
FISCAL UPDATE Article

Fiscal Services Division

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COVID-19 — PANDEMIC UNEMPLOYMENT ASSISTANCE PROGRAM

The U.S. Department of Labor announced on April 5, 2020, the publication of Unemployment Insurance Program Letter [16-20](#) providing guidance to states for implementation of the Pandemic Unemployment Assistance (PUA) Program. Under the PUA, individuals who do not qualify for regular unemployment compensation and are unable to continue working as a result of COVID-19, such as self-employed workers, independent contractors, and gig economy workers, are eligible for PUA benefits. This provision is contained in Section 2102 of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ([H.R. 748](#)), enacted on March 27, 2020. Funding for the PUA benefits will be provided from federal funds.

According to the Iowa Department of Workforce Development (IWD), the PUA Program provides up to 39 weeks of unemployment benefits to individuals who are self-employed, independent contractors, nonprofit employees, or gig economy workers, as well as to individuals who are working part-time or who otherwise would not qualify for regular unemployment compensation or extended benefits under State or federal law or the [Pandemic Emergency Unemployment Compensation \(PEUC\) Program](#). A claimant can be compensated with this benefit beginning February 2, 2020, or the first week a claimant was unable to work as a result of COVID-19, whichever date is later. The last week this benefit is payable is the week ending December 26, 2020. This benefit also applies to anyone who has exhausted all unemployment insurance payment options at the State or federal level, including the PEUC Program. Additional information provided by the IWD can be found [here](#).

The PUA 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.

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