

## American Workforce Rescue Act

### *Section-by-Section Summary*

#### **Section 1. Short Title; Table of Contents.**

#### **Section 2. Extension of Federal Pandemic Unemployment Compensation.**

Section 2104 of the CARES Act (Federal Pandemic Unemployment Compensation - FPUC) is extended until the date that is 13 weeks after a state's unemployment rate falls below 6%.

The amount of FPUC in a state is determined by the state's a high unemployment period tier.

- A state is in the first tier when its unemployment rate<sup>1</sup> is at least 6% but less than 7%. While a state is in the first tier, the FPUC amount is \$100.
- A state is in the second tier when its unemployment rate is at least 7% but less than 8%. While a state is in the second tier, the FPUC amount is \$200.
- A state is in the third tier when its unemployment rate is at least 8% but less than 9%. While a state is in the third tier, the FPUC amount is \$300.
- A state is in the fourth tier when its unemployment rate is at least 9% but less than 10%. While a state is in the fourth tier, the FPUC amount is \$400.
- A state is in the fifth tier when its unemployment rate is at least 10% but less than 11%. While a state is in the fifth tier, the FPUC amount is \$500.
- A state is in the sixth tier when its unemployment rate is at least 11%. While a state is in the sixth tier, the FPUC amount is \$600.

Once a state is in a high unemployment period tier, the state may not move to a lower unemployment period tier until the state has been in that tier for 13 weeks.

During the 13-week period after a state's unemployment rate drops below 6%, the state is deemed to be in the first high unemployment period tier with an FPUC amount of \$100.

#### **Section 3. Extension and Expansion of the Pandemic Emergency Unemployment Compensation Program.**

Section 2107 of the CARES Act (Pandemic Emergency Unemployment Compensation – PEUC) is extended until the later of March 27, 2021 or the date when a state's unemployment rate falls below 5.5%.

The number of weeks of PEUC available is determined by the state's extended benefit period tier.

- A state is in first-tier PEUC when its unemployment rate is at least 5.5% but less than 6.5%. A total of 13 weeks of PEUC are available when a state is in first-tier PEUC.
- A state is in second-tier PEUC when its unemployment rate is at least 6.5% but less than 7.5%. A total of 26 weeks of PEUC are available when a state is in second-tier PEUC.
- A state is in third-tier PEUC when its unemployment rate is at least 7.5% but less than 8.5%. A total of 39 weeks of PEUC will be available when a state is in third tier PEUC.

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<sup>1</sup> Throughout this bill, "unemployment rate" refers to a state's three-month average rate of total unemployment, seasonally adjusted.

- A state is in fourth-tier PEUC when its unemployment rate is at least 8.5%. A total of 52 weeks of PEUC will be available when a state is in fourth tier PEUC.<sup>2</sup>

An individual who starts claiming a tier of PEUC may finish claiming that tier even if the number of weeks of PEUC available in the state decreases while they are claiming the tier.<sup>3</sup>

This section also includes coordinating provisions to determine whether an individual is eligible for regular compensation or PEUC.

#### **Section 4. Extension of Pandemic Unemployment Assistance.**

Section 2102 of the CARES Act (Pandemic Unemployment Assistance – PUA) is extended until the later of March 27, 2021 or the date when a state’s unemployment rate falls below 5.5%.

The number of weeks of PUA available will be extended by the number of weeks of PEUC and Extended Benefits available in a state such that the number of weeks of PUA available is equal to the number of weeks of regular compensation, PEUC, and Extended Benefits available. These extensions will be administered in the same way as PEUC.<sup>4</sup>

This section also includes a technical correction and clarifies special rules for calculating the unemployment rate in certain territories.

#### **Section 5. Extension of Additional Unemployment Compensation Provisions**

The following programs will remain in effect until the later of March 27, 2021 or the date when a state’s unemployment rate falls below 5.5%.

- Section 2103 of the CARES Act – Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations
- Section 2105 of the CARES Act – Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week
- Section 2108 of the CARES Act – Temporary Financing of Short-time Compensation Payments in States With Programs in Law
- Section 2109 of the CARES Act – Temporary Financing of Short-time Compensation Agreements
- Section 2112 of the CARES Act – Waiver of the 7-day Waiting Period for Benefits Under the Railroad Unemployment Insurance Act
- Section 1202(b)(10)(A) of the Social Security Act – Temporary Assistance for States With Advances
- Section 4105 of the Families First Coronavirus Response Act – Full Federal Funding of Extended Unemployment Compensation for a Limited Period

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<sup>2</sup> The number of weeks of PEUC available is in addition to regular compensation and Extended Benefits, which vary by state.

<sup>3</sup> An individual may only claim weeks of PEUC from a given tier after the state has left the tier within four months of the date the state dropped off that tier.

<sup>4</sup> Language in existing statute will ensure that a state’s FPUC amount also applies to PUA.