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Labor Department Outlines CARES Act Benefits and Implementation

PIERRE, S.D. – The Department of Labor and Regulation (DLR) is outlining the benefits of the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020, which provides unemployment benefits for the self-employed, independent contractors, nonprofit employees, gig economy workers, those who have exhausted other unemployment insurance benefits, and those who may not have sufficient work history to qualify for a regular state claim.

The CARES Act also includes eligibility for those receiving unemployment insurance benefits in any amount to be paid an additional \$600 weekly benefit.

After receiving guidance from the U.S. Department of Labor, DLR has begun aligning resources and technology to create the necessary processes to be able to pay qualified individuals their benefits as quickly as possible. Payments will be issued as soon as administratively feasible and paid retroactively to eligible individuals.

The CARES Act provides the following unemployment insurance benefit programs:

- **Federal Pandemic Unemployment Compensation (FPUC).** The FPUC program provides individuals with an additional \$600 per week who are collecting regular Unemployment Compensation (UC), Pandemic Emergency Unemployment Compensation (PEUC), Pandemic Unemployment Assistance (PUA), Extended Benefits (EB), Trade Readjustment Act (TRA), and Disaster Unemployment Assistance (DUA).

The first week a claimant can be compensated on this benefit is the week beginning March 29, 2020, and the last week is the week ending July 25, 2020. Our goal is to issue payments to those who are eligible as soon as administratively feasible. Claimants do not need to request the FPUC payment.

Please keep in mind you cannot quit your job and continue to draw these benefits. If you refuse to return to work without a documented medical note consistent with the Families First Act, you will be disqualified from ALL benefits including the \$600 payment. Additionally, if your employer receives a loan under the PayCheck Protection Act and places you back on the payroll, full time, you

will no longer be eligible for unemployment or FPUC benefits.

- **Pandemic Unemployment Assistance (PUA).** This program provides up to 39 weeks of unemployment benefits to individuals who are self-employed, independent contractors, nonprofit employees and gig economy workers, as well as to individuals working part-time, or who otherwise would not qualify for regular UC or EB under state or federal law or PEUC.

A claimant can be compensated with this benefit beginning Feb. 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 Dec. 26, 2020. Our goal is to issue payments to those who are eligible as soon as administratively feasible. This benefit also applies to anyone who has exhausted all unemployment insurance payment options at the state or federal level, including the PEUC program.

PUA claims cannot be taken yet; DLR is creating the application. Claims can be backdated if the individual meets the eligibility requirements under PUA.

- **Pandemic Emergency Unemployment Compensation (PEUC).** The PEUC program provides up to 13 weeks of unemployment insurance benefits to individuals who have exhausted regular unemployment benefits under state or federal law, or have no rights to regular unemployment benefits under state or federal law. The first week a claimant can be compensated on this benefit is the week beginning March 29, 2020, and the last payable week is the week ending Dec. 26, 2020.
- **Paycheck Protection Program (PPP).** The PPC provides a loan to businesses with fewer than 500 employees to keep their workers on the payroll. The Small Business Administration will forgive these loans if all employees are kept on the payroll for eight weeks and the loan is used for payroll, rent, mortgage interest, or utilities. Employees of businesses that take advantage of the PPP who are recalled to work (or are being paid full-time pay and benefits) are not eligible for unemployment benefits, and if they have a current claim, they should update their claim appropriately to reflect the day they were no longer eligible for unemployment benefits. For more information on the PPP see: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

Important note: None of the benefits described above, nor unemployment benefits of any kind, are 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. 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.

DLR frequently updates its FAQs for employers and claimants regarding this information at dlr.sd.gov/CARES.