

N E W S R E L E A S E

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## **Department Issues Update on Launching the American Rescue Plan of 2021 to Continue Helping Unemployment Insurance Claimants**

Sacramento – Following last week's signing of the federal American Rescue Plan, the Employment Development Department is taking action to roll out expanded federal unemployment benefits – including continuing, without interruption, the extra \$300 weekly payment for people collecting state unemployment insurance.

Now that the legislation is signed, the U.S. Department of Labor issued official guidance to states on Monday on how to implement the new law – making it clear that it expects states will need until the middle of April or later to implement the new provisions. California is working to launch these new programs as quickly as possible. Details of the new benefits include:

- Californians collecting either regular state Unemployment Insurance (UI) or Federal-State Extended Duration (FED-ED) continue to receive the extra \$300 per week in benefits without interruption.
- Californians can now file new Pandemic Unemployment Assistance (PUA) claims, and will start receiving a minimum of \$167 per week – plus the extra \$300 [Pandemic Additional Compensation](#) (PAC). These new claimants will also be able to provide income documentation to potentially increase this payment up to \$450 per week, starting April 10, 2021.
- Californians with existing or exhausted PUA claims will be able to certify for benefits by April 10, 2021.
- Californians with existing or exhausted Pandemic Emergency Unemployment Compensation (PEUC) benefits can expect EDD to begin automatically processing PEUC extensions, with the additional weeks of benefits available for certification by April 30, 2021.

Eligible claimants will always receive benefits for the weeks in which they were not employed, even if Department processing of those benefits comes later.

The new American Rescue Plan extends the federal PUA benefits from 57 weeks to up to 86 weeks. It adds 29 weeks of benefits to the PEUC extension, bringing that up to 53 weeks of benefits for those who reached the end of their regular state unemployment insurance. The Department developed a new [Federal Unemployment Benefits chart](#) that shows these various federal programs and timelines.

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The American Rescue Plan also contains a new provision that exempts some unemployment benefits received in 2020 from federal taxation. The [IRS issued an initial statement](#) on the federal law as well as [instructions on how to report unemployment benefits income](#) on the federal tax form, including the new tax exclusions.

The EDD will continue to provide updates about extended benefits and other federal provisions as they become available on the Department's [federal unemployment benefits webpage](#).

### **What Claimants Need to Know About Their End of Benefit Year**

Many Californians collecting regular unemployment insurance are coming up on the end of their initial 12-month claim for unemployment benefits. They should expect to receive notice from the EDD (via their UI Online account or through the mail) advising that their claim has expired and they must reapply for another claim if they are still not employed. Depending on their situation and eligibility status, the EDD will either move them to a new regular state UI claim or connect them to any newly extended federal benefits that they may qualify to receive.

Claimants are encouraged to monitor EDD's [federal unemployment benefits webpage](#) for more information and any further details as they become available.

For the latest data released today on unemployment claim activity in California, visit the EDD's [online newsroom](#).

### **Safely Re-opening the Economy and Impacts on Unemployment Benefits**

As California businesses continue to reopen with the safety of their workers and customers top of mind, the EDD remains committed to helping connect workers and employers to information about eligibility for unemployment benefits.

Claimants can access [Frequently Asked Questions](#) to learn more about:

- Returning to work – People returning to work full time are no longer eligible for unemployment benefits. People returning part time must report their earnings when they [certify for benefits](#) every two weeks, which could be deducted from any unemployment benefit.
- Refusing an offer of work – During the bi-weekly certification for benefits, the Department asks claimants if they refused any work offer and if the answer is "yes," this triggers a future telephone interview with the claimant to ask the reason for refusing the work. During the interview, the Department must determine if there was good cause to refuse the work – for example a worker may refuse work that is unsafe or presents an unreasonable risk of exposure to COVID-19. Employers may also protest a claimant's eligibility. Further information about this process is located in the Department's [FAQs](#) and on the [Department's YouTube page](#).

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