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## IAAI NEWS FLASH

By: Joel Shabsin, C.P.A.

### CARES Act - Unemployment Insurance Provisions

Although unemployment insurance is handled by the individual states, the CARES Act has expanded the individuals who are eligible for benefits, the length of the eligibility period and the amount of the weekly benefit for individuals affected by the Coronavirus.

The Act defines “covered” individuals as someone who:

1. Is not eligible for regular compensation or extended benefits under State or Federal law including an individual who has exhausted all rights to regular unemployment or extended benefits, **and**
2. Provides self-certification that they are able to work and are available for work except that they are unemployed, partially unemployed or unable or unavailable to work because:
  - a. They or a member of their household has been diagnosed with the virus.
  - b. They are providing care for a family member who has been diagnosed with COVID–19.
  - c. They have a child for which the individual has primary caregiving responsibility who is unable to attend school or another facility that is closed as a direct result of COVID–19.
  - d. They cannot reach their place of employment because of a quarantine due to the virus.
  - e. They have been advised by a health care provider to self quarantine due to COVID–19.
  - f. They have become the breadwinner or major support for a household because the head of the household has died from COVID–19.
  - g. They have to quit their job as a direct result of COVID–19.
  - h. Their place of employment is closed as a result of the COVID–19 health emergency.
3. Is self employed, is looking for part-time employment, does not have sufficient work history or otherwise would not qualify for regular unemployment or extended benefits. In this case wages used for the calculation of benefits are the self employment net profit reported in the individual’s 2019 tax return.

The definition of a covered individual does not include:

1. An individual who has the ability to telework with pay.
2. An individual who is receiving paid sick leave or other paid leave benefits.

***(continued)***

The implementation of the expanded benefits is retroactive to January 27, 2020 and will end on or before December 31, 2020. A covered individual meeting the above requirements will be eligible to receive assistance for up to 39 weeks of benefits. The amount of the weekly benefit for a week of unemployment, partial employment or inability to work is based on state law for unemployment benefits which vary widely from state to state. In addition to the normal benefits each eligible individual will receive an additional \$600 per week for up to 4 months as a result of a newly created Federal Pandemic Unemployment Compensation benefit included as part of the CARES Act.

**Illinois Department of Employment Security (IDES).** The Illinois Department of Employment Security has updated their website to reflect the COVID–19 changes. In general they claim that the changes provide temporary income maintenance to individuals who have been separated from employment through no fault of their own and who meet all eligibility requirements, including the requirements that they be available for work, register with IDES and actively seek work.

On the IDES website there is a special FAQ section on the requirements along with definitions of being available for work and actively seeking work. In general, the same rules apply to COVID–19 unemployment claims as to normal claims as far as being unemployed through “no fault of their own”, being able and available for work and actively seeking work. It makes it very clear that even if the applicant is quarantined or has to be home to care for a household member or because they have been diagnosed with the virus, they must be actively looking for work they can perform at home and cannot turn down any job offer they receive.

The only exception from the actively seeking work requirement appears to be for an individual who has been laid off because the company he/she works for is temporarily closed because of the COVID–19 virus. In this case the individual is considered to be actively seeking work as long as they are prepared to return to their job as soon as the employer reopened. An individual who quits their job because of their concern over the virus is disqualified from receiving Benefits.

IDES has set up times for individuals to file claims for unemployment and are asking people to file on line claims whenever possible. On line filers with last names beginning with letters A-M should file claims on Sundays, Tuesdays or Thursdays. Those with last names beginning with letters N –Z should file their claims on Mondays, Wednesdays and Fridays. Those who could not file during these windows, can file on Saturdays. Those who cannot file on line can try to file by phone. Phones will be manned from 7:30 am to 6:00 pm. Last names beginning with A-M should call on Tuesdays and Thursdays while those with names between N and Z should call on Mondays and Wednesdays. Fridays will be available for anyone not able to call in during their allotted window. Claims will be backdated to reflect the date the claimant was laid off or let go from their job due to COVID–19.

***Caution: This information is for tax professionals only. It is not intended as specific advice for taxpayers.***