

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DUIO
	DATE July 21, 2020

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 16-20, Change 2

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH /s/
Assistant Secretary

SUBJECT: Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Pandemic Unemployment Assistance (PUA) Additional Questions and Answers

1. **Purpose.** As states have gained experience administering the PUA program under the CARES Act, Public Law (Pub. L. 116-136), they have identified additional questions about program operations. The purpose of this Unemployment Insurance Program Letter (UIPL) is to address those questions concerning the PUA program.
2. **Action Requested.** The Department of Labor’s (Department) Employment and Training Administration (ETA) requests State Workforce Administrators provide the information contained in this UIPL to appropriate program and other staff in state workforce systems as they implement the PUA program.
3. **Summary and Background.**
 - a. Summary – The CARES Act was signed into law on March 27, 2020, and includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. Section 2102 of the CARES Act creates the temporary PUA program, which provides unemployment benefits for individuals who are: 1) ineligible for regular Unemployment Compensation (UC), Extended Benefits (EB), and Pandemic Emergency Unemployment Compensation (PEUC) under Section 2104 of the CARES Act; and 2) unemployed due to one or more of the COVID-19 reasons set out in Section 2102(a)(3)(A)(ii) of the CARES Act. The Department previously issued UIPL Nos. 16-20 and 16-20, Change 1 to provide guidance to states on implementing and operating the PUA program.

This UIPL provides states with responses to questions addressing various aspects of PUA, and coordination of PUA with other programs, including regular UC, EB, as well as the UI-related programs established by the CARES Act.

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

- b. Background – The Department provided operating, financial, and reporting instructions for the PUA program in UIPL No. 16-20, issued on April 5, 2020. The Department addressed questions received during a webinar held on the topic, as well as questions submitted through the Department’s designated e-mail for COVID-19 UI-related inquiries (covid-19@dol.gov) in UIPL No. 16-20, Change 1, issued on April 27, 2020.

The Department issued UIPL No. 23-20 on May 11, 2020 to remind states of program integrity functions required for the regular UC program and the UI programs authorized by the CARES Act. Addressing improper payments and fraud in the UI program is a top priority for the Department and the entire UI system. During this time of extraordinary UI claims workload, there is a heightened need for states to maintain a steadfast focus on UI functions and activities that ensure program integrity and the prevention and detection of improper payments and fraud across all UI programs.

To help prevent and detect improper payments, states are strongly encouraged to provide a mechanism for employers to report information when workers refuse to return to suitable work for reasons that do not support their continued eligibility for benefits.

4. **Guidance**

- a. Questions and Answers. Attachment I contains answers to additional questions received through the Department’s designated e-mail for COVID-19 UI related inquiries (covid-19@dol.gov).
- b. Clarification on item (kk) of acceptable COVID-19 related reasons. Section 2102(a)(3)(A)(ii)(I)(kk) of the CARES Act provides for the Secretary of Labor to establish any additional criteria under which an individual may self-certify eligibility for PUA benefits. Section C.1.k. of Attachment I to UIPL No. 16-20 provides for coverage of an independent contractor whose ability to continue performing his or her customary work activities is severely limited because of the COVID-19 public health emergency. The example provided includes a driver of a ride sharing service who has been forced to suspend operations because of COVID-19. Question 42 of Attachment I to UIPL No. 16-20, Change 1, explains that an independent contractor who experiences a “significant diminution of work as a result of COVID-19” may be eligible for PUA.

With these examples in UIPL Nos. 16-20 and 16-20, Change 1, the Secretary provides coverage under item (kk) to those self-employed individuals who experienced a significant diminution of services because of the COVID-19 public health emergency, even absent a suspension of services.

- 5. **Inquiries.** We encourage states to contact the Department for technical assistance. Please direct inquiries to **covid-19@dol.gov**, with a copy to the appropriate ETA Regional Office.

6. References.

- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. 116-136), including Title II Subtitle A Relief for Workers Affected by Coronavirus Act;
- Section 3304(a)(18) of the Federal Unemployment Tax Act (26 U.S.C. 3304(a)(18);
- 20 C.F.R. Part 625;
- UIPL No. 23-20, *Program Integrity for the Unemployment Insurance (UI) Program and the UI Programs Authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 - Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued May 11, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4621;
- UIPL No. 16-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Pandemic Unemployment Assistance (PUA) Program Reporting Instructions and Questions and Answers*, issued April 27, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5899;
- UIPL No. 16-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Pandemic Unemployment Assistance (PUA) Program Operating, Financial, and Reporting Instructions*, issued April 05, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4628;
- UIPL No. 03-20, *Minimum Disaster Unemployment Assistance (DUA) Weekly Benefit Amount: January 1 – March 31, 2020*, issued December 12, 2019, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3675;
- UIPL No. 01-16, *Federal Requirements to Protect Individual Rights in State Unemployment Compensation Overpayment Prevention and Recovery Procedures*, issued October 1, 2015, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5763; and
- UIPL No. 17-95, *Withholding of Income Tax From Unemployment Compensation – Amendments Made by Public Law 103-465*, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=423.

7. Attachment(s).

- **Attachment I:** Additional Questions and Answers about the Pandemic Unemployment Assistance (PUA) Program