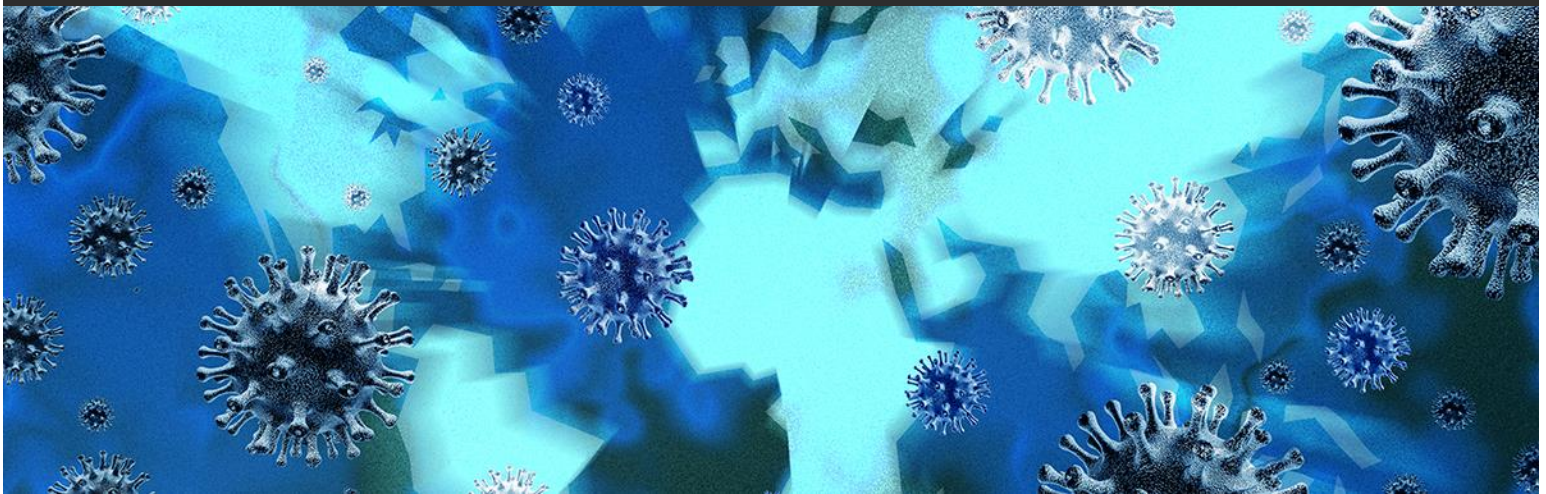


**Alert | Health Emergency Preparedness Task Force:
Coronavirus Disease 2019/COVID-19 Economic Stimulus**



April 20, 2020

The Interplay Between the Massachusetts Unemployment Assistance Program, the Massachusetts WorkShare Program, and the Enhanced Unemployment Benefits in the CARES Act

The current COVID-19 public health crisis has brought about significant changes to unemployment benefit programs at the state and federal levels. This GT Alert discusses these changes, the interplay between the state and federal unemployment laws, and provides an overview of the Massachusetts WorkShare program, which may provide greater flexibility to employers and benefits to workers impacted by COVID-19.

Recent Changes to Massachusetts Unemployment Insurance Benefit Requirements

In addition to the federal relief provided under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (discussed below), Massachusetts has taken the following steps to make unemployment insurance (UI) benefits more readily available to Massachusetts workers.

- All requirements to attend seminars at the MassHire career center have been suspended.

- “Worksearch” requirements will be interpreted to appropriately permit claimants affected by COVID-19 to collect benefits. Online work searches should continue.
- Deadlines missed by employers and claimants due to the effects of COVID-19 may be excused.
- All appeal hearings will be held by telephone only.
- The one-week waiting period for UI benefits has been waived.
- Workers who are temporarily unemployed due to lack of work because of COVID-19 will be eligible for unemployment benefits. They will be considered “unemployed” due to lack of work regardless of whether they are quarantined, laid off, furloughed, or if their workplace is fully or partially shut down temporarily.

Additionally, the Executive Office of Labor and Workforce Development and the Massachusetts Department of Unemployment Assistance (DUA) adopted emergency regulations that allow individuals to collect UI benefits if they are temporarily unemployed because of lack of work, or their workplace is shut down as a result of COVID-19 – deemed by the DUA to be on “standby.” If an employee is on standby, instead of looking for other work, the employee must remain in reasonable contact with the employer, and be prepared to work when the employer has work that they are able to do. The employer must verify the employee’s standby status and provide an expected return-to-work date. The standby status is automatically granted for the first four weeks. Employers may request to extend the period of the covered shutdown to eight weeks, and workers will remain eligible for the longer period under the same conditions. Standby status for a period longer than eight weeks may be granted at the discretion of the DUA if a COVID-19 infection at the employer’s place of business requires continued closure.

Individuals who experience a reduction in hours as opposed to a layoff may still be eligible for partial UI benefits. Traditionally, employees in Massachusetts must experience a reduction of at least one third of hours/wages in order to receive a benefit. As discussed in more detail below, employees participating in their employer’s WorkShare Program may be eligible for UI benefits without meeting the one-third reduction requirement.

Additional Unemployment Benefits Under the CARES Act

The CARES Act offers additional aid through Federal Pandemic Unemployment Compensation (FPUC) to employees who are eligible to receive UI benefits. FPUC provides an additional \$600 per week to individuals who are collecting regular UI benefits, as well as UI benefits through the following unemployment compensation programs:

- Pandemic Emergency Unemployment Compensation (PEUC);
- Pandemic Unemployment Assistance (PUA);
- Extended Benefits (EB);
- Short-Time Compensation (STC, also known as work share);
- Trade Readjustment Allowances (TRA);
- Disaster Unemployment Assistance (DUA); and
- Payments under the Self-Employed Assistance (SEA) program.

The \$600 payment is in addition to an individual's regular unemployment compensation. The U.S. Department of Labor recently clarified in its guidance (*see* [UIPL 15-20](#)), that "[i]f the individual is eligible to receive at least one dollar (\$1) of underlying benefits for the claimed week, the claimant will receive the full \$600 FPUC."

The \$600 FPUC benefit is available through July 31, 2020. An individual is not entitled to receive FPUC for a week in which the individual is ineligible for regular UI benefits, or the underlying benefit from another program identified above. Following July 2020, individuals may be eligible to continue receiving state unemployment benefits up to a maximum of 39 weeks.

For more information on UI benefits available as a result of COVID-19 under the CARES Act, please see GT's previous alert, "[Unemployment Insurance Provisions of the CARES Act.](#)"

The Massachusetts WorkShare Program

The Massachusetts DUA provides employers the opportunity to participate in the WorkShare Program to reduce payroll costs as an alternative to layoffs. The WorkShare program allows employers to retain employees on a reduced schedule, thereby reducing the employer's burden to pay wages. Under the program, employees receive pay for their reduced hours worked and collect UI to make up some of their lost wages. For example, if an employee's hours are reduced, so that the employee works 80% of their regular hours, their regular wages will be reduced by 20%. To make up for the reduced wages, the employee will receive 20% of their weekly unemployment benefit amount. Employers must maintain the same fringe benefits (i.e., health insurance and retirement benefits) for participating employees.

The WorkShare program is conducted in coordination with the DUA and is available to any company, nonprofit organization, or government agency in Massachusetts. WorkShare benefits are UI benefits. Just like regular UI benefits, WorkShare benefits are deducted from a company's reserve balance on its annual experience rate notice.

Employee Participation in WorkShare:

- It is a voluntary program and a worker can decline participation.
- Eligible employees must be full or permanent part-time.
- Seasonal and temporary workers are not eligible.
- For unionized employees, the union must agree to the WorkShare program.
- Salaried workers can be included with reduction to hours and pay.
- Employee must be eligible to receive UI benefits.

WorkShare Plan Criteria:

- WorkShare plans must be submitted for approval to the DUA.
- WorkShare plans are valid for 52 weeks and can be modified or changed at any time.
- Workers can only be on one plan, but employers may have more than one plan for different groups of workers.
- Each plan must have at least two workers.

- All workers on the same plan must share the same percentage reduction in their work hours.
- Reductions in work hours may range from 10% to 60%.

In the event that a layoff occurs, the worker will become eligible for their full weekly unemployment insurance benefit amount. Maximum UI benefits will be reduced by the amount of WorkShare benefits they have received.

Massachusetts employers can apply for WorkShare online by logging into their UI Online Employer Account at www.mass.gov/dua.

[Access additional information regarding developing a WorkShare plan.](#)

For more information and updates on the developing situation, visit [GT's Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#) or [GT's COVID-19 Economic Stimulus Team](#).

Authors

This GT Alert was prepared by:

- [Justin F. Keith](#) | +1 617.310.6230 | keithj@gtlaw.com
- [Terence P. McCourt](#) | +1 617.310.6246 | mccourt@gtlaw.com
- [Amanda L. Carney](#) | +1 617.310.5268 | carneya@gtlaw.com

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