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COVID-19 Changes to Unemployment Insurance

Handout to Assist Legal Services Staff

Updated on May 5, 2020

Unemployment insurance (“UI”) is a program that provides money to persons who are unemployed through no fault of their own. The Arizona Department of Economic Security (“DES”) runs the program. We prepared this handout to explain the UI program. This is general information and does not discuss all situations. The facts of a particular case are important. We will update this handout as more information is available during the COVID-19 crisis.

In response to the COVID-19 pandemic, there have been many changes to Arizona’s unemployment insurance program.

- **More persons are eligible** for benefits.
- Persons will receive **more money each week**, and
- Persons will receive benefits for a **longer period of time**.

There are three parts of the federal CARES Act, signed into law on March 27, 2020:

- **More persons are eligible** for benefits. The **Pandemic Unemployment Assistance (“PUA”)** program expands the persons who can get UI benefits beyond those typically eligible for state UI benefits until the end of December 2020.
- Persons will receive **more money each week**. The **Pandemic Unemployment Compensation (“PUC”)** program adds \$600 per week to every person who gets weekly benefits under the state UI or under the PUA until the end of July 2020.
- Persons will receive benefits for a **longer period of time**. Under the **Pandemic Emergency Unemployment Compensation (“PEUC”)**,

persons will get an additional 13 weeks of benefits until the end of December 2020.

Persons who applied for UI in the past and were denied may be eligible now. Please encourage everyone to apply.

Who is eligible for unemployment insurance benefits?

The UI program gives benefits to persons who lose their job or have a reduction of wages through no fault of their own. Because of the changes in the law, many persons who were not previously eligible for state UI benefits in Arizona are now eligible. State UI benefits are often referred to as “regular” benefits.

Expanded “Regular” State UI eligibility:

State UI benefits eligibility is expanded due to the COVID-19 pandemic:

- Applicants do not need to search for work to receive “regular” UI.
- Applicants are eligible from the date they apply, without a “waiting week” before they can receive benefits.
- Applicants who meet the state wage requirements will be eligible for “regular” UI if they are filing for UI because of COVID-19 related reasons.
 - Persons whose employer has permanently or temporarily ceased or drastically reduced operations due to COVID-19 resulting in a reduction of wages;
 - Persons who due to requirements that the individual be quarantined, are separated from employment and do not have any available paid leave even if the individual has an expectation of returning to work after the quarantine is over;
 - Persons who leave employment due to a risk of exposure or infection and are a member of a population that is particularly susceptible to COVID-19;
 - Persons who leave employment to care for a family member who has been infected with COVID-19; or
 - Persons who for any other circumstance are separated from work for reasons related to COVID-19.

Please note: For persons who do not have sufficient wages to qualify for state UI benefits, the reasons above and other reasons may qualify the person for the PUA benefits.

Expanded Eligibility under the Pandemic Unemployment Assistance (“PUA”):

Even if applicants do not qualify under “regular” UI, they may be eligible under PUA. The additional eligibility groups are if:

- They previously did not qualify for state UI benefits because they are self-employed, an independent contractor or freelancer, or work in the gig economy.
- They previously exhausted (got 26 weeks) of state UI benefits.
- They do not have sufficient earnings to get “regular” state UI benefits.
- They would not qualify for “regular” state UI and they are partially or fully unemployed or unable to work because of the impacts of the COVID-19 crisis. There is a long list of who may qualify, including persons who are diagnosed with COVID-19; are taking care of a child or other household member; or their place of employment is closed.

Please note: If someone can telework with pay or is receiving paid leave, they are not eligible for PUA.

Please note: As of the end of April, DES had not started to process applications under the PUA. DES announced that they will begin to process applications for PUA the week of May 12, 2020. The PUA program will expire December 31, 2020 unless it is extended.

What should people know about their PUA application?

Some applicants have not been able to complete the application online because it is not set up to accept applications for PUA. It is recommended that anyone who cannot apply online either call DES or submit a paper application. The link to a paper application is below.

If someone submits an application and is not eligible for “regular” state UI benefits, DES should send the persons a notice that they are not eligible for state UI benefits. Many persons will get a notice that they are “monetarily ineligible.” The notice should tell them that DES will review their case to see if they are eligible under PUA. Because these are new eligibility groups, DES had to make changes to its

computer systems to process these claims. DES will start processing and paying PUA claims in mid-May.

It is recommended that claimants keep filing weekly claims while DES reviews their application. If DES finds them eligible for the PUA, DES will give the person benefits back to the date of application.

After a claimant starts to get UI benefits, they must continue to file weekly claims.

What if someone applied for benefits in the past and was denied?

They should apply right away. They may now be eligible even though they were not eligible in the past. DES is encouraging everyone who may be eligible to apply.

How much will someone get in benefits?

State UI benefits are paid weekly. Depending on a person's earnings, they can get **up to \$240 per week in state benefits.**

Persons eligible for "regular" state UI will get an additional **\$600 per week in benefits paid for by the federal government** through July 2020. They do not have to apply separately for the federal benefits.

Both state and federal benefits will be paid by DES.

PUA benefits are calculated the same way as they are for the federal Disaster Unemployment Assistance program. PUA will have a minimum benefit that is equal to one-half the state's average weekly UI benefit. In Arizona, that is \$117 per week. The maximum benefit is \$240.

If someone is eligible for PUA, they will also get the additional \$600 per week in federal benefits through July 2020.

How long can someone get unemployment insurance benefits?

"Regular" state UI benefits are available for up to 26 weeks. After 26 weeks, the federal government will provide an additional 13 weeks of benefits for a total of 39 weeks.

PUA benefits are available for 39 weeks.

Can a DACA recipient (Dreamers) or another person with a work authorization get state UI benefits?

Yes. DACA recipients and other immigrants are eligible for state UI benefits if they: (1) had a valid work authorization when they earned the wages and (2) have a valid work authorization when they apply for UI benefits.

How can people apply for UI benefits?

- Online at www.azui.com and click the button “Apply for UI Benefits.” You can apply any time between 12:00 am on Sunday through 6:00 pm on Friday.
- By phone at 1-877- 600 -2722.
- A paper application is available in the documents center (UB-105 Arizona Initial Claim for Unemployment Insurance) at www.azdes.gov. The application will tell you where to mail or fax the application.
- DES one-stop centers and employment services centers may remain open. If someone wants to go to a DES office, it is advisable to call ahead to find out if the office is open and if the office is seeing persons who walk-in.

Is there a waiting week for UI benefits?

No. There is no waiting week to get benefits.

Do claimants have to look for work during the COVID-19 pandemic?

No. As of March 8, 2020, the requirement to look for work has been suspended because of the COVID-19 crisis. Even though claimants are not required to look for work during this time, **persons must submit a weekly claim for benefits to be able to get UI benefits.**

What do claimants need to do to get UI benefits every week?

After they apply for UI benefits, a claimant must file a weekly claim with DES. Even if they have not started to get benefits, they must file a weekly claim. The weekly claim can be filed online or a claim form can be downloaded from the DES website and mailed or faxed to DES. If a person files a paper claim form, they should keep a copy for their records. After DES finds them eligible, DES will pay them for the previous weeks back to when they filed their application.

If they are confused about one of the questions in the claim form, they should hover their mouse over the question mark picture that is next to the question and DES guidance will pop up. DES has tried to provide guidance and examples that will explain the new rules during the COVID-19 crisis. DES will continually update these forms. If a claimant makes a mistake on the claim form, they can call 1-877-600-2722 and let DES know.

How will claimants get their UI benefits?

They can get their benefits by direct deposit or on an Electronic Payment Card, often called an “EPC.”

What if a claimant disagrees with DES’ decision on their UI application?

If they disagree with DES’ decision, they first can ask DES to reconsider its decision. If they still disagree, they can ask for a hearing before an impartial administrative law judge. The notice will explain their appeal rights.

Will UI benefits count as income for food stamps, TANF, or AHCCCS?

It depends on the benefit program. UI benefits include Arizona’s weekly benefit of up to \$240.00 and Pandemic Unemployment Compensation (PUC) of \$600.00 a week. DES also processes applications for food stamps, TANF, and AHCCCS. Below is an explanation of whether the UI benefits count as income for these programs:

- **Food stamps (Nutrition Assistance)** - State UI and PUC benefits COUNT as unearned income.
- **Medicaid/AHCCCS (Medical Assistance)** - State UI benefits COUNT as unearned income, but PUC benefits do NOT count as income.
- **TANF (Cash Assistance)** – State UI and PUC benefits do NOT count as income.

Where can persons find more information?

Arizona Department of Economic Security, Unemployment Insurance Benefits homepage: www.azdes.gov/services/employment/unemployment-individual.

National Employment Law Project website www.nelp.org.
AZLawHelp.org.

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