

## DOL Letter Clarifies COVID-19 Unemployment Benefits

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A person who refuses to return to work when a business reopens just so they can continue to collect unemployment will no longer be eligible for unemployment, according to the latest federal guidance.

An employee who refuses to return to work for fear of being exposed to the COVID-19 virus also won't be eligible for certain unemployment benefits. Both of the information nuggets were part of federal guidance issued this week to help guide states as businesses look to reopen in the near future.

The U.S. Department of Labor issued the guidance on unemployment compensation benefits this week in the form of a [letter addressed to states](#) from John Pallasch, assistant secretary of the federal Employment and Training Administration Advisory System. The letter includes answers to many commonly asked questions about the Pandemic Unemployment Assistance (PAU) program under the CARES Act. The PAU program provides up to 39 weeks of unemployment benefits for certain COVID-19 related reasons, and provides funding for the states to administer the program. An individual receiving PAU may also receive an additional \$600 weekly benefit amount. The PAU extends benefits to independent contractors and the self-employed, among others who do not normally qualify for unemployment benefits.

Among the commonly asked questions addressed by the guidance is whether an individual who refuses to return to work when called back by the employer because the employee wants to continue to collect unemployment compensation may continue to collect benefits. In many cases the person may be earning more income on unemployment with the additional \$600 benefit. The department makes clear that an individual who refuses work to collect unemployment compensation benefits would not continue to qualify for benefits. In addition, the guidance states that if a jurisdiction's stay-at-home order is lifted and the employee is recalled to work and refuses to return due to a general fear of exposure to the coronavirus, the person is not eligible for the PAU.

Other questions addressed by the guidance include eligibility for the \$600 weekly benefit. The guidance clarifies that an employee who receives a nominal amount of regular unemployment compensation in any benefit week (at least \$1) is eligible to receive the \$600 weekly payment. Thus, an employee who works reduced hours and receives partial unemployment benefits is still entitled to the full \$600 weekly benefit. However, employees whose partial benefits exceed the state's maximum benefit level and who are ineligible for partial benefits under the state program are not eligible to receive the \$600 weekly benefit. Nonetheless, an employer who is participating in Pennsylvania's work sharing program which allows employees to receive partial wages and partial regular unemployment benefits remain eligible for the \$600 weekly benefit.

The guidance addresses many commonly asked questions about the administration of the PAU program. Employers needing additional guidance can [contact me](#) or any member of the [Barley Snyder Employment](#)

Practice Group.

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