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**ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 17-20
Change 2**

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH 
Assistant Secretary

SUBJECT: Continued Assistance for Unemployed Workers Act of 2020—Pandemic Emergency Unemployment Compensation (PEUC) Program: Extension, Transition Rule, Increase in Total Benefits, and Coordination Rules.

1. **Purpose.** The purpose of this Unemployment Insurance Program Letter (UIPL) is to provide guidance about the changes to the PEUC program authorized by section 206 of the Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act).
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 state workforce systems as they implement the Unemployment Insurance (UI)-related provisions in the Continued Assistance for Unemployed Workers Act of 2020 and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law (Pub. L.) 116-136, that respond to the economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic.
3. **Summary and Background.**
 - a. Summary – On December 27, 2020, the President signed into law the Continued Assistance Act. Among other things, the Continued Assistance Act amended section 2107 of the CARES Act of 2020. This Change 2 to UIPL No. 17-20 provides guidance about the following provisions in section 206 of the Continued Assistance Act: (i) extension of the PEUC program through weeks of unemployment ending on or before March 14, 2021; (ii) a new transition rule providing for the payment of PEUC phase-out benefits through April 5, 2021, for individuals receiving PEUC as of the week ending on or before March 14, 2021, only for those individuals who remain otherwise eligible for PEUC; (iii) an increase in the total amount of PEUC benefits available to 24 times the individual’s average weekly benefit amount (WBA) payable for weeks of unemployment beginning on or after enactment of the Continued Assistance Act; (iv) a new rule for coordination of the PEUC program with the regular unemployment compensation (UC) program that provides states with four options for implementation and allows individuals, under certain conditions, to continue to receive PEUC instead of regular UC in a new benefit year; and (v) a new rule for coordination of the PEUC program with the

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Extended Benefits (EB) program that requires individuals currently receiving EB to exhaust EB before resumption of PEUC eligibility. This UIPL also provides guidance about establishing entitlement to PEUC with respect to a second benefit year of regular UC. All other PEUC program requirements, as provided in Section 2107 of the CARES Act and UIPL Nos. 17-20 and 17-20, Change 1, remain the same.

- b. Background – On March 27, 2020, the President signed into law the CARES Act, 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 provides an amount equal to 13 times the individual’s average weekly benefit amount (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 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 would also include the FPUC amounts. The FPUC program has been reauthorized and modified in the Continued Assistance Act, and FPUC amounts will once again be added to individuals’ PEUC accounts. A new WBA supplement, Mixed Earners Unemployment Compensation, was established in the Continued Assistance Act and, under certain circumstances, may be payable along with PEUC in states that elect to offer it. Guidance on these provisions is forthcoming.

Importance of Program Integrity. Addressing improper payments and fraud is a top priority for the Department and the entire UI system. It is critical that states implement UI programs and provisions to ensure that 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 identities.

The programs and provisions within the Continued Assistance Act, the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA), and the CARES Act operate in tandem with the fundamental eligibility requirements of the Federal-State UI program. These requirements include that an individual file certifications with respect to each week of unemployment that is paid and that an individual be able to work and available for work except as specifically provided for in statute. In addition, the Continued Assistance Act includes new program integrity requirements for the Pandemic Unemployment Assistance (PUA) and PEUC programs with which states must comply.

Some states remain in the midst of managing extraordinary workloads due to the effects of the spread of COVID-19. During this time, 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 programs operated within the UI system.

UIPL No. 23-20, published on May 11, 2020, discusses program integrity for the UI system. UIPL No. 28-20, published on August 31, 2020, provides states with funding to assist with efforts to prevent and detect fraud and identity theft and recover fraud overpayments in the PUA and PEUC programs.

States play a fundamental role in ensuring the integrity of the UI system. While states have been provided some flexibilities as a result of the COVID-19 pandemic, those flexibilities are generally limited to emergency temporary actions as needed to respond to the spread of COVID-19. States must ensure that individuals only receive benefits in accordance with federal and state law.

ETA strongly encourages states to utilize the tools, resources, and services of the UI Integrity Center, funded by the Department and operated in partnership with the National Association of State Workforce Agencies. One of the key assets to support addressing fraud is the Integrity Data Hub (IDH), which includes a variety of data sets to prevent and detect fraud based on identity theft at the time of application, including an identity verification solution. ETA also encourages states to consult with the UI Integrity Center on data analytics and to prioritize IDH hits, as well as on other tools and solutions available through the private sector that complement the IDH. In UIPL No. 28-20, the Department explained its expectation that states connect to the IDH no later than March 31, 2021 and encouraged states to use their share of the funding provided through that UIPL to support IDH connection as soon as possible. There is also a range of other tools on the market that states should consider when combating fraud and ensuring program integrity.

4. Guidance.

- a. In general. As explained below, the PEUC provisions in the Continued Assistance Act apply as if these provisions were included in the CARES Act enacted on March 27, 2020, except that no PEUC amounts will be payable under the provisions of the Continued Assistance Act with respect to any week of unemployment beginning before the date of enactment of the Continued Assistance Act (December 27, 2020). This means that the programmatic changes apply to individuals who established PEUC eligibility before enactment of the Continued Assistance Act. However, **no PEUC may be paid based on the changes authorized by the Continued Assistance Act for any week of unemployment beginning before December 27, 2020.**

Note that under the Continued Assistance Act, a new return to work reporting requirement is established and applies to any state that enters into an agreement to administer any of the UI provisions in the CARES Act, including the PEUC program, beginning 30 days after enactment of the Continued Assistance Act. States must implement and utilize a method to address circumstances when PEUC recipients refuse to return to work or to accept an offer of suitable work without good cause. This includes a reporting method for employers and a plain-language notice provided to such individuals. Guidance about this requirement is forthcoming.

All other PEUC program parameters, as provided in Section 2107 of the CARES Act and UIPL Nos. 17-20 and 17-20, Change 1, remain the same.

The UC eligibility flexibilities authorized in the Emergency Unemployment Insurance Stabilization and Access Act of 2020 remain available to states for the PEUC program. Additionally, Section 2107(a)(7)(B) of the CARES Act requires that states provide flexibility with respect to the “actively seeking work” requirements for PEUC “in case of individuals unable to search for work because of COVID-19, including because of illness quarantine, or movement restriction.” As a reminder, individuals receiving PEUC may participate in a Short-Time Compensation (STC) program. (See Question 19 of Attachment I to UIPL No. 14-20, Change 1.).

The PEUC agreements that states entered into in March 2020 incorporate by reference subsequent amendments to Section 2107 of the CARES Act. As a condition of the agreement, states must operate the PEUC program consistent with section 206 of the Continued Assistance Act and related guidance issued by the Department. Thus, states do not need to enter into new agreements in order to continue to operate the PEUC program.

- b. Extension of Program. Under the CARES 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 December 31, 2020. **There is no gap in authority to pay PEUC. These benefits are payable for the week of unemployment ending on January 2, 2021 (or January 3, 2021).** The Continued Assistance Act extends the PEUC program through weeks of unemployment ending on or before March 14, 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 March 13, 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 March 14, 2021.
- c. Transition Rule. Notwithstanding the expiration of the PEUC program on March 14, 2021, individuals who have not exhausted their PEUC accounts as of March 14, 2021, are receiving PEUC with respect to the week ending March 13 or 14, 2021, and are otherwise eligible, may continue to be paid for weeks of unemployment for weeks beginning on or before April 5, 2021. PEUC payments may not be made for a week of unemployment beginning after April 5, 2021, even if the individual has a remaining PEUC balance. In states where weeks of unemployment end on Saturday, this means the last week of PEUC payable during this phase-out is the week ending April 10, 2021. In states where a week of unemployment ends on a Sunday, the last week of PEUC payable during this phase-out is the week ending April 11, 2021.
- d. Increase in Number of Weeks of Benefits. Under the CARES Act, eligible individuals would have an amount equal to 13 times their average WBA established in their PEUC accounts, (which also included the amount of FPUC available under the CARES Act), which results in 13 weeks of benefits for individuals who are totally unemployed. (Individuals may receive more than 13 weeks of benefits if they are receiving a reduced

WBA for weeks of partial unemployment.) The Continued Assistance Act increases the amount established in an individual's PEUC account to 24 times the individual's average WBA (and also includes the amount of FPUC available under the CARES Act as amended by the Continued Assistance Act), which translates to 24 weeks of benefits for individuals who are totally unemployed. (Individuals may receive more than 24 weeks of benefits if they are receiving a reduced WBA for weeks of partial unemployment.)

- *New PEUC accounts.* Individuals who establish PEUC eligibility with respect to weeks of unemployment beginning on or after the date of enactment of the Continued Assistance Act (December 27, 2020) will have their PEUC accounts established with the amount equal to 24 times their average WBA amount, as amended by the Continued Assistance Act.
- *Previously established PEUC accounts.* Any individual who established eligibility for PEUC before the date of enactment of the Continued Assistance Act (December 27, 2020), including PEUC exhaustees and current PEUC recipients, will have his or her PEUC accounts augmented by an amount equal to an additional 11 times the individual's average WBA—the difference between the new amount of 24 times the individual's average WBA and the CARES Act-established amount of 13 times the individual's average WBA. However, such **additional amounts are ONLY payable with respect to a week of unemployment beginning on or after the date of enactment of the Continued Assistance Act.**

Thus, even if the individual had weeks of unemployment commencing before enactment of the Continued Assistance Act 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 PEUC account from 13 to 24 times the WBA, **the additional PEUC amounts may NOT be paid for any weeks that begin prior to enactment of the extension on December 27, 2020. In other words, the additional PEUC may only be paid for weeks of unemployment that begin on or after December 27, 2020.**

If an individual did not exhaust his or her initial entitlement to PEUC before the date of enactment of the Continued Assistance Act, his or her PEUC account must be augmented with the additional amount and he or she must 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 below provide otherwise. An individual who exhausts PEUC with the week of unemployment ending on December 26, 2020 (or December 27, 2020) is considered not to have exhausted the initial entitlement to PEUC and must have his or her PEUC account augmented and exhaust PEUC entitlement as noted just above.

An individual who was not in active claim status for any UI program (e.g., EB, PUA, or regular UC) for the week of unemployment ending on December 26, 2020 (or December 27, 2020) will have to reopen his or her PEUC claim. Because there has been a break in claim certification, the state will need to ensure there are no eligibility issues and that there has been no intervening employment that would disqualify the individual for

PEUC. When the individual is in continuing claim status for any UI program, the state will not need to take an application.

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 additional weeks of PEUC benefits available. States must also inform PEUC exhaustees about what they must do to reopen their PEUC claims. The distribution method 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.

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

e. Coordination with Regular Unemployment Compensation.

- i. *In general.* The Continued Assistance Act modifies the PEUC program requirement regarding the impact of subsequent regular UC entitlement on PEUC eligibility. As initially authorized under the CARES Act, an individual must have exhausted his or her regular UC entitlement before being eligible for PEUC. Thus, under the CARES Act, if an individual would qualify for a subsequent benefit year of regular UC, the individual would no longer be eligible for PEUC. As authorized by the Continued Assistance Act, an individual may continue to be eligible for PEUC if he or she meets the requirements in section 206(c)(1) of the Continued Assistance Act. Those requirements include the regular UC WBA payable on that subsequent benefit year being lower than the PEUC WBA by \$25 or more and that the individual has remaining entitlement to PEUC from the previous benefit year.

The Continued Assistance Act provides each state a choice among four different options for coordinating PEUC with regular UC. The four different options (*i.e.*, the State Options) are described below. States must notify the appropriate ETA Regional Office about which State Option they will implement and notify the ETA Regional Office if the state later changes its selected option.

- ii. *Criteria for determining if an individual may continue to receive PEUC when eligible for regular UC in a subsequent benefit year.* Individuals may be eligible to continue to receive PEUC instead of regular UC if all of the following criteria are met:

Criterion #1: The individual has been determined to be entitled to PEUC with respect to a benefit year;

Criterion #2: The benefit year with respect to which the PEUC entitlement had been established (*i.e.*, the parent claim) has expired after

the date of the enactment of the Continued Assistance Act (December 27, 2020);

Criterion #3: The individual has remaining entitlement to PEUC with respect to such benefit year; and

Criterion #4: The individual would qualify for regular UC in a subsequent (new) benefit year and the WBA for regular UC in the new benefit year would be at least \$25 less than the WBA payable on the individual's PEUC claim.

With regard to criterion #2, the potential to continue to receive PEUC notwithstanding having regular UC entitlement in a subsequent benefit year applies only for individuals for whom the benefit year expires after the date of enactment of the Continued Assistance Act (December 27, 2020). Individuals who previously ceased receiving PEUC because of regular UC entitlement in a subsequent benefit year are not eligible to resume receiving PEUC until all regular UC benefit entitlement is exhausted.

Also with regard to criterion #2, in order for the possibility to continue PEUC receipt to apply to an individual, the benefit year with respect to which the PEUC claim was established (*i.e.*, parent claim) must have expired. For example, if the benefit year that is the basis for the PEUC claim has not expired and the individual has sufficient wages to establish a new benefit year in a state other than the state in which the individual has the parent claim (*e.g.*, an interstate claim), the individual may not continue receiving PEUC due to the regular UC eligibility in the other state. Regardless of the difference in the WBA amount between PEUC and the WBA for regular UC in a new benefit year in another state, such an individual is no longer eligible for PEUC under criterion #2. The authority to continue receiving PEUC only applies if the benefit year that is the basis for the PEUC claim has expired.

With regard to criterion #4, when making a determination about whether an individual's regular UC WBA is at least \$25 less than the PEUC WBA, the state must take into consideration the individual's potential regular UC eligibility in a subsequent benefit year in each state where wages were earned (*e.g.*, combined wage claims). For example, if an individual can establish entitlement to regular UC in a subsequent benefit year in another state(s), the regular UC WBA payable to the individual in each of those states must be at least \$25 lower than the PEUC WBA in order for that individual to continue to be eligible to receive PEUC.

- iii. *State options for determining eligibility for PEUC or regular UC payments.* The Continued Assistance Act provides for each state to choose among four different options for coordinating PEUC with regular UC for PEUC claimants who meet the criteria above. The option chosen will determine whether individuals who meet all four of the criteria above will be paid PEUC or regular UC. Each state will select one of the following options:

State Option #1: Establish a new benefit year for the individual, but defer payment of the new regular UC claim until the PEUC claim has been exhausted (if permissible under state law);

State Option #2: Defer the establishment of the new benefit year and “put on hold” (i.e., “freeze”) the base period wages currently available for use in establishing the new benefit year until the PEUC claim has been exhausted (if permissible under state law);

State Option #3: Establish the new benefit year, commence regular UC payments, and augment the new regular UC WBA with funds remaining in the claimant’s PEUC account generally equal to the difference between the new regular UC WBA and the PEUC claim’s WBA, such that the sum, i.e., the total benefit amount payable in a week is equal to the PEUC WBA (if permissible under state law); or

State Option #4: For any individual who elects not to file a claim for regular UC under the new benefit year, the state will determine PEUC eligibility without regard to the unclaimed regular UC and continue to pay on the PEUC claim.

The state may select only one option and apply it to coordination of the PEUC and regular UC programs for all individuals who meet the four criteria. The state may need to enact an amendment to its laws in order to have authority to implement one of the first three options. A state may only change its selected option following enactment of a new state law that makes implementation of the newly selected option permissible in the state. The four options are discussed further below.

State Option #1: Eligible individuals will file a regular UC initial claim in a new benefit year. However, each individual will continue to receive PEUC until his or her PEUC account is exhausted or until the expiration of the PEUC program, whichever comes first. Thereafter, the state will pay the individual any regular UC entitlement for the remainder of the benefit year that was established, but with respect to which regular UC benefit payment had been deferred. Under State Option #1, states may not pay PEUC and regular UC with respect to the same weeks of unemployment.

Notification Requirement. States must notify individuals of the requirement to file a regular UC initial claim as a condition of continued PEUC eligibility and notify them of the deferral of their regular UC eligibility, and their regular UC benefit rights, including the WBA, maximum duration of payments, maximum benefit entitlement, and the benefit year end date. States will process the initial claim for regular UC, but will not process any continued claims for regular UC or make any regular UC payments until the individual exhausts PEUC or the PEUC program expires, whichever occurs first.

State Option #2: States must defer the establishment of any new benefit year for claimants with PEUC claims until after the exhaustion of the PEUC claim. The individual's new benefit year will be based on the wages that would have been used had the state not deferred establishment of the new benefit year and paid PEUC first. Under State Option #2, states may not pay PEUC and regular UC with respect to the same weeks of unemployment. States choosing this option must, at a minimum, permit the deferment of the benefit year through the statutory end of the transition period for the PEUC program, *i.e.*, April 5, 2021.

Notification Requirement. States must notify individuals of the requirement to defer establishment of a new benefit year of regular UC until after exhaustion of PEUC as a condition of PEUC eligibility and that the wages that would have been used to establish regular UC entitlement will be “put on hold” so that those earnings may be used to establish the new benefit year after the individual exhausts PEUC or the PEUC program expires, whichever occurs first. The individual will not file an initial claim for regular UC and the state will not process a regular UC initial claim until after PEUC exhaustion or program expiration.

State Option #3: The state will establish the new benefit year and the new regular UC WBA will be augmented with amounts remaining in the individual's PEUC account in order to increase the individual's payment to the higher PEUC WBA. This augmentation may only occur until the individual's PEUC account is exhausted or until the PEUC program expires (the week of unemployment ending on April 10, 2021, in most states), whichever happens first. Due to the potential for PEUC account exhaustion and the PEUC program end date, the augmented payments provided for under this option would not necessarily be available for all weeks of regular UC that are paid during the new benefit year. After the PEUC amounts are exhausted (or the PEUC program ends), only the regular UC WBA would be payable with respect to each week of unemployment. If the individual exhausts regular UC entitlement before exhausting PEUC and the PEUC program has not yet expired, an eligible individual may resume receipt of any remaining PEUC entitlement, payable at the original PEUC WBA.

Under State Option #3, both a regular UC payment and a (reduced) PEUC payment are made with respect to the same week of unemployment. Note that PEUC overpayment recovery requirements are not necessarily the same as provided under state law for the regular UC program. Section F of Attachment I to UIPL No. 17-20 explains that a state may not offset more than 50 percent of any PEUC payment to recover overpayments. Thus, if states are recovering previous overpayments via offset, PEUC guidance must be followed for the portion of the weekly payment that is PEUC.

Notification Requirement. States must notify individuals of the requirement to file a regular UC initial claim as a condition of PEUC eligibility and that individuals, if otherwise eligible, will receive regular UC and a partial PEUC payment with respect to the same week. States must also provide information to individuals regarding their remaining PEUC benefit rights, including their

reduced WBA, the remaining balance in their individual PEUC accounts, and their regular UC benefit rights, including the WBA, duration, maximum benefit entitlement, and the benefit year end date. States will process the initial claim for regular UC, any continued claims for regular UC, and any continued claims for PEUC, and will make such benefit payments to eligible individuals.

State Option #4: States will offer an individual the choice of continuing receipt of PEUC or establishing a new regular UC benefit year when he or she first becomes eligible for regular UC. Once an individual makes an informed choice to continue receiving PEUC, the state will continue to pay PEUC (if the individual is otherwise eligible) until exhaustion of the individual's PEUC account or program expiration, whichever happens first. States are only required to offer the choice once. States are not required to offer the choice each subsequent calendar quarter. As explained below, states, in their notification to individuals about the choice, must provide individuals with sufficient information to make an informed choice. Sufficient information includes an explanation of the potential impact on regular UC eligibility of waiting until subsequent calendar quarters to establish a new benefit year. This notification will also make individuals aware that they may later file an initial regular UC claim.

If an individual who chose to continue to receive PEUC later elects to establish a new regular UC benefit year, even though he or she still has remaining PEUC entitlement, the state must stop payments of PEUC and establish the new benefit year. Under State Option #4, once the individual chooses to file a new regular UC benefit year, the choice no longer applies. Once an individual chooses to establish a new regular UC benefit year, he or she may not revert to PEUC while he or she has remaining regular UC entitlement.

If an individual elects to continue to receive PEUC before establishing a new regular UC benefit year under State Option #4 and there are not sufficient funds in the individual's account for the final week payable of PEUC to pay the full WBA, a state may **not** augment the partial PEUC week with regular UC funds based on entitlement in a new benefit year. PEUC and regular UC remain separate programs. Unless a state chooses State Option #3, individuals may not receive PEUC with respect to the same week of unemployment for which the individual receives regular UC.

Notification Requirement. With respect to Option #4, states must provide sufficient notice allowing an individual to make an informed choice between continuing PEUC receipt and establishing regular UC entitlement in a new benefit year. Such notice must be made directly to each individual and may not be satisfied through mass communication. Notice to individuals must contain the following information:

- The individual's potential entitlement under a new regular UC claim (including WBA, duration, and maximum benefit entitlement);

- The consequences of remaining on PEUC versus filing a new regular UC claim (e.g., where a new claim is not filed, wages used to qualify for regular UC will generally diminish every quarter an individual remains on PEUC because such wages are no longer in the base period);
- Information that the individual may have the option to switch to a regular UC claim at any time, including during any subsequent quarter, provided there are sufficient base period wages to support a new regular UC claim;
- Information that the individual may not switch back to PEUC once the individual switches to regular UC, until regular UC is exhausted;
- Instructions on how the individual may advise the state of his or her election;
- Information on how to contact the state to ask questions or to schedule interviews to provide the appropriate information and to offer an opportunity to make an election; and
- Information that advises the individual that failure to respond to the notice within a specified period of time (to be determined by the state, but the state must make a reasonable attempt to obtain a response) will constitute an election to continue on PEUC and that the state will continue to pay PEUC if the individual is otherwise eligible and continues to claim PEUC.

A state may determine the appropriate method to provide the notice outlined above (that provides the individual with sufficient information to make an informed choice) based on the state's filing procedures. Appropriate methods for providing notice include, but are not limited to:

- Providing written notification to the affected individuals by mail or email; or
- Providing appropriate information via the individual's web portal to allow the individual to make an election through the web portal.

Under State Option #4, if individuals choose to file initial claims for regular UC, the state will process such claims and any continued claims, and make regular UC payments to eligible individuals, but would not make any PEUC payments to such individuals. If individuals choose to continue to file PEUC continued claims, the state will process such claims and make PEUC payments, but would not make any regular UC payments to such individuals.

- f. Coordination with Extended Benefits. Under the CARES Act, an individual who exhausts PEUC may commence receipt of EB, if he or she is otherwise eligible. With the Continued Assistance Act increasing the total amount of PEUC benefits available for everyone who has established a PEUC claim, individuals who have already transitioned to the EB program ordinarily would no longer be considered PEUC exhaustees and the CARES Act would require that these individuals be switched back to PEUC if the individual is otherwise eligible. However, section 206(c)(2) of the Continued Assistance Act provides that **any individual who is receiving EB for the week of unemployment that includes December 27, 2020 (the date of enactment of the Continued**

Assistance Act) shall not be eligible for PEUC until the individual has exhausted all rights to EB. Because December 27, 2020, is the beginning of a week of unemployment in most states, an individual who exhausted PEUC with the week ending December 26, 2020, would not have begun receiving EB as of December 27, 2020. Thus, this coordination rule only applies to an individual who exhausted his or her initial entitlement to PEUC and began receiving EB no later than the week ending December 26, 2020—the last week of unemployment ending prior to the enactment of the Continued Assistance Act. Such an individual will continue receiving EB, provided he or she is otherwise eligible, for weeks of unemployment beginning on or after enactment of the Continued Assistance Act. 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 the Continued Assistance Act.

- g. Coordination with PUA. The Continued Assistance Act does not include a new coordination provision for PEUC with the Pandemic Unemployment Assistance (PUA) program. Thus, individuals who are receiving PUA and gain augmented entitlement to PEUC under the Continued Assistance Act will no longer be eligible for PUA until all PEUC entitlement has been exhausted. PUA payments must cease for such individuals after an appropriate period of time for a state to take necessary actions to make payments of the augmented amounts of PEUC provided in the Continued Assistance Act. The Secretary of Labor will determine the appropriate period of time for a state to take such actions, during which the individual's continued receipt of PUA will not be considered an overpayment. Refer to additional detail in UIPL No. 16-20 and its Changes.
- h. Entitlement to PEUC with respect to a subsequent benefit year. Particularly with the extension of the PEUC program, it is possible that an individual may become a regular UC exhaustee with respect to entitlement established in more than one benefit year. As a result, it is possible that an individual may be able to establish PEUC entitlement more than once. In this case, the individual must have exhausted all PEUC entitlement with respect to the first benefit year in addition to exhausting all regular UC entitlement in the second benefit year before being potentially eligible for PEUC with respect to the second benefit year. At that point, the state would determine PEUC entitlement based on the average WBA payable during the second benefit year.
- i. Reporting Instructions. As a reminder, states must continue to submit the required PEUC program reports, which are the ETA 207, ETA 218, ETA 227, ETA 5130 and ETA 5159. States are to submit these reports electronically by using separate PEUC entry screens that are available through the UI Required Reports electronic reporting system. States must also report PEUC activity on the ETA 2112, ETA 539 and UI-3 as specified in Section G.2. of Attachment I of UIPL No. 17-20. For instructions on ETA 227 reporting, please follow guidance provided in Section 4.b. of UIPL No. 17-20, Change 1.

Unless otherwise noted, definitions of items follow the definitions in the regular program as specified in ETA Handbook 401, 5th Edition. Due dates are the same as the regular versions of reports.

States must continue to submit all reports as long as there is activity. However, states only need to submit reports with non-zero data.

5. **Inquiries.** States should direct inquiries to the email account covid-19@dol.gov and copy the appropriate ETA Regional Office.

6. **References.**

- Continued Assistance for Unemployed Workers (Continued Assistance Act) of 2020, enacted on December 27, 2020;
- Coronavirus Aid, Relief, and Economic Security (CARES) Act, 2020, Pub. L. 116-136, including Title II Subtitle A Relief for Workers Affected by Coronavirus Act;
- Section 4102, Families First Coronavirus Response Act, Pub. L. 116-127, Division D, Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA), Pub. L. 116-127;
- Federal-State Extended Unemployment Compensation Act of 1970, 26 U.S.C. §3304 note;
- 20 C.F.R. Part 615;
- UIPL No. 09-21, *Continued Assistance for Unemployed Workers Act of 2020 (Continued Assistance Act) – Summary of Key Unemployment Insurance (UI) Provisions*, issued December 30, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3831;
- 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 August 31, 2020, 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 May 11, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=4621;
- 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;
- UIPL No. 17-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020— – Pandemic Emergency Unemployment Compensation (PEUC) Program Operating, Financial, and Reporting Instructions*, issued on May 13, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8689;
- 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;
- 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;
- UIPL No. 16-20, Change 2, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Pandemic Unemployment Assistance (PUA) Program Reporting Instructions and Questions and Answers*, issued on July 21, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5479;
 - 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;
 - 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 14, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9297;
 - UIPL No. 15-20, Change 1, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC) Program Operating, Financial, and Reporting Instructions*, issued on May 9, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3946;
 - UIPL No. 15-20, Change 2, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Federal Pandemic Unemployment Compensation (FPUC) Program Operating, Financial, and Reporting Instructions*, issued on June 15, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7785;
 - UIPL No. 14-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Summary of Key Unemployment Insurance (UI) Provisions and Temporary Emergency State Staffing Flexibility*, issued on April 2, 2020, 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 March 22, 2020, 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 March 12, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8893.

7. Attachment(s).

- Attachment I: Statutory Language of Section 206 of the Continued Assistance for Unemployed Workers Act of 2020

**Statutory Language of Section 206 of the
Continued Assistance for Unemployed Workers Act of 2020**

**SEC. 206. EXTENSION AND BENEFIT PHASEOUT RULE FOR PANDEMIC
EMERGENCY UNEMPLOYMENT COMPENSATION.**

(a) IN GENERAL.-Section 2107(g) of the CARES Act (15 U.S.C. 9025(g)) is amended to read as follows:

"(g) APPLICABILITY.-

"(1) IN GENERAL.-Except as provided in paragraphs (2) and (3), an agreement entered into under this section shall apply to weeks of unemployment-

"(A) beginning after the date on which such agreement is entered into; and

"(B) ending on or before March 14, 2021.

"(2) TRANSITION RULE FOR INDIVIDUALS REMAINING ENTITLED TO PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION AS OF MARCH 14, 2021.-In the case of any individual who, as of the date specified in paragraph (1)(B), is receiving Pandemic Emergency Unemployment Compensation but has not yet exhausted all rights to such assistance under this section, Pandemic Emergency Unemployment Compensation shall continue to be payable to such individual for any week beginning on or after such date for which the individual is otherwise eligible for Pandemic Emergency Unemployment Compensation.

"(3) TERMINATION.-Notwithstanding any other provision of this subsection, no Pandemic Emergency Unemployment Compensation shall be payable for any week beginning after April 5, 2021."

(b) INCREASE IN NUMBER OF WEEKS.-Section 2107(b)(2) of the CARES Act (15 U.S.C. 9025(b)(2)) is amended by striking "13" and inserting "24".

(c) COORDINATION RULES.-

(1) COORDINATION OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.-Section 2107(b) of the CARES Act (15 U.S.C. 9025(b)) is amended by adding at the end the following :

"(4) COORDINATION OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.-

"(A) IN GENERAL.-If-

"(i) an individual has been determined to be entitled to pandemic emergency unemployment compensation with respect to a benefit year;

"(ii) that benefit year has expired;

"(iii) that individual has remaining entitlement to pandemic emergency unemployment compensation with respect to that benefit year; and

"(iv) that individual would qualify for a new benefit year in which the weekly benefit amount of regular compensation is at least \$25 less than the individual's weekly benefit amount in the benefit year referred to in clause (i),

then the State shall determine eligibility for compensation as provided in subparagraph (B).

"(B) DETERMINATION OF ELIGIBILITY.-For individuals described in subparagraph (A), the State shall determine whether the individual is to be paid pandemic emergency unemployment compensation or regular compensation for a week of unemployment using one of the following methods:

"(i) The State shall, if permitted by State law, establish a new benefit year, but defer the payment of regular compensation with respect to that new benefit year until exhaustion of all pandemic emergency unemployment compensation payable with respect to the benefit year referred to in subparagraph (A)(i).

"(ii) The State shall, if permitted by State law, defer the establishment of a new benefit year (which uses all the wages and employment which would have been used to establish a benefit year but for the application of this subparagraph), until exhaustion of all pandemic emergency unemployment compensation payable with respect to the benefit year referred to in subparagraph (A)(i).

"(iii) The State shall pay, if permitted by State law-

"(I) regular compensation equal to the weekly benefit amount established under the new benefit year; and

"(II) pandemic emergency unemployment compensation equal to the difference between that weekly benefit amount and the weekly benefit amount for the expired benefit year.

"(iv) The State shall determine rights to pandemic emergency unemployment compensation without regard to any rights to regular compensation if the individual elects to not file a claim for regular compensation under the new benefit year."

(2) COORDINATION OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION WITH EXTENDED COMPENSATION.-

(A) INDIVIDUALS RECEIVING EXTENDED COMPENSATION AS OF THE DATE OF ENACTMENT.- Section 2107(a)(5) of the CARES Act (15 U.S.C. 9025(a)(5)) is amended-

(i) by striking "RULE.-An agreement" and inserting the following: "RULES.-"(A) IN GENERAL.-Subject to subparagraph (B), an agreement"; and

(ii) by adding at the end the following:

"(B) SPECIAL RULE.-In the case of an individual who is receiving extended compensation under the State law for the week that includes the date of enactment of this subparagraph (without regard to the amendments made by subsections (a) and (b) of section 206 of the Continued Assistance for Unemployed Workers Act of 2020), such individual shall not be eligible to receive pandemic emergency unemployment compensation by reason of such amendments until such individual has exhausted all rights to such extended benefits."

(B) ELIGIBILITY FOR EXTENDED COMPENSATION.- Section 2107(a) of the CARES Act (15 U.S.C. 9025(a)) is amended by adding at the end the following:

"(8) SPECIAL RULE FOR EXTENDED COMPENSATION.-At the option of a State, for any weeks of unemployment beginning after the date of the enactment of this paragraph and before April 12, 2021, an individual's eligibility period (as described in section 203(c) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note)) shall, for purposes of any determination of eligibility for extended compensation under the State law of such State, be considered to include any week which begins-

"(A) after the date as of which such individual exhausts all rights to pandemic emergency unemployment compensation; and

"(B) during an extended benefit period that began on or before the date described in subparagraph (A).".

(d) EFFECTIVE DATE.-

(1) IN GENERAL.-Except as provided in paragraph (2), the amendments made by this section shall apply as if included in the enactment of the CARES Act (Public Law 116-136), except that no amount shall be payable by virtue of such amendments with respect to any week of unemployment commencing before the date of the enactment of this Act.

(2) COORDINATION RULES .- The amendments made by subsection (c)(1) shall apply to individuals whose benefit years, as described in section 2107(b)(4)(A)(ii) of the CARES Act, expire after the date of enactment of this Act.