

**Examples of the Impact of Section 2103 of the CARES Act**

The following examples show how an employer that makes payments in lieu of contributions is impacted by Section 2103 of the CARES Act, specifically in relation to how the state administers its benefit charging provisions.

**Example 1: State provides no relief from payments due in lieu of contributions.**

**Part (1)**

(a) Compensation attributable to service with the entity	-\$1,000
(b) State relief from payments due in lieu of contributions	<u>\$ 0</u>
(c) Amount of payments due in lieu of contributions	\$1,000

**Part (2) - This equals 50% of Part (1)(a)**

<i>Amount of funds transferred from FUA for the claim</i>	<i>\$ 500</i>
<i>Section 903(i)(1)(B), SSA (42 U.S.C. § 1103(i)(1)(B))</i>	

**Part (3)**

Payment made into state unemployment fund by entity	\$1,000
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**Part (4)**

<i>Reimbursement available to entity under Section 2103</i>	<i>-\$ 500</i>
<i>Section 903(i)(1)(C), SSA (42 U.S.C. § 1103(i)(1)(C))</i>	

**Summary**

<b>(a) Net amount paid by entity</b>	<b>\$ 500</b>
Part (3) plus Part (4)	
<b>(b) Net result from Section 903(i)(1) transfers</b>	<b>\$ 0</b>
Part (2) plus Part (4)	
<b>(c) Net impact on state unemployment trust fund</b>	<b>\$ 0</b>
Part (1)(a) minus Part (3)	

**Example 2: State provides 50% relief from payments due in lieu of contributions.**

**Part (1)**

(a) Compensation attributable to service with the entity	-\$1,000
(b) State relief from payments due in lieu of contributions	<u>\$ 500</u>
(c) Amount of payments due in lieu of contributions	\$ 500

**Part (2) - This equals 50% of Part (1)(a)**

<i>Amount of funds transferred from FUA for the claim Section 903(i)(1)(B), SSA (42 U.S.C. § 1103(i)(1)(B))</i>	\$ 500
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**Part (3)**

Payment made into state unemployment fund by entity	\$ 500
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**Part (4)**

<i>Reimbursement available to entity under Section 2103 Section 903(i)(1)(C), SSA (42 U.S.C. § 1103(i)(1)(C))</i>	-\$ 500
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**Summary**

<b>(a) Net amount paid by entity</b> Part (3) plus Part (4)	<b>\$ 0</b>
<b>(b) Net result from Section 903(i)(1) transfers</b> Part (2) plus Part (4)	<b>\$ 0</b>
<b>(c) Net impact on state unemployment trust fund</b> Part (1)(a) minus Part (3)	<b>-\$ 500</b>