

BURR ALERT

Good News for Unemployed Alabamians during the Coronavirus Pandemic

Yesterday, Alabama Began the \$600 Federal Stimulus Payments

By Nina Maja Bergmar and Meryl Cowan

April 2020

Almost all Alabama employers who have had to lay off or furlough employees because of the Coronavirus pandemic have had the same question on their minds, “*when will our laid off employees start receiving the promised CARES Act payments?*” For weeks, the Alabama Department of Labor (“ADOL”) indicated that it didn’t have a projected start date when the money would begin flowing into the hands of unemployed Alabamians.

Today, on April 9, 2020, ADOL [announced](#) it began paying the Federal Pandemic Unemployment Compensation (FPUC) benefits on April 8, 2020. In fact, ADOL indicated that it paid an impressive \$40,060,495 in FPUC benefits to 60,848 claimants on April 8th alone.

A. FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION (“FPUC”) BENEFITS

What is the FPUC payment? The FPUC benefit was established with the passing of the federal CARES Act on March 27, 2020. It provides a flat-amount \$600 weekly federal supplement to any individual eligible for state unemployment programs during the week.

The \$600 federal supplement applies to the weeks of March 29, until July 25. During this time, those eligible to receive regular unemployment weekly payments will also receive the additional \$600 FPUC payment *on top of* their normal weekly sum. This supplemental benefit payment is fully funded by the federal government.

To qualify for partial unemployment benefits under the PUC, laid off workers must meet ADOL’s eligibility requirements and qualify for at least \$1 of unemployment compensation benefits during the week. FPUC also applies to those who receive benefits under the new Pandemic Unemployment Assistance program (which covers freelancers, independent contractors, etc.) and the Pandemic Emergency Unemployment Compensation program (which extends 13 additional weeks of unemployment benefits to those who have exhausted their benefits). ([see more on these below](#)).

ADOL indicated it will make these FPUC payments retroactively for weeks already claimed since the March 29 start date. Claimants whose claims have processed should expect to see the additional \$600 FPUC funds within 2-3 days, if not sooner.

B. PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA) AND PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION (PEUC) BENEFITS

ADOL also announced will begin processing Pandemic Unemployment Assistance (“PUA”) and Pandemic Emergency Unemployment Compensation (“PEUC”) claims as soon as administratively possible.

You'll recall that the CARES Act created the Pandemic Unemployment Assistance ("PUA") program, which expanded unemployment benefits for employees affected by COVID-19, including workers who are not usually eligible for unemployment benefits such as self-employed, freelancers, part-time workers, independent contractors, and those with limited work history. PUA also applies to governmental entities and certain non-profit organizations.

PUA provides up to 39 weeks of benefits to qualifying individuals who are otherwise able to work and available for work within the meaning of applicable state law, except that they are unemployed, partially unemployed, or unable or unavailable to work because of certain COVID-19 related reasons, as set forth in the CARES Act.

PUA is effective from January 27, 2020 through December 31, 2020. Benefit payments under PUA are retroactive, for weeks of unemployment due to COVID-19 reasons starting on or after January 27, 2020. The CARES Act specifies that PUA benefits cannot be paid for weeks of unemployment ending after December 31, 2020.

The CARES Act also established the Pandemic Emergency Unemployment Compensation (PEUC) program, which extends unemployment benefits for an extra 13 weeks after regular unemployment compensation benefits are exhausted, allowing eligible claimants to collect unemployment for a longer period of time than under normal circumstances. To be eligible, workers must have exhausted regular benefits available to them, have no rights to additional unemployment benefits under another state or federal law, and meet other specific requirements.

C. COMMUNICATING WITH YOUR EMPLOYEES

Considering the rapidly developing Coronavirus guidance from federal and state agencies, we recommend that all employers be cautious about promising or making assurances that employees will receive a set dollar amount of unemployment benefits from ADOL. Ultimately, ADOL (or the applicable state entity) will determine a claimant's benefit eligibility and benefit payment amount pursuant to their guidelines.

ADOL is encouraging anyone who believes they may be eligible for these programs to file a claim. Those who already have an active claim, or who have already filed a claim, do not need to refile to be eligible for these benefits.

The gravity of the pandemic situation we are all facing is unprecedented. We are here for you to provide support for your employees and businesses. If you have any questions about how these developments can affect your business and your employees, please do not hesitate to contact us. We are here to provide the support you need when you need it.

This Legal Alert provides an overview of a specific developing situation. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.

Stay up to date by monitoring the latest COVID-19 resources on our [CORONAVIRUS RESOURCE CENTER](#).

To discuss this further, please contact:

[Nina Maja Bergmar](mailto:nbergmar@burr.com) at (404) 685-4251 or nbergmar@burr.com

[Meryl Cowan](mailto:mcowan@burr.com) at (205) 458-5261 or mcowan@burr.com

or the Burr & Forman attorney with whom you normally consult.

Burr & Forman publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm. If legal advice is sought, no representation is made about the quality of the legal services to be performed or the expertise of the lawyers performing such service.