

The Worker Relief and Security Act Factsheet

This coming Friday, the U.S. Bureau of Labor Statistics will release its first jobs report that will fully capture the extraordinary job losses that have occurred since large-scale social distancing began. The number will be horrifying and may be the beginning of an extended period of double digit unemployment. The Congressional Budget Office expects the unemployment rate will reach 16 percent this fall and will remain at 9.5 percent by *the end of 2021*. The unemployment rate *peaked* at 10.0 percent during the Great Recession.

Congress provided extraordinary relief to unemployed workers in the CARES Act last March. Workers will be able to claim additional weeks of unemployment benefits, unemployed workers who traditionally are not eligible for unemployment benefits will be able to claim them, and workers will receive an additional \$600 per week in their benefits. But this relief is temporary and will begin to expire this summer. Nobody knows how long this period of extreme social distancing—when governments are requiring workers in several industries *not* to work—will need to last, but it could last for an extended period. Elevated unemployment will likely last years longer.

Beating the virus requires Americans to comply with social distancing measures, which public health experts predict that Americans will not cooperate with if they can't support their families. Not providing sufficient aid will also mean a dramatic increase in poverty, homelessness and hunger and reducing long-term economic growth given the high economic cost of extended periods of joblessness as well as child poverty. For these reasons, the federal government cannot allow its financial support to unemployed workers to end prematurely.

Senator Jack Reed, Senator Michael Bennet and Representative Don Beyer have put forward a proposal, the Worker Relief and Security Act, which will ensure that workers are completely supported during this period of extreme social distancing and can continue to receive help while the economy recovers. Importantly, aid would be based on the duration of the public health emergency and the unemployment rate. This will ensure that workers are guaranteed to receive necessary support instead of relying Congress to renew support on arbitrary dates.

Completely Supporting Workers during Extreme Social Distancing

The legislation specifies that for the duration of extreme social distancing (tied to the President's emergency declaration issued in March or a governor's declaration), workers will face no limits on the benefits they can currently receive under the CARES Act. A [recent poll found](#) that 78 percent of Americans, including 76 percent of Republicans, support replacing 100 percent of workers' wages during this crisis

More specifically:

- A worker who exhausts their traditional unemployment compensation benefits (funded by the state) will be able to receive additional unemployment benefits fully financed by the federal government without limit until 26 weeks after the end of extreme social distancing.

- A worker receiving Pandemic Unemployment Assistance (PUA) benefits for those who do not qualify for traditional UI will also not face limits on the number of weeks they can draw benefits until 26 weeks after the end of the Public Health Emergency.
- Workers receiving the extra \$600 in weekly benefits will continue to receive it until 30 days after the end of the President's emergency declaration, after which it will begin to phase down over 13 weeks.

If the President declares another emergency for COVID-19, workers will once again be able to draw the benefits described above until extreme social distancing concludes.

Extraordinary Support for Workers in States with Extraordinarily High Unemployment Rates

Unemployed workers in states where the three-month average of the unemployment remains above 7.5% will continue to receive extraordinary support after the 26 weeks following the end of extreme social distancing.

- Workers in states where the 3-month average unemployment rate is between 7.5% and 8.5% will be eligible for 39 weeks of extended benefits or PUA.
- Workers in states where the 3-month average unemployment rate is between 8.5% and 9.5% will be eligible for 52 weeks of extended benefits or PUA.
- Workers in states where the 3-month average unemployment rate is above 9.5% will be eligible for 65 weeks of extended benefits or PUA.

This comes *on top* of regular unemployment benefits (typically 26 weeks) workers receive as well as any weeks of additional benefits or PUA they received before the end of extreme social distancing and the 26 weeks after. Unemployed workers will receive \$450 in additional weekly benefits for 13 weeks following the end of extreme social distancing and will then continue to receive \$300 in additional weekly benefits as long as the 3-month average unemployment rate in their state is above 7.5%.

When a worker claims UI benefits or was already receiving benefits at end of 26 weeks following end of extreme social distancing, then they are guaranteed the number of weeks their state's unemployment rate entitles them to. If the unemployment *rises* they can get the additional corresponding number of weeks, but they cannot lose weeks if their state's unemployment rate falls.

Continued Support for Workers in States with Elevated Levels of Unemployment

Unemployed workers in states with lower but still significant levels of unemployment will continue to receive support after the 26 weeks following the end of extreme social distancing, especially when the national level of unemployment remains high.

- Workers in states where the 3-month average unemployment rate is below 5.5% will receive 13 weeks of extended benefits or PUA if the 3-month average *national* unemployment rate remains above 5.5%.
- Workers in states where the 3-month average unemployment rate is between 5.5% and 6.5% will receive 13 weeks of extended benefits or PUA.

- Workers in states where the 3-month average unemployment rate is between 6.5% and 7.5% will receive 26 weeks of extended benefits or PUA.

Once again, these weeks come on top of regular unemployment benefits and extended benefits or PUA received before the end of social distancing and the 26 weeks immediately after. Unemployed workers will receive \$350 in additional weekly benefits for 13 weeks following the end of extreme social distancing and will continue to receive \$200 in additional weekly benefits as long as the 3-month average *national* unemployment rate remains above 5.5%.

Plugging Holes in Pandemic Unemployment Assistance Program

The legislation also makes several fixes to the PUA program to ensure workers who fall between the cracks of the traditional unemployment assistance do not also fall between the cracks of the program meant to support them. This includes:

- Those who have been instructed to self-quarantine because they live with an immunocompromised person.
- Those who are staying home to care for family members because of closure of long-term care facilities or because homecare workers are not available to work.
- Anyone who loses their job or income because of the coronavirus or ensuing recession and is not eligible for traditional unemployment benefits.
- Adults finishing high school or college who cannot find work and do not have a previous earnings history.

Supporting State Unemployment Systems

The crisis has exposed the chronic underinvestment in states' unemployment insurance system, which has proven to be a real roadblock for workers trying to access the benefits they have earned. The legislation provides \$50 billion to states' unemployment systems, which can be used to modernize their technology and for outreach to workers to encourage them to claim benefits. It will also provide one-time relief to states' trust funds. The timeframe states have to pay back trust fund loans to the federal government will be extended from one to three years before the employer FUTA is raised.

Promoting Short-Time Compensation

The legislation will further support the spread of Short-Time Compensation (STC) programs where firms avoid layoffs by putting workers on part-time schedules and unemployment benefits make up for the workers' loss of income. The legislation would require states to establish STC programs within 36 months, allow firms to reduce workers hours to 20 percent (lower than the current 40 percent), and make the CARES Act's federal financing for STC permanent.

Additional Provisions

- Disregard traditional unemployment compensation, extended benefits and PUA benefits from income limits for economic security programs such as SNAP, SSI, CHIP, and Medicaid as well as subsidies on the Affordable Care Act exchanges.

- Anyone who would otherwise be qualified for unemployment compensation, PUA, or STC will not be denied benefits because of their immigration status or work authorization.

Example of How the Worker Relief and Security Act Works

Michelle worked as a cook at a diner in Virginia for ten years. Her diner stopped serving dine-in guests on Friday March 13th and tried to get by on take-out orders, but it found that it was still losing too much money. The owner decided to retire given the uncertain future of the restaurant industry and closed the diner for good, laying off its entire staff on March 31st. She is now receiving unemployment benefits (after spending hours on the phone with the unemployment agency) and is benefitting from the additional \$600 in weekly benefits from the CARES Act. It is impossible to find a job as a cook because of the extreme social distancing measures being taken in Virginia that have effectively shut down the entire industry, but Michelle has some peace of mind knowing that her current unemployment benefits allow her to pay her rent, buy groceries, and help pay for her credit debt.

Michelle's regular unemployment benefits are currently scheduled to expire at the end of September and she can continue to receive support through the CARES Act for the rest of the year. But the extra \$600 per week—which is critical for helping her daughter stay enrolled in college—expires at the end of July. Nobody knows how long it will essentially be impossible for Michelle to find a job since the virus may keep restaurants closed for months and many people won't go to a restaurant without a vaccine.

The Worker Relief and Security Act will ensure that Michelle is supported during this entire public health emergency as well as the likely glacial recovery of the restaurant industry if she is unable to find a job. Michelle will be guaranteed unemployment benefits with an additional \$600 for the remainder of the Extreme Social Distancing period. If the President suspends the Stafford Act emergency at the end of August 2020, she will receive benefits for the 26 weeks after the end of September. In March of 2021, she will receive additional weeks based on her state's unemployment rate. If her state's unemployment rate is still above 9.5 percent in March 2021, she will then be eligible for an additional 65 weeks of benefits. This will last until June of 2022. This is six months after the Congressional Budget Office is projecting the unemployment rate will still be at 9.5 percent.

To ensure that she can continue to pay her bills, she will receive the \$600 in additional weekly benefits through the end of September 2020. Her additional weekly benefits will then phase down to \$450 for the next 13 weeks if her state's unemployment rate is above 7.5 percent, lasting through December 2020. She will then be eligible for \$300 in additional weekly benefits as long as the unemployment rate in her state remains above 7.5 percent and she continues to receive unemployment benefits, potentially through June of 2022.