

N E W S R E L E A S E

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## Employment Development Department Issues Statement on New Federal Legislation

SACRAMENTO – California Employment Development Department Director Rita Saenz today issued the following statement on the signing of the federal [\\$1.9 trillion pandemic-aid package](#), known as the American Rescue Plan Act of 2021:

"The federal government took action to extend unemployment benefits before those benefits were set to expire," said Director Saenz. "This federal legislation is another positive step for people seeking unemployment benefits and we are committed to keeping aid flowing to eligible Californians."

The expansive law, signed today by President Biden, extends the federal Pandemic Unemployment Act (PUA) benefits from 57 weeks to up to 86 weeks. It increases federal Pandemic Emergency Unemployment Compensation (PEUC) from up to 24 weeks to up to 53 weeks. It continues the \$300 in weekly Federal Pandemic Unemployment Compensation (FPUC) and the Mixed Earners Unemployment Compensation (MEUC) benefits. The law also contains a new provision that exempts some unemployment benefits received in 2020 from federal taxation.

The Department has been working closely with its federal partners in the U.S. Department of Labor to prepare for this legislation. Now that the legislation is signed, the U.S. Department of Labor will next issue official guidance to states on how to implement the new law and keep eligible benefits flowing. IRS will also likely provide guidance on the new tax provision.

Unemployment insurance is one of the most complex benefit programs in the state. How the rules apply to any one person often depends on a particular person's circumstances. Additional resources for people with questions about today's legislation will be posted on the Department's [Frequently Asked Questions](#) page as the information becomes available.

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