

COVID-19: UNEMPLOYMENT RESOURCES

IN MONTGOMERY COUNTY



Data and Information current as of April 2, 2020

UNEMPLOYMENT AND COVID-19

Thousands of Maryland workers have lost jobs due to the current global coronavirus epidemic. This document provides information about unemployment insurance (UI) benefits in the State of Maryland, recent federal legislation expanding UI benefits in response to the epidemic, and current federal, State, and local unemployment data.



FEDERAL, CORONAVIRUS AID, RELIEF AND ECONOMIC STABILITY ACT (CARES) ACT

<https://www.dllr.state.md.us/employment/unemployment.shtml>

- Signed into law by the President on March 27, 2020
- Expands state unemployment benefits available to workers
- Maryland will provide all three of the expanded unemployment insurance programs offered through the CARES Act
- **Pandemic Unemployment Assistance (PUA)** – provides UI benefits for workers not typically eligible for benefits (e.g., self-employed, independent contractors, gig workers, etc); maximum of 39 weeks of benefits; effective Jan 27, 2020 - Dec 31, 2020
- Maryland's Department of Labor website currently is not set up to process unemployment applications from workers typically not eligible for UI benefits. State website asks workers to not submit claims yet. Benefits will be provided back to the earliest date of eligibility.
- **Federal Pandemic Unemployment Compensation (FPUC)** – provides additional \$600 per week on top of normal state UI benefit; also available to workers in PUA program; effective Mar 29, 2020 - July 31, 2020
- **Pandemic Emergency Unemployment Compensation (PEUC)** – provides 13 additional weeks of UI benefits plus \$600 FPUC; effective Mar 29, 2020 - Dec 31, 2020



MARYLAND BASE UNEMPLOYMENT BENEFITS

<https://www.dllr.state.md.us/employment/clmtguide/uiclmt pamphlet.pdf>

- Minimum weekly benefit of \$50; maximum weekly benefit of \$430
- Federal FPUC benefit of \$600 per week in addition to State benefit
- Workers eligible for up to 26 weeks of benefits in a year
- Federal PEUC adds 13 weeks of benefits (39 weeks total) to State benefit; federal PUA benefit provides 39 weeks of benefits

SUSPENSION OF REQUIREMENT TO SEARCH FOR WORK

<https://www.dllr.state.md.us/employment/uicovidaswfaqs.shtml>

- Effective March 20, 2020, the requirement that workers actively seek work every week is suspended for 10 weeks

NEW UNEMPLOYMENT CLAIMS

For the week of March 28, 2020, Maryland UI claims jumped by 43,000 from the prior week, to 83,536 claims (up 97% from the prior week and 3,897% since March 7). Montgomery County UI claims rose by more than 5,400 claims, to 9,384 claims (up 138% from the prior week and 4,712% since March 7). The counties with the highest number of claims were Baltimore, Montgomery, and Anne Arundel Counties.

Data Release. The U.S. Department of Labor release initial jobless claims data on Thursdays at 8:30 am. OLO will routinely update this report when new data are released.

Week of 2020	US (SA)	MD (NSA)	MoCo*
March 28	6,648,000	83,536	9,384
March 21	3,283,000	42,334	3,941
March 14	282,000	3,852	256
March 7	211,000	2,090	195

* Initial state data

SA=seasonally adjusted NSA=not seasonally adjusted

Sources: U.S. and Maryland Departments of Labor

U.S. SMALL BUSINESS ADMINISTRATION PROGRAMS TO COVER PAYROLL & BUSINESS EXPENSES

The CARES Act includes funding for assistance to small businesses to help cover payroll and business expenses. Businesses may apply for multiple loans but may not use funds from each program to cover the same expenses. The U.S. Small Business Administration (SBA) is also offering debt relief for non-disaster-related SBA loans. A helpful summary of programs is available from the U.S. Senate Committee on Small Business & Entrepreneurship. <https://www.sbc.senate.gov/public/index.cfm/guide-to-the-cares-act>

COVID-19 SBA Small Business Relief Programs

DOES THE SMALL BUSINESS OWNER NEED . . .

CAPITAL TO COVER COST OF RETAINING EMPLOYEES?

Paycheck Protection Program

Available : February 15 - June 30, 2020

- Provides zero-fee loans up to \$10 million to cover payroll and other operating expenses; 75% of loan must go to cover payroll
- To be eligible for loan forgiveness, employees must be kept on payroll for 8 weeks. Forgiven amount can be reduced if headcount or wages or salaries decrease
- Small businesses and sole proprietorships can apply April 3rd. Independent contractors and those-self employed can apply April 10th. To ensure all eligible costs are incurred by June 30th, business should apply by May 5th.
- U.S. Treasury programs, Employee Retention Credit and deferral of payroll taxes, are not available to employers receiving funding through the Paycheck Protection Program

LARGE AMOUNT OF WORKING CAPITAL TO OVERCOME LOSS REVENUE DUE TO COVID-19?

Economic Injury Disaster Loan

Available: January 31, 2020 – December 31, 2020

- Provides small businesses with working capital loans of up to \$2 million; loans terms of up to 30 years
- Business pay an interest rate of 3.75%, non-profits pay a rate of 2.75%

QUICK INFUSION OF A SMALLER AMOUNT OF CASH TO COVER IMMEDIATE EXPENSES?

Economic Injury Disaster Grant

Available: January 31, 2020 – December 31, 2020

- Within three days of applying for an SBA Economic Injury Disaster Loan (EIDL), provides emergency advance of up to \$10,000 for small businesses harmed by COVID-19. Small business must first apply for an EIDL and then request the advance.
- May be used to cover payroll, to pay for sick leave, increased production costs, or pay business obligations

INDUSTRY INFORMATION RESOURCES

Many industry associations have compiled industry-specific COVID-19 resources for businesses and workers. Below are links to resources for some higher-risk industries. A useful internet search term to identify resources for a specific industry is “[name of industry] industry relief fund”.

- **American Hotel and Lodging Association** <https://www.ahla.com/facts-about-coronavirus>
- **American Trucking Associations** <https://www.trucking.org/COVID19>
- **Grantmakers in the Arts** <https://www.giarts.org/blog/admin/covid-19-coronavirus-and-arts-funding-update-and-action-items?fbclid=IwAR1B02Zp-t5wGiWAoRFju8yYoB2ohmtOggZg1bMW2g9PnoONqdM1jN7AZw>
- **Maryland State Childcare Association** <https://mscca.org/>
- **National Coalition for Arts’ Preparedness & Emergency Response** https://restaurant.org/Covid19_CARES-Act and <https://restaurant.org/Articles/News/CARES-act-helps-restaurant-employees>
- **National Restaurant Association** https://restaurant.org/Covid19_CARES-Act and <https://restaurant.org/Articles/News/CARES-act-helps-restaurant-employees>
- **National Retail Federation** <https://nrf.com/resources/retail-safety-and-security-tools/coronavirus-resources-retailers>

USEFUL RESOURCES

Families First: COVID-19 Constituent Service Resources Toolkit, From U.S. House of Representatives
<https://www.speaker.gov/sites/speaker.house.gov/files/COVID%20TOOLKIT%203.30.20.pdf>

Provisions Related to Unemployment Compensation in the Senate-Passed CARES Act from House Comm. on Ways and Means
<https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/UC%20FAQ%20CARES%20Act.pdf>

FAQs About COVID-19 and MD’s Unemployment Insurance Benefits Administration – Unemployment Insurance from MD Department of Labor
<https://www.dllr.state.md.us/employment/uicovidfaqs.shtml>

FAQs About CARES Act Unemployment Insurance Benefit Provisions from MD Department of Labor
<http://dllr.state.md.us/employment/uicaresfaqs.pdf>

Questions, Comments?

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