EDD Employment Development Department
State of California

N E W S R E L E A S E

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Additional Unemployment Insurance Benefits Now Available For Long Term Unemployed

California employers will also receive some unemployment tax relief

Sacramento – Up to 20 additional weeks of Unemployment Insurance (UI) benefits are now available to longer term unemployed workers in California impacted by the COVID-19 pandemic.

The Federal-State Extended Duration benefits program, known as FED-ED in California, only becomes available during times of high or prolonged periods of unemployment. Generally, it provides up to 13 additional weeks of benefits and is funded 50 percent from the State's UI Trust Fund, which includes employer-paid taxes on their employees' wages, and 50 percent from federal funds.

Under AB 103, which was part of the budget package signed by Governor Gavin Newsom on Monday, the state now meets federal trigger standards to maximize support for the unemployed from the federal government. This support includes adding an extra seven weeks of benefits to the FED-ED extension, as well as adding an additional seven weeks of benefits to the federal Pandemic Unemployment Assistance (PUA) program. These additional weeks of FED-ED benefits are fully federally-funded, saving California's UI Trust Fund an estimated $7 billion, in addition to providing some tax relief to employers.

"The state has been able to **maximize benefits** for families and business throughout California," said EDD Director Sharon Hilliard. "We're expanding the FED-ED extension to provide up to 20 **additional** weeks of benefits for workers struggling through this pandemic, increasing the benefits available on the separate federal PUA program, and alleviating further financial strain on many state employers by receiving 100% federal funding for these benefits."

In order to file a FED-ED extension, federal law requires individuals to meet certain eligibility criteria to monetarily qualify. To be eligible, a claimant must have earnings during the base period (four-quarter period of earnings) of their regular UI claim that exceed 40 times the weekly benefit amount or 1.5 times their highest quarter of total wages during the base period.

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Additional eligibility criteria under the federal law require claimants to remain able and available for work and require claimants to potentially accept different work options, including potentially lower wages than they've earned previously.

Benefits for Unemployed Workers
The EDD is implementing the FED-ED programming for the first 13 weeks of the extension on July 1st, in time for some of the first claimants who may be running out of their current Pandemic Emergency Unemployment Compensation (PEUC) extension benefits. This allows these claimants to transition into a FED-ED extension if they still remain unemployed or working reduced hours.

Programming for the new additional seven weeks to make the total of 20 weeks available will follow shortly after, along with the programming needed to add the seven weeks to the PUA program to increase the maximum benefits available up to a total of 46 weeks. The EDD is sweeping the system to identify those who have collected all of their PEUC benefits for implementing the FED-ED extension as follows:

- For individuals who meet the slightly different eligibility requirements of the FED-ED extension, the EDD will automatically file a FED-ED extension and mail a notice of eligibility to the claimant. Claimants will then need to complete the usual bi-weekly certification to determine eligibility for payment.

- For those individuals who do not qualify for a FED-ED extension, the EDD will proactively reopen their PUA claim if they already had one established. For those who have not previously established a PUA claim, the Department will proactively file a PUA claim in order to help maintain the availability of benefits. While the maximum PUA benefits will now be up to 46 weeks, PUA claimants should be aware that if they received any regular UI benefits, those weeks of benefits will be counted against the 46 weeks, as required by federal law.

  In both situations where a PUA claim is reopened or filed, the Department will send the claimant a notice entitled *Immediate Action Required – Pandemic Unemployment Assistance Self-Certification* which will require claimants to attest that they meet PUA eligibility requirements before being paid PUA benefits. The notice will have to be completed and sent back to the EDD.

- Those who qualify for FED-ED will receive the extra $600 stimulus payment through July 25, 2020, based on the end date under the federal CARES Act.

- Individuals may now potentially receive up to a total of 59 weeks when combining their regular UI (up to 26 weeks) and PEUC (up to 13 weeks) claim amounts with the FED-ED extension (up to 20 weeks). That all depends on when someone exhausts their claim and how much time remains to collect PEUC or FED-ED benefits before those programs expire.

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Tax Relief for California Employers

In addition to the 100% federal funding for FED-ED extension benefits for tax-rated employers through December 26, 2020, AB 103 also helps provide for some other tax relief to employers.

When combined with other legislation, such as the Federal Families First Coronavirus Response Act (FFCRA), Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA), and the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), most California employers are gaining some relief associated with unemployment benefits resulting from the COVID-19 pandemic, including the following:

- Employers who pay federal and state UI taxes on their employees' wages to fund regular UI benefits will not bear the costs of the extra up to 20 weeks of FED-ED benefits.
- These tax-rated employers will also be relieved of all COVID-19 related charges to their reserve account balance and experience rating, unless the employer or agent of the employer was at fault. Generally, when employers have a high amount of unemployment benefit charges applied to their reserve account balance, their tax rates would increase. With AB 103, the state is leveraging the provisions of the federal legislation, which included a provision to encourage states to apply a "non-charging" rule to avoid significant increases to employers' tax rates due to layoffs beyond their control. This is especially critical since employers are already experiencing financial losses due to this pandemic.
- Non-contributory employers who reimburse the State's Trust Fund for the costs of regular and extended UI benefits are required to pay 100 percent of their former employees' benefit costs. But, under the CARES Act, they are eligible to receive a 50% reimbursement on their UI charges, including FED-ED benefits.

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