

<b>EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Unemployment Insurance
	<b>CORRESPONDENCE SYMBOL</b> OUI/DUIO
	<b>DATE</b> March 26, 2021

**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 17-20,  
Change 3**

**TO: STATE WORKFORCE AGENCIES**

**FROM:** SUZAN G. LEVINE /s/  
Principal Deputy Assistant Secretary

**SUBJECT:** American Rescue Plan Act of 2021 (ARPA) —Pandemic Emergency Unemployment Compensation (PEUC) Program: Extension, Elimination of Transition Rule, Increase in Total Benefits, and Extension of Coordination Rule.

1. **Purpose.** This Unemployment Insurance Program Letter (UIPL) provides guidance about the changes to the PEUC program authorized by Section 9016 of the American Rescue Plan Act of 2021 (ARPA), Public Law (Pub. L.) 117-2.
2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that State Workforce Administrators provide the information in this UIPL and all attachments to appropriate program and other staff in the state workforce system to guide implementation of changes to the PEUC program.
3. **Summary and Background.**
  - a. Summary – On March 11, 2021, the President signed ARPA into law. Among other things, Section 9016 of ARPA amends Section 2107 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (Pub. L. 116-136), as previously amended by the Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act) (Pub. L. 116-260). This Change 3 to UIPL No. 17-20 provides guidance about the following provisions in Section 9016 of ARPA: (i) extension of the PEUC program through weeks of unemployment ending on or before September 6, 2021; (ii) elimination of a transition rule that provided for the payment of PEUC phase-out benefits after the program expires; (iii) an increase in the total amount of PEUC benefits available to 53 times the individual’s average weekly benefit amount (WBA) with the additional weeks of benefits payable for weeks of unemployment ending after March 14, 2021; and (iv) extension of a rule for coordination of the PEUC program with the Extended Benefits (EB) program that requires individuals receiving EB as of the date of enactment of ARPA to exhaust EB before resumption of PEUC eligibility. All other PEUC program requirements,

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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as provided in Section 2107 of the CARES Act and UIPL Nos. 17-20; 17-20, Change 1; and 17-20, Change 2 remain the same.

- b. Background – On March 27, 2020, the CARES Act was enacted, which includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. Section 2107 of the CARES Act created a new temporary federal PEUC program that provided an amount equal to 13 times the individual’s average WBA (generally 13 additional weeks of benefits) for weeks of unemployment ending on or before December 31, 2020, along with funding to states for the administration of the program. On April 10, 2020, ETA issued UIPL No. 17-20 to provide PEUC program implementation instructions to states. ETA issued Change 1 to UIPL No. 17-20 on May 13, 2020, to provide states with technical assistance in the administration of the PEUC program. The Continued Assistance Act, enacted on December 27, 2020, increased PEUC benefits to equal 24 times the individual’s average WBA and extended the program through weeks of unemployment ending on or before March 14, 2021. On December 31, 2020, ETA issued UIPL No. 17-20, Change 2, regarding extension of and changes in the PEUC program enacted by the Continued Assistance Act.

The Federal Pandemic Unemployment Compensation (FPUC) program initially provided a supplement to the WBA payable for UI programs, including PEUC, through weeks of unemployment that ended on or before July 31, 2020. Individuals’ PEUC accounts also included the applicable FPUC amounts. The FPUC program was reauthorized and modified by the Continued Assistance Act, with FPUC amounts once again being added to individuals’ PEUC accounts. A new WBA supplement, Mixed Earners Unemployment Compensation (MEUC), was established by the Continued Assistance Act and, under certain circumstances, is payable along with PEUC to eligible individuals in states that elect to offer MEUC. *See* UIPL No. 15-20 and its Changes for additional details.

**Importance of Program Integrity.** Addressing improper payments and fraud is a top priority for the Department and the entire UI system. States play a fundamental role in ensuring the integrity of the UI system. Especially during this time of extraordinary workloads, states should 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 programs operated within the UI system while ensuring that legitimate claimants are able to swiftly access benefits during a critical time. It is critical that states implement processes that ensure payments are being made to eligible individuals and that states have aggressive strategies and tools in place to prevent, detect, and recover fraudulent payments, with a particular emphasis on imposter fraud by claimants using false or stolen identities.

UIPL No. 28-20, published on August 31, 2020, and UIPL No. 28-20, Change 1, published on January 15, 2021, provide states with funding to assist with efforts to prevent and detect fraud and identity theft and recover fraud overpayments in the Pandemic Unemployment Assistance (PUA) and PEUC programs.

#### 4. Guidance.

- a. In general. As explained below, the PEUC provisions in ARPA apply as if they were included in the CARES Act, which was enacted on March 27, 2020, except that no PEUC amounts will be payable under ARPA with respect to any week of unemployment ending on or *before* March 14, 2021. This means that the programmatic changes apply to individuals who established PEUC eligibility before enactment of ARPA. However, **no PEUC may be paid based on the changes authorized by ARPA for any week of unemployment ending on or before March 14, 2021.**

Except as provided in ARPA and described in this UIPL, all other PEUC program parameters, as provided in Section 2107 of the CARES Act, as amended by the Continued Assistance Act, and UIPL Nos. 17-20, 17-20, Change 1, and 17-20, Change 2 remain the same.

The Agreement Implementing the Relief for Workers Affected by Coronavirus Act that each state entered into with the Secretary of Labor in March 2020 (Agreement) incorporate the requirements of Section 2107 of the CARES Act and any amendments to the Act. As a condition of the Agreement, each state must operate the PEUC program consistent with Section 9016 of ARPA and related guidance issued by the Department. Thus, operation of the PEUC program continues to be governed by the Agreement with the Secretary and states do not need to enter into a new agreement in order to continue to operate the PEUC program.

- b. Extension of Program. Under the Continued Assistance Act, the PEUC program applied to weeks of unemployment beginning after the date states entered into an agreement with the Department to operate the PEUC program and ending on or before March 14, 2021. With the enactment of ARPA, there is no gap in authority to pay PEUC. The PEUC benefits authorized by ARPA are payable beginning with the week of unemployment ending on March 20, 2021 (or March 21, 2021). ARPA extends the PEUC program through weeks of unemployment ending on or before September 6, 2021. In states where a week of unemployment ends on a Saturday, the last compensable week before the PEUC program expires is now the week ending on September 4, 2021. In states where a week of unemployment ends on a Sunday, the last compensable week before the PEUC program expires is now the week ending on September 5, 2021.
- c. Elimination of Transition Rule. ARPA amends Section 2107(g) of the CARES Act to remove the provision that created a transition rule, which would have allowed certain individuals to continue to receive PEUC payments for a limited period of time after the expiration of the PEUC program (*i.e.*, a phase-out period), as provided by the Continued Assistance Act. Thus, under ARPA, no PEUC payments may be made with respect to weeks of unemployment ending after September 6, 2021, as described above in Section 4.b. of this UIPL even if the individual has a remaining PEUC balance.
- d. Increase in Number of Weeks of Benefits. Under the Continued Assistance Act, an amount equal to 24 times their average WBA was established in the PEUC account of each eligible individual, which provided 24 weeks of benefits for individuals who were

totally unemployed. (Individuals may have received more than 24 weeks of benefits if they experienced partial unemployment and received a reduced WBA for weeks of partial unemployment.)

ARPA increases the total amount established in an individual's PEUC account to 53 times the individual's average WBA (and also includes the amount of FPUC available under the CARES Act as amended by ARPA). However, the extension of the PEUC program in ARPA only authorizes payment of PEUC with respect to an additional 25 weeks of unemployment—weeks of unemployment beginning after March 14, 2021 and ending on or before September 6, 2021. **Thus, individuals who are totally unemployed will generally only be able to receive a total of 49 weeks of PEUC benefits.** They will be able to receive the 24 weeks of PEUC available under the Continued Assistance Act for weeks of unemployment ending on or before March 14, 2021 and 25 additional weeks of PEUC available until the program expires on September 6, 2021 under ARPA. (Individuals may receive more than 49 weeks of PEUC benefits if they received a reduced WBA for weeks of partial unemployment ending on or before March 14, 2021.)

**New PEUC accounts.** Under ARPA, individuals who establish PEUC eligibility with respect to weeks of unemployment ending after March 14, 2021 will have their PEUC accounts established with an amount equal to 53 times their average WBA amount.

**Previously established PEUC accounts.** Individuals who established eligibility for PEUC with respect to weeks of unemployment ending on or before March 14, 2021, including PEUC exhaustees and current PEUC recipients, will have their PEUC accounts augmented with an amount equal to an additional 29 times the individual's average WBA—the difference between the new ARPA-established amount of 53 times the individual's average WBA and the Continued Assistance Act-established amount of 24 times the individual's average WBA. However, such **additional amounts are ONLY payable with respect to weeks of unemployment ending after March 14, 2021.**

Thus, even if the individual had weeks of unemployment commencing before enactment of ARPA with respect to which the individual was eligible for no UI benefits, and could have been eligible for PEUC based upon the increase in the amount established in their PEUC account from 24 to 53 times the WBA, **the additional PEUC amounts authorized by ARPA may NOT be used to pay for any weeks that end on or before March 14, 2021. In other words, the additional PEUC may only be paid for weeks of unemployment that end after March 14, 2021.**

Those individuals who did not exhaust their initial entitlement to PEUC on or before March 14, 2021, must have their PEUC accounts augmented with the additional amount and exhaust all PEUC entitlement before becoming eligible for EB or other UI programs, except to the extent that the regular UC coordination provisions described in Section 4.e of UIPL No. 17-20, Change 2 provide otherwise. Individuals who exhaust PEUC with the week of unemployment ending on March 13, 2021 (or March 14, 2021) are considered not to have exhausted the initial entitlement to PEUC and must have their PEUC account augmented and exhaust PEUC entitlement as noted above.

When a new PEUC application is required. Individuals who were not in active claim status for any UI program (e.g., EB, PUA, or regular UC) for the week of unemployment ending on March 13, 2021 (or March 14, 2021) must reopen their PEUC claim with a new application. Because there has been a break in claim certification, the state must ensure that there are no eligibility issues and confirm that there has been no intervening employment that would disqualify the individual for PEUC. If the individual is in continued claim status for any UI program, the state will not need to take a new application.

- e. Notification Requirements. States must individually notify all individuals who are currently receiving PEUC, individuals who have already exhausted PEUC, and anyone else for whom a PEUC account had previously been established (e.g., individuals with remaining PEUC balances who stopped filing PEUC claims) of the availability of these additional weeks of PEUC benefits. States must also provide PEUC exhaustees information on how to reopen their PEUC claims. The distribution method for these notifications should be consistent with other correspondence provided to the claimant by the state, which may include mail, email, or through the individual's online web portal. Section 4.d. of UIPL No. 14-21 describes the notification requirements for all program changes under ARPA, including PEUC.

All PEUC augmentations are considered monetary redeterminations. States will receive administrative funding for the monetary redetermination activity reported on the UI-3, line 19.

- f. Coordination with Extended Benefits. Under the CARES Act, individuals who exhaust PEUC may commence receipt of EB, if the state is in an EB period and they are otherwise eligible. With ARPA increasing the total amount of PEUC benefits available for everyone who has established a PEUC claim, as was the case under the Continued Assistance Act, individuals who have already transitioned to the EB program ordinarily would no longer be considered PEUC exhaustees and it would have been necessary to switch these individuals back to PEUC if they are otherwise eligible. The Continued Assistance Act created an EB coordination rule to avoid that outcome. Similarly, the amendments to the CARES Act made by Section 9016(c) of ARPA provide that **any individual who is receiving EB for the week of unemployment that includes March 11, 2020 (the date of enactment of ARPA) is not eligible for PEUC until the individual has exhausted all rights to EB.**

March 11, 2020, is the middle of a week of unemployment. Thus, an individual who exhausts PEUC with the week ending on March 13, 2021 (or March 14, 2021) would not have been receiving EB as of March 11, 2021. Thus, this coordination rule applies to individuals who exhausted their initial entitlement to PEUC no later than the week ending on March 6, 2021 (or March 7, 2021) and began receiving EB no later than the week ending on March 13, 2021 (or March 14, 2021). Such individuals will continue receiving EB, provided they are otherwise eligible, for weeks of unemployment beginning on or after enactment of ARPA. If, upon exhaustion of EB, an individual remains unemployed and otherwise eligible for PEUC, and the PEUC program has not

yet expired, the individual would commence receipt of PEUC with the additional amount of PEUC benefits authorized under ARPA.

- g. Coordination with PUA. As was the case with the Continued Assistance Act, ARPA does not include a coordination provision for PEUC with the PUA program. Thus, individuals who are receiving PUA and gain augmented entitlement to PEUC under ARPA will no longer be eligible for PUA until all PEUC entitlement has been exhausted. However, Section 9011(c) of ARPA includes a “hold harmless” provision allowing states an appropriate period of time to take necessary actions to make payments of the augmented amounts of PEUC provided in ARPA before ceasing PUA payments to such individuals. The Department considers six weeks of unemployment, commencing with the date of enactment of ARPA (ending with the week ending on April 24, 2021) an appropriate period of time for states to implement the additional amounts of PEUC and move all impacted individuals’ claims from PUA back to PEUC. (See Section 4.c.i. of UIPL No. 14-21.)
  - h. Additional funding for implementation administrative costs. The Department will make available \$75,000 to each state for the cost of implementing PEUC-related provisions in ARPA. Detailed information about the application process and permissible implementation costs regarding these funds are provided in Section 4.e of UIPL No. 14-21.
  - i. Reporting instructions. All PEUC reporting instructions in previously issued guidance remain the same.
5. **Inquiries.** States should direct inquiries to the email account [covid-19@dol.gov](mailto:covid-19@dol.gov) and copy the appropriate ETA Regional Office.

6. **References.**

- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers, Pub. L. 117-2;
- Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act), Pub. L. 116-260;
- Coronavirus Aid, Relief, and Economic Security (CARES) Act, 2020, including Title II Subtitle A Relief for Workers Affected by Coronavirus Act, Pub. L. 116-136;
- Section 4102, Families First Coronavirus Response Act, Division D, Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISSA), Pub. L. 116-127;
- Federal-State Extended Unemployment Compensation Act of 1970, 26 U.S.C. §3304 note;
- 20 C.F.R. Part 615;
- Unemployment Insurance Program Letter (UIPL) No. 14-21, *American Rescue Plan Act of 2021 (ARPA) – Key Unemployment Insurance (UI) Provisions*, issued on March 15, 2021, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=5669](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5669);

- UIPL No. 09-21, *Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act) – Summary of Key Unemployment Insurance (UI) Provisions*, issued on December 30, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3831](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3831);
- UIPL 28-20, Change 1, *Additional Funding for Identity Verification or Verification of Pandemic Unemployment Assistance (PUA) Claimants and Funding to Assist with Efforts to Prevent and Detect Fraud and Identity Theft as well as Recover Fraud Overpayments in the PUA and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued on January 15, 2021, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=9897](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9897);
- UIPL 28-20, *Addressing Fraud in the Unemployment Insurance (UI) System and Providing States with Funding to Assist with Efforts to Prevent and Detect Fraud and Identity Theft and Recover Fraud Overpayments in the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) Programs*, issued on August 31, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=8044](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8044);
- 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 on May 11, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=4621](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4621);
- UIPL No. 17-20, Change 2, *Continued Assistance for Unemployed Workers (Continued Assistance) Act of 2020— Pandemic Emergency Unemployment Compensation (PEUC) Program: Extension, Transition Rule, Increase in Total Benefits, and Coordination Rules*, issued on December 31, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=9291](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9291);
- UIPL No. 17-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020— Pandemic Emergency Unemployment Compensation (PEUC) Program: Questions and Answers, and Revised Reporting Instructions for the PEUC ETA 227*, issued on May 13, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=8689](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8689);
- UIPL No. 17-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020— Pandemic Emergency Unemployment Compensation (PEUC) Program Operating, Financial, and Reporting Instructions*, issued on April 10, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=8452](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8452);
- UIPL No. 16-20, Change 5, *Expanded Eligibility Provisions for the Pandemic Unemployment Assistance (PUA) Program*, issued on February 25, 2021, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3202](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3202);
- UIPL No. 16-20, Change 4, *Continued Assistance for Unemployed Workers (Continued Assistance) Act of 2020: Updated Operating Instructions and Reporting Changes*, issued on January 8, 2021, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=6973](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6973);
- UIPL No. 16-20, Change 3, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Eligibility of Individuals who are Caregivers for Pandemic Unemployment Assistance (PUA) in the Context of School Systems Reopening*, issued on August 27 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3849](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3849);
- UIPL No. 16-20, Change 2, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Pandemic Unemployment Assistance (PUA) Additional Questions and*

- Answers, issued on July 21, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=5479](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5479);
- 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 on April 27, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=5899](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 on April 05, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=4628](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4628);
  - UIPL No. 15-20, Change 3, *Continued Assistance for Unemployed Workers (Continued Assistance) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC) Program Reauthorization and Modification and Mixed Earners Unemployment Compensation (MEUC) Program Operating, Reporting, and Financial Instructions*, issued on January 5, 2021, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=6122](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6122);
  - UIPL No. 15-20, Change 2, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – New Data Collection Instrument and Revised Reporting Instructions for Federal Pandemic Unemployment Compensation (FPUC)*, issued on June 15, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=7785](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7785);
  - UIPL No. 15-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC) Program Reporting Instructions and Questions and Answers*, issued on May 9, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3946](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3946);
  - UIPL No. 15-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC) Program Operating, Financial, and Reporting Instructions*, issued on April 4, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=9297](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9297);
  - UIPL No. 14-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Questions and Answers*, issued on August 12, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3791](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3791);
  - UIPL No. 14-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Summary of Key Unemployment Insurance (UI) Provisions and Guidance Regarding Temporary Emergency State Staffing Flexibility*, issued on April 2, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3390](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3390);
  - UIPL No. 13-20, *Families First Coronavirus Response Act, Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020*, issued on March 22, 2020, [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=8634](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8634); and
  - UIPL No. 10-20, *Unemployment Compensation (UC) for Individuals Affected by the Coronavirus Disease 2019 (COVID-19)*, issued on March 12, 2020,  
[https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=8893](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8893).

## 7. Attachment(s).

- Attachment I – Text of Section 9016 of the American Rescue Plan Act of 2021