



## **COVID-19 State and Federal Changes to Unemployment**

### **EMPLOYEE IMPACTS**

Under [H. 742/Act 91](#), individuals can qualify for unemployment for the following reasons:

- To care for a child under 18 years of age because the child's school or childcare is closed
- There is an unreasonable risk that the individual could be exposed to or become infected with COVID-19 at the individual's place of employment.
  - DOL will weigh if the employer is following VDH, CDC or OSHA guidance to make this determination.

DOL clarified that those receiving unemployment can volunteer through Medical Reserve Corps although it could create a labor law problem if the employee is volunteering for same employer who laid off the employee.

Under the [federal CARES Act](#) both allows unemployment benefits for those who don't typically qualify under state law (self-employed, independent contractors and those without enough earnings history) and also increases the weekly benefits by \$600 for everyone receiving benefits. This increase already started to be paid with the week ending April 4<sup>th</sup> and will continue through July 25<sup>th</sup>.

Employees are also disqualified from receipt of unemployment benefits if they are receiving payroll support via the employer qualifying for the federal [Paycheck Protection Program](#).

While the DOL [employer services phone line](#) is not being actively staffed, they are responding to voicemail. Employees are strongly encouraged to submit claims via an [online form](#).

USDOL Guidance on the CARES ACT Unemployment Insurance provisions is [HERE](#).

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Act 91 also protects some employers that rehire within 8 weeks from a ratings impact if employees claim benefits. See the [Vermont Department of Labor webpage](#) for more information.

#### *Relief for Not-for-Profit "reimbursable" Employers*

Taxable employers pay a quarterly tax to the department. It is referred to as a "contribution" in statute, but is essentially a tax that is calculated annually based on an employer's experience rating record. The experience rating record is a function of benefits claimed by employees compared to the employer's total taxable wage base.

In Vermont, 501(c)(3) non-profits can elect to be "reimbursable" as opposed to taxable. They pay no unemployment tax, but when an employee collects unemployment benefits, the Vermont DOL bills the employer for those benefits on a dollar-for-dollar basis. Billing is done quarterly and is known as a "charge back." Under Section 2103 of the CARES Act, "reimbursables" will be relieved of 50% of those charges for benefits paid from March 13, 2020 through December 31, 2020.



## **FFCRA - Family & Sick Leave**

The [Families First Coronavirus Response Act](#) (FFCRA) also expanded to employers of less than 500 a requirement to provide employees 12 weeks of job-protected leave for health or family needs.

- 10 weeks of this time must be provided at 2/3 the employee's usual salary. Employers must also offer up to 2 weeks of sick time at regular pay.

**NOTE:** [any employee of a health care provider](#)—whether he or she is a licensed health care professional, or administrative or technical support staff—may be excluded from paid leave and sick time requirements.

If an employer does provide paid leave, FFCRA also provides small and midsize employers [refundable tax credits](#) that reimburse them, dollar-for-dollar, for the cost of providing paid sick and family leave wages to their employees for leave related to COVID-19.

USDOL guidance on FFCRA is available [HERE](#). <https://www.dol.gov/agencies/whd/pandemic/ffcra-questions>