**Unemployment Insurance: A Guide for Employers  
with Newly Displaced Workers**

***by Mike McCluskey, Senior Technical Editor, CalChamber***

**The COVID-19 Pandemic has displaced millions of California workers in a startlingly brief period — and it’s expected to get worse. According to a recent Economic Roundtable report, 43 percent of Californians are at high risk of unemployment. As millions of displaced workers seek economic relief in the form of California’s Unemployment Insurance (UI) program, the federal government has stepped in to supplement it (and each state’s UI program) with funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.**

**Through no fault of their own, many employers have been forced to cut their workforces, and they want to help their displaced workers through these trying times. Let us guide you and your newly displaced workers through the UI benefit process in California.**

**Unemployment Insurance Overview**

**California’s UI program provides payments to workers who’ve lost their jobs or had their hours reduced, and who meet the program’s eligibility requirements. In the recent past, UI eligibility required that the displaced worker be:**

* Totally or partially unemployed.
* Unemployed through no fault of their own.
* Physically able to work.
* Available for work.
* Ready and willing to accept work immediately.
* Actively looking for work each week benefits are claimed.

**Due to the COVID-19 pandemic and resulting stay at home orders, however, the California Employment Development Department (EDD) has temporarily eliminated two major eligibility requirements:**

* Individuals aren’t required to actively look for work during the COVID-19 pandemic; and
* For claims beginning on January 19, 2020, or later, the seven-day waiting period required to receive UI benefits is waived.

**UI benefit amounts range from $40 to $450; the average benefit amount is $340.**

**Expanded Benefits Under the CARES Act**

**Beginning the week of April 6, the EDD began paying an additional $600 in addition to the weekly benefit amount, the funding for which comes from the federal CARES act. This program is currently in effect until July 31, and eligible individuals can receive the extra benefit for the week ending April 4, 2020, but the program is not retroactive before that.**

**Each displaced worker will receive the additional weekly $600 regardless of their regular weekly benefit. For example, an individual currently receiving the average weekly UI benefit of $340 will get $940 per week. Because benefits are paid every two weeks, this would amount to $1,880 per check. Individuals receiving the minimum benefit amount of $40 per week would likewise get the $600 weekly CARES Act payment, receiving $640 per week and $1,280 per check.**

**Displaced workers need not apply for the extra funding — the EDD will automatically add it for each claimant.**

**In addition to the weekly $600 supplement to UI benefits, the CARES Act also includes a 13-week extension of benefits for claims filed between March 29, 2020, and the end of the year. This federally-funded extension will occur after an individual’s regular claim is exhausted.**

**Independent Contractors and UI Benefits**

**In the recent past independent contractors — along with self-employed workers and business owners — weren’t eligible for UI benefits. But the $2 trillion CARES relief package, which includes the federal Pandemic Unemployment Assistance (PUA) program, changed that. The PUA program will provide displaced independent contractors, self-employed individuals and business owners with the same $600 per week benefit package available to “traditional” displaced workers during the pandemic. It will also provide these previously ineligible workers with half of each state’s average weekly benefit, which is $340 in California.**

**The EDD is still working to initiate the program, but as of April 17, said it will begin accepting online applications on Tuesday, April 28.**

**“Because this is a brand new program, each state will need time to develop all of the necessary system programming, forms, processes, and procedures,” according to the EDD website, which also states that it has “a dedicated team working around the clock with state partners to build this new program as quickly as possible.”**

**Displaced independent contractors, self-employed individuals and business owners should monitor the EDD’s** [**Pandemic Unemployment Assistance**](https://www.edd.ca.gov/about_edd/coronavirus-2019/pandemic-unemployment-assistance.htm)**webpage, which will be updated with instructions for filing a claim for PUA benefits when those details become available.**

**Applying for UI Benefits**

**Employers should consider assisting their displaced workers by offering information on how to apply for UI benefits. If you’re fortunate enough to resume business-as-usual when the economy opens up, your returning employees likely will appreciate the assistance you provided when their cards were down.**

**To apply for benefits, individuals will need to provide their personal information and:**

* Last employer information including company name, supervisor’s name, address (mailing and physical location) and phone number.
* Last date worked and the reason they’re no longer working.
* Gross earnings in the last week they worked, beginning with Sunday and ending with their last day of work.
* Information on all employers they worked for during the past 18 months, including name, address (mailing and physical location), dates of employment, gross wages earned, hours worked per week, hourly rate of pay and the reason they’re no longer working.
* Notice to Federal Employees About Unemployment Insurance, Standard Form 8 (former federal employees only).
* DD 214 Member 4 copy (ex-military only).
* Citizenship status, and, if they’re not U.S. citizens, information from their employment authorization documents.

**There are three ways to file a UI claim:**

**Online: This is the fastest way to have a claim accepted and begin receiving benefits. Displaced workers can visit the EDD’s****[UI Online](http://links.email.calchamber.com/ctt?kn=25&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0" \t "_blank) page and apply during the following times:**

* Sunday: 5 a.m. to 8:30 p.m.
* Monday: 4 a.m. to 10 p.m.
* Tuesday through Friday: 2 a.m. to 10 p.m.
* Saturday: 2 a.m. through 8 p.m.

**By phone: Individuals can reach an EDD representative Monday through Friday from 8 a.m. to 12 p.m., though wait times may be long due to extremely high traffic.**

* English: 800-300-5616
* Spanish: 800-326-8937
* Cantonese: 800-547-3506
* Mandarin: 866-303-0706
* Vietnamese: 800-547-2058
* TTY: 800-815-9387

**By mail or fax: Applicants fill out one of the following forms, then mail or fax the form to the location provided on the last page of each form:**

* Worked in California [English](http://links.email.calchamber.com/ctt?kn=22&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0" \t "_blank) | [Spanish](http://links.email.calchamber.com/ctt?kn=31&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0)
* Worked in California and Another State [English](http://links.email.calchamber.com/ctt?kn=30&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0)| [Spanish](http://links.email.calchamber.com/ctt?kn=29&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0)
* Served in the Military [English](http://links.email.calchamber.com/ctt?kn=28&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0) | [Spanish](http://links.email.calchamber.com/ctt?kn=26&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0)
* Worked for the Federal Government [English](http://links.email.calchamber.com/ctt?kn=23&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0) | [Spanish](http://links.email.calchamber.com/ctt?kn=21&ms=NjQ1OTIwMTQS1&r=MTM3ODM4NTcyMzg0S0&b=0&j=MTg2MjcwMTI0MwS2&mt=1&rt=0)