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COVID-19 Impact on Pennsylvania Unemployment Compensation

NOTE: The following NewsFlash outlines the current state of unemployment benefits in the midst of the COVID-19 crisis. We expect that the federal stimulus package will be signed into law today, and we expect it will offer greatly-enhanced unemployment benefits. Senator Chuck Schumer recently said that the legislation provides for “unemployment insurance on steroids.” We will update this NewsFlash when details of the stimulus legislation are available.

The economic impacts of the COVID-19 pandemic are being felt across every sector throughout Pennsylvania, resulting in furloughs, layoffs and a significant increase in the number of applications for unemployment compensation benefits. On Monday, March 16, 2020, the Pennsylvania Office of Unemployment Compensation received over 50,000 unemployment claims in a single day, more than four times the number of claims submitted during the entire first week of March.¹

In response to the COVID-19 public health crisis and the resulting surge in unemployment compensation claims, Pennsylvania Gov. Tom Wolf issued an emergency declaration on March 17, 2020, amending the Commonwealth of Pennsylvania’s unemployment compensation scheme and making it easier for employees displaced by COVID-19 to qualify for unemployment benefits. The emergency declaration sets forth several scenarios in which employees displaced by COVID-19 can obtain unemployment benefits. These include circumstances where the employer temporarily closes, goes out of business or reduces employee hours due to COVID-19. The declaration also provides for unemployment benefits to employees who are told not to work by an employer to avoid the spread of the COVID-19 virus, are directed by a medical professional, healthcare provider or public official to quarantine or self-isolate, or are prevented from working due to government-mandated virus mitigation efforts.

An employee is not entitled to unemployment benefits if the employee chooses to stay home to care for a child due to a school closure. Likewise, employees who are permitted by their employer to work remotely from home are not eligible for unemployment benefits. However, if an employee’s work-from-home arrangement results in reduced hours, the employee may be eligible for unemployment benefits.

The Governor’s declaration also lifts certain restrictions imposed on employees receiving unemployment benefits. For example, unemployment recipients typically are required to comply with work search and work registration requirements. These requirements are temporarily suspended. The waiting requirement that normally precludes an employee from receiving unemployment benefits during their first week of unemployment has also been suspended. Accordingly, if an employee’s unemployment benefits application is approved, the employee should receive their first unemployment benefit payment within two to four weeks.

Lastly, the Governor’s declaration provides that the employer’s unemployment tax rate will not increase as a result of employees filing for unemployment benefits due to COVID-19.

Federal lawmakers have also taken action to bolster unemployment benefits in the midst of the COVID-19 crisis. The recently-passed Family First Coronavirus Response Act provides for \$1 billion in funding to stabilize state unemployment compensation funds. The Act requires states to commit to maintaining and strengthening access to unemployment benefits, including waiving work search requirements and waiting periods, as Gov. Wolf has already done.

We continue to monitor developments regarding COVID-19’s impact on employment issues. Do not hesitate to call on the [Stradley Ronon Employment & Labor Practice Group](#) for assistance regarding these issues.

¹ <https://www.inquirer.com/health/coronavirus/coronavirus-covid19-pennsylvania-unemployment-benefits-jobs-layoffs-20200318.html>.



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