



COUNTY ADVISORY BULLETIN

CAB

Published by: County Commissioners Association of Ohio

209 East State Street • Columbus, Ohio 43215-4309
Phone: 614-221-5627 • Fax: 614-221-6986 • www.ccao.org

Bulletin 2020-19

December 2020

UNEMPLOYMENT COMPENSATION & OTHER FINANCIAL CONSIDERATIONS FROM THE RECENT COVID-19 STIMULUS PACKAGE

Prepared by Marc A. Fishel
Fishel Downey Albrecht Riepenhoff, LLP

December 30, 2020

On December 27, 2020, President Donald Trump signed the Consolidated Appropriations Act of 2021 into law. The Act included the long-discussed, second COVID-19 stimulus package to supplement the economic measures provided in the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. This memo summarizes the Act’s impact on unemployment compensation claims and other financial considerations for Ohio’s Counties entering 2021. Because this memo is general in nature, Counties should consult with their legal advisors prior to taking further action. This memo does not address employee matters governed by collective bargaining agreements. Counties should refer to those agreements when addressing bargaining unit employees and any COVID-19-related impact.

UNEMPLOYMENT COMPENSATION

The economic impact of the COVID-19 pandemic forced some Counties to lay off employees in 2020 and may result in more layoffs in 2021. Laid off employees are entitled to receive unemployment compensation. Employees laid off due to circumstances resulting from the COVID-19 pandemic will be entitled to unemployment from the first day after the layoff. The normal seven day waiting period has been waived as has the requirement for recipients to be looking for work. The amount of unemployment was temporarily increased by \$600 per week above the regular unemployment compensation rate until July 31, 2020 under the CARES Act. Laid off employees have received the standard compensation rate since this additional federal payment expired. The new stimulus package provides laid off employees an additional \$300 per week until April 5, 2021. This amount is funded by the federal government. In

addition, the stimulus package extends the CARES Act provision that provides federal funding for one-half of the regular unemployment received by the employee until April 5, 2021. Normally, the County would be responsible for this entire amount as a reimbursing employer.

Under current law, employees are entitled to up to 26 weeks of unemployment compensation. The CARES Act extended this by 13 weeks through December 31, 2020. The current stimulus package extends the maximum entitlement an additional 11 weeks, with the last new claimant needing to apply by March 14, 2021 and the benefits expiring April 5, 2021.

OVERPAYMENT WAIVER

The second stimulus package includes a waiver allowing states to waive overpayments of unemployment compensation. Currently, states must pursue the repayment of federal unemployment benefits if an individual receives funds he or she is not entitled to, regardless of intent. The Act allows states the authority to waive overpayments made without fault on the part of the individual or when such repayment would violate equity and good conscience. This waiver option allows the State of Ohio to selectively pursue the overpayments it deems necessary. At this time, the State of Ohio has not released any specifics regarding the overpayment waiver application process.

NO EXTENSION OF CARES ACT FUNDING FOR COSTS RELATED TO IMPACT OF COVID-19

The CARES Act provided funding to state and local governments navigating the impact of the COVID-19 outbreak. These funds could only be used to cover expenses that were: 1) necessary expenditures incurred due to the COVID-19 public health emergency; 2) not accounted for in the budget most recently approved as of March 27, 2020; and 3) incurred between March 1, 2020 and December 30, 2020. This funding provided a lifeline that allowed Counties to properly respond to the COVID-19 pandemic without sacrificing the future of their budgets. However, the new stimulus package does not provide additional funding for state and local governments. The loss of funding highlights the urgency for Counties to plan for the financial ramifications if the COVID-19 pandemic continues for the majority of 2021.

NO EXTENSION OF FFCRA

The new law does not extend the FFCRA leave benefits past December 31, 2020.