen (17), and the maximum benefit is \$10,200 (17 x \$600). If both a husband and wife lost their jobs because of COVID-19, each are entitled to the \$600 per week, so the benefit amount could be doubled.

This 17 week (maximum) supplemental payment is called Federal Pandemic Unemployment Compensation (FPUC).

Duration

Under either Case A³ or Case B, the benefit assistance period can last up to 39 weeks.

Though no other “extended period” unemployment benefits are presently available, the Massachusetts Department of Unemployment Assistance website notes that an additional extension might be authorized in the future. In past times of prolonged high unemployment, an extra 13 weeks of benefits has been granted.

Eligibility for COVID-19 Unemployment Insurance

To establish that the reason Neighbors are unable to work or have had their hours/earnings reduced is due to COVID-19, they will be able to “self-certify.” The “self-certification” establishes that the Neighbor in need is available to work but is prevented from doing so by one of the following COVID-19 related circumstances, which are quite broad:

- The individual has been diagnosed with COVID-19 or is experiencing symptoms of COVID-19 and is seeking a diagnosis; or
- A member of the individual’s household has been diagnosed with COVID-19; or
- The individual is providing care to a household or family member who has been diagnosed with COVID-19; or
- A child or other person for whom the individual has primary caregiving responsibility is unable to attend school or another facility as a result of COVID-19; or
- The individual is unable to reach the place of employment because of a quarantine imposed as a result of the COVID-19 public health emergency; or
- The individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine; or
- The individual was scheduled to start work and does not have a job or cannot reach the job as a result of COVID-19; or
- The individual has become the breadwinner or major support for a household because the head of the household has died as a direct result of COVID-19; or
- The individual must quit their job as a direct result of COVID-19; or
- The individual’s place of employment is closed because of COVID-19; or
- The individual works as an independent contractor and the COVID-19 public health emergency has severely limited his or her ability to continue performing his or her usual work activities and has thereby forced the individual to stop performing those activities.

³Technically, the way the new CARES Act works, in the CASE A situation, the law provides through a third prong program called the Pandemic Emergency Unemployment Compensation (PEUC) an additional 13 weeks of coverage on top of the 26 weeks covered by traditional state Unemployment Insurance.

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Telework and Paid Leave

Neighbors able to “telework” **with pay** and Neighbors receiving **paid** sick or other leave will **not** qualify for assistance. Neighbors receiving paid sick leave or other paid leave benefits **for less than their customary work week**, however, may still be eligible for assistance.

Eligibility for Neighbor Who Has Never Worked

Under the Case B scenario (Pandemic Unemployment Assistance), Neighbors may be eligible for assistance **if they have never worked** under these special circumstances:

- Had been scheduled to commence employment, but does not have a job or is unable to reach the job as a direct result of the COVID-19 public health emergency; or
- Job offer was rescinded because of COVID-19; or
- Has become the breadwinner or major supporter for a household because the head of the household has died as a direct result of COVID-19.

Taxable Unemployment Income

Unlike the stimulus or Economic Impact Payments under the CARES Act (the \$1,200 payments for adults and \$500 for qualifying dependent children), **all unemployment assistance is taxable and generally will be counted in determining a Neighbor’s eligibility for most means-tested aid programs**, such as subsidized housing, Supplemental Nutrition Assistance Program (SNAP), or welfare (cash assistance via the Department of Transitional Assistance). For Medicaid and Children’s Health Insurance Program (CHIP) assistance, the \$600 weekly payments are excluded from the means-test.

That means, for instance, that Neighbors in need living in subsidized housing units where the rent is capped at a percent of income, typically about 30% of income (e.g., Section 8, public housing projects, etc.), **will likely experience a temporary increase in their share. Or they may experience a temporary decrease in the amount of cash assistance or SNAP benefit.** This will be likely to occur during the period when Neighbors are receiving the \$600 a week in supplemental unemployment assistance (the FPUC payments).

Looking for Work during COVID-19

To maintain special COVID-19 unemployment assistance benefits, the Neighbor must, as is typical for customary unemployment insurance benefits, be available for work and be actively seeking such work, **though benefit administrators will apply flexibility considering such factors as COVID-19 illness, quarantine or movement restriction.**

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Resources for Further Information

Information for this Advisory was culled from various sources, primarily the Massachusetts Department of Unemployment Assistance, considered to be reliable. However, it is not legal advice and should be presented as a Vincentian Neighbor helping a Neighbor in need. Below are valuable resources with embedded hyperlinks for more detailed information.

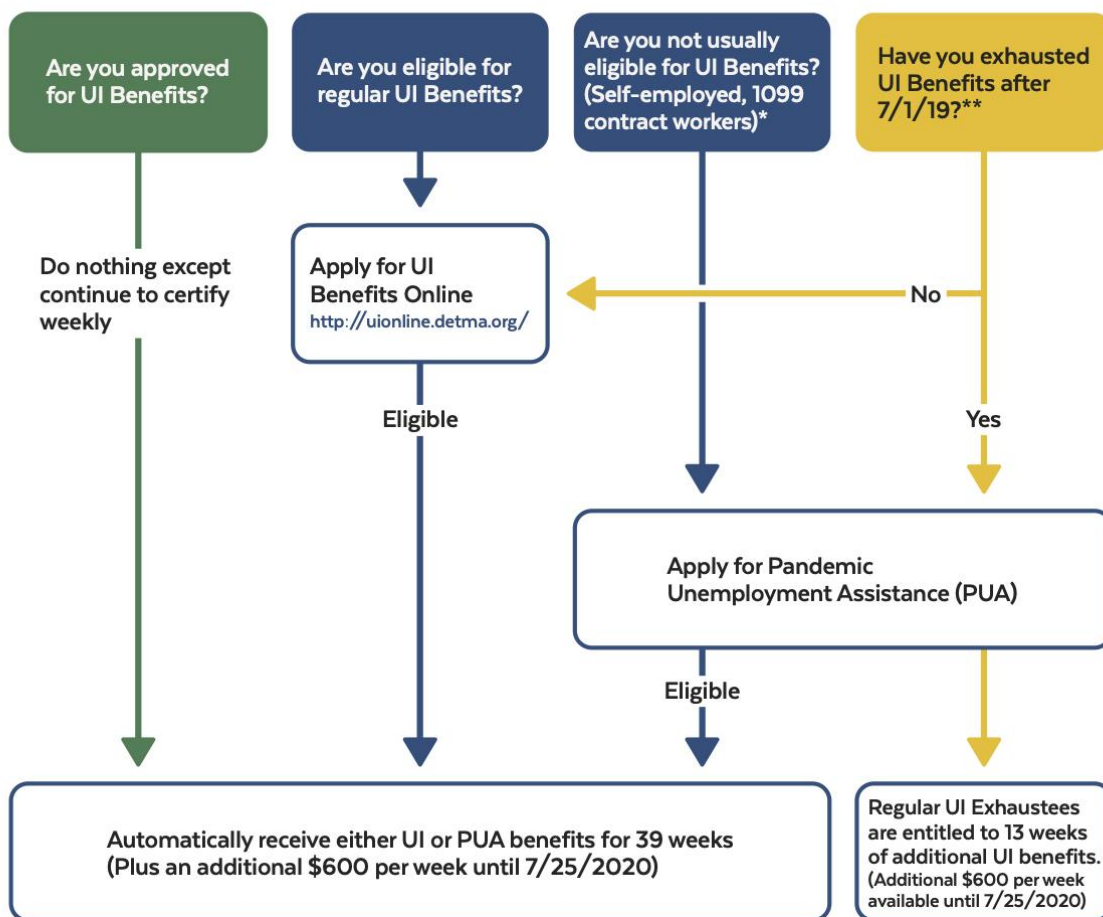
- [The “Case A” Situation – Traditional Massachusetts Unemployment Insurance](#)
- [The “Case B” Situation – Pandemic Unemployment Assistance](#) including the link to the Application Process
- [The \\$600 Weekly Supplemental Benefit known as Federal Pandemic Unemployment Compensation](#)
- [The 13 Week Extension Bringing the Total Maximum Benefit Period to 39 Weeks](#) – the Pandemic Emergency Unemployment Compensation (PEUC)
- [Frequently Asked Questions – Massachusetts Department of Unemployment Assistance](#)
- Flow Chart Showing How to Access COVID-19 Unemployment Benefits (from MA Department of Unemployment Assistance) – **see following page.**



What you need to know and do about the CARES Act

The federal CARES Act was signed into law March 27, 2020. The Act provides enhanced Unemployment Insurance (UI) benefits and Pandemic Unemployment Assistance (PUA) for Massachusetts workers.

Start here



Don't know where to start? Apply for UI Benefits first. If you don't qualify, try applying for PUA.

* People traditionally ineligible for unemployment benefits may be self-employed, gig workers, or independent contractors. Other examples include earning less than \$5100 in the last year, or having no right to regular unemployment, either because you were denied, or you worked for a religious organization.

** This group may qualify for PEUC at a later date. PEUC is Pandemic Emergency Unemployment Compensation. That's the 13 week extension for people who were previously collecting unemployment but have used up all of their benefits, or whose benefit year ended after July 1, 2019.

For more information visit mass.gov/dua

Filing for UI benefits by phone is based on the last digit of your Social Security Number.

0,1 file on Monday | 2,3 file on Tuesday | 4,5,6 file on Wednesday | 7,8,9 file on Thursday | Any digit file on Friday