
FISCAL UPDATE Article

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

COVID-19 — PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM — JUNE 11, 2020

The U.S. Department of Labor announced on April 10, 2020, the publication of Unemployment Insurance Program Letter (UIPL) [17-20](#) providing guidance to states for implementation of the Pandemic Emergency Unemployment Compensation (PEUC) Program. This provision is contained in Section 2107 of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ([H.R. 748](#)), enacted on March 27, 2020. Under the PEUC Program, states can provide up to 13 weeks of federally funded benefits to qualified individuals who:

- Have exhausted all rights to regular compensation under state law or federal law with respect to a benefit year that ended on or after July 1, 2019;
- Have no rights to regular compensation with respect to a week under any other state unemployment compensation law or federal unemployment compensation law, or to compensation under any other federal law;
- Are not receiving compensation under the unemployment compensation law of Canada; and
- Can work, are available to work, and are actively seeking work, although states must offer flexibility on “actively seeking work” where there are COVID-19 impacts and constraints.

According to the Iowa Department of Workforce Development (IWD), the PEUC Program provides payments to a claimant in the same amount the claimant received for previous weeks. The first week this benefit was payable was the week ending April 4, 2020. The last week this benefit is payable is the week ending December 26, 2020. Funding for the PEUC benefits will be provided from federal funds. Implementation costs and ongoing administrative costs are also 100.0% federally funded. Additional information provided by the IWD can be found [here](#).

The IWD [reports](#) that a total of approximately \$3.8 million in PEUC benefits have been paid for the week ending June 6, 2020, and a total of approximately \$11.3 million in PEUC benefits have been paid since May 27, 2020.

The PEUC benefits described above and unemployment benefits of any kind are not available to employees who quit their job, refuse to return to work, or refuse to receive full-time pay. Attempts to collect payments after quitting a job could be viewed as fraudulent and will be further investigated by the IWD. The CARES Act specifically provides for serious consequences for fraudulent cases, including fines, confinement, and an inability to receive future unemployment benefits until all fraudulent claims and fines have been repaid.

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

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