Friday, March 27, 2020

The Coronavirus Aid, Recovery, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act delivers approximately $2 trillion in emergency aid to businesses and individuals suffering the economic fallout from the 2019 novel coronavirus (COVID-19) pandemic.

The aid package contains a variety of measures aimed at improving businesses’ cash flow, including tax relief and loans.

The CARES Act also expands unemployment benefits in a number of meaningful ways:

- For states that agree to waive the normal seven day waiting period, the federal government will pay the full cost of the first week of benefits. In Wisconsin, Governor Evers has asked the legislature to waive the waiting period, but the legislature has not yet acted.

- In states that agree, a lump sum of $600 (funded by the federal government) will be added to employees’ maximum weekly benefit through July 31, 2020. Wisconsin’s maximum weekly benefit is currently $370, which means the enhanced maximum weekly benefit in Wisconsin will temporarily increase to $970.

- An additional 13 weeks of extended unemployment benefits (for a total of 39 weeks in Wisconsin) are available for employees unemployed or underemployed due to certain COVID-19-related reasons. These extended benefits are available
to employees who have exhausted or are otherwise ineligible for regular unemployment benefits, and self-certification requirements apply. Extended benefits are not available to employees who are able to telework or who are receiving other paid leave from their employer.

The economic disruption caused by the COVID-19 pandemic has forced, and will continue to force, employers to resort to a variety of less than ideal mitigation actions to keep their businesses afloat. To the extent these actions result in a temporary or permanent loss of employment, or significant reduction in employee hours, the CARES Act offers a temporary additional cushion to those seeking enhanced unemployment benefits through their state unemployment agency.

Copyright © 2020 Godfrey & Kahn S.C.