

# **Unemployment Insurance, Economic Impact Payments, SSI, Social Security Disability and the COVID-19 Emergency**

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SUBJECT MATTER  
EXPERT**

**APRIL 2020**

# Unemployment Insurance (UI) Overview

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Provides temporary, partial replacement of income to people who lose employment through no fault of their own

Joint federal-state program

Each state operates its own program using federal guidelines

State law sets specific standards for eligibility, benefit amount, how long benefits may continue, and how earnings affect benefits

# Impact of CARES Act

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The Coronavirus Aid, Relief and Economic Security (CARES) Act has made a number of major changes to UI.

This training explains the regular UI rules and the changes made by the CARES Act.

# Who Is Eligible? (Part 1)

## Regular Rules

Must meet these conditions:

Have worked in a type of employment covered by federal mandate or state UI law (the vast majority of wage and salary workers are covered)

Have lost the job through no fault of their own, OR quit the job for good cause related to the work or employer

# Who Is Eligible? (Part 2)

## Regular Rules

Must meet these conditions:

Actively looking for work

Available for work

Able to work

Willing to accept suitable work when offered

Usually required to report to a Missouri Division of Workforce Development Job Center for help with job search (see <http://jobs.mo.gov>)

# Who Is Eligible? (Part 3)

## DURING THE COVID-19 EMERGENCY:

The usual work search requirement is waived for claims filed due to COVID-19.

People must still file their weekly payment requests to continue UI benefits.

# Who Is Eligible? (Part 4)

## Regular Rules

Worker must have earned a certain amount or worked a certain number of hours during a “base period”.

In most states, the base period is the first 4 of the last 5 completed calendar quarters before the date the claim was filed.

# Who Is Eligible? (Part 5)

## Regular Rules

In Missouri, a worker must have earned at least \$1,500 during one quarter of the base period and at least \$750 during the remainder of the base period to be eligible for UI, AND

Total base period wages must be at least 1.5 times the wages in the quarter with the highest earnings, OR

Must earn at least \$19,500 during 2 quarters in the base period

# Who Is Generally NOT Covered Under the Law

## Regular Rules

These workers are generally NOT covered:

Self-employed workers

Certain workers employed by their own families

Elected officials and legislators

Members of the judiciary

State National Guard

# Reasons for Separation from Employment

## Regular Rules

Generally, a worker must be unemployed through no fault of their own.

Workers are not eligible for UI who:

- Were fired for misconduct
- Quit a job for reasons not related to work or the employer
- Refuse a suitable job offer
- Are not able to or available for work

# How Much Can You Receive and for How Long? (Part 1)

## Regular Rules

The weekly UI benefit is 4% of the average of earnings in the 2 highest-earning quarters in the base period (52% of average weekly earnings).

The maximum benefit is \$320 per week.

# How Much Can You Receive and for How Long? (Part 2)

## Regular Rules

Benefits are received either:

- By direct deposit to bank account - RECOMMENDED, or
- On a prepaid debit card (Missouri Access Mastercard)

# How Much Can You Receive and for How Long? (Part 3)

## Regular Rules

May receive Missouri benefits for up to 20 weeks.

# Changes Made by CARES Act (Part 1)

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The CARES Act provides additional unemployment assistance in three ways, if the state enters into an agreement with the federal government.

Missouri has entered into such an agreement.

# Changes Made by CARES Act (Part 2)

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## 1. Pandemic Unemployment Assistance

- Cash benefit for certain workers who are not eligible for UI under regular rules
- Must be “unemployed, partially unemployed, or unable or unavailable to work” for specific reasons related to COVID-19

# Changes Made by CARES Act (Part 3)

## 1. Pandemic Unemployment Assistance

Provided to workers who:

- Are self-employed (including independent contractors, freelancers and gig workers)
- Are seeking part-time work
- Don't have enough work history to qualify for UI under regular rules
- Would not otherwise qualify for UI under regular rules

# Changes Made by CARES Act (Part 4)

## 1. Pandemic Unemployment Assistance

Must meet at least one of the following criteria:

1. Being diagnosed with COVID-19 or having COVID-19 symptoms and seeking a medical diagnosis
2. Having a household member diagnosed with COVID-19
3. Caring for a family or household member diagnosed with COVID-19

# Changes Made by CARES Act (Part 5)

## 1. Pandemic Unemployment Assistance

Must meet at least one of the following criteria:

4. Being unable to work because they must care for a child or other household member who is unable to attend school or another facility due to COVID-19
5. Can't go to workplace due to COVID-19 quarantine

# Changes Made by CARES Act (Part 6)

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## 1. Pandemic Unemployment Assistance

Must meet at least one of the following criteria:

6. Can't go to workplace because a health care provider has advised the person to self-quarantine due to COVID-19
7. Was scheduled to start a job and does not have a job or can't get to the job due to COVID-19

# Changes Made by CARES Act (Part 7)

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## 1. Pandemic Unemployment Assistance

Must meet at least one of the following criteria:

8. Has become a household's breadwinner or primary support because the head of household has died due to COVID-19
9. Had to quit a job as a direct result of COVID-19 (but not only due to fear of risk)
10. The workplace is closed due to COVID-19

# Changes Made by CARES Act (Part 8)

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## 1. Pandemic Unemployment Assistance

- To be eligible, a person must NOT be:
- Able to telework with pay
- Receiving paid sick leave or other paid leave

# Changes Made by CARES Act (Part 9)

## 1. Pandemic Unemployment Assistance

- Provides a cash benefit of \$133 - \$320 per week PLUS
- An additional \$600 per week until as late as July 25
- Pandemic Unemployment Assistance lasts up to 39 weeks, BUT
- The program ends December 31, 2020

# Changes Made by CARES Act (Part 10)

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## 2. Pandemic Unemployment Compensation

- Cash benefit for people who are eligible for at least \$1 of UI under regular rules
- Provides an extra \$600 per week cash benefit until as late as July 25

# Changes Made by CARES Act (Part 11)

## 3. Pandemic Emergency Unemployment Compensation

- Cash benefit for people who have used up UI under regular rules
- Provides up to 13 weeks of extra benefits
- Benefit amount is the amount the person received under regular rules PLUS
- An extra \$600 per week through July 25
- Must be able to, available for and actively seeking work
- Lasts only through December 31, 2020

# How to Apply (“File a Claim”) (Part 1)

A person can apply online at this link:

<http://uinteract@labor.mo.gov>

Also use this site for weekly claims

May also call:

Jefferson City 573 -751-9040

Kansas City 816-889-3101

St. Louis 314-340-4950

Springfield 417-895-6851

Outside Local Calling Area 800-320-2519

# How to Apply (“File a Claim”) (Part 2)

After a claim is approved, benefits usually start within 22 days

In Missouri, there’s a one -week waiting period. Don’t receive UI for this week until the last regular payment is received. **Waiting period is waived for claims filed due to COVID-19**

Must file weekly requests for payment to continue benefits, including while waiting for initial claim to be approved.

Must report any earnings, job offers or job refusals

# Appeals

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A claimant can appeal any adverse decision regarding their claim.

Must appeal within 30 days.

For details about appeals, see [labor.mo.gov/DES/Appeals](http://labor.mo.gov/DES/Appeals)

# For Questions or Help

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Call:

Jefferson City 573 -751-9040

Kansas City 816-889-3101

St. Louis 314-340-4950

Springfield 417-895-6851

Outside Local Calling Area 800-320-2519

Email [esuiclaims@labor.mo.gov](mailto:esuiclaims@labor.mo.gov)

# Are Unemployment Insurance Benefits Taxable?

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Yes

Can choose to have taxes withheld from benefits

# How Do Earnings Affect Unemployment Insurance Benefits? (Part 1)

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In Missouri, if a person receiving UI starts part-time work, the UI benefit will be reduced.

If the person works full-time, UI will stop.

# How Do Earnings Affect Unemployment Insurance Benefits? (Part 2)

To figure the UI reduction:

1. Take weekly gross wages
2. Subtract the greater of:
  - 20% of the weekly UI benefit, OR
  - \$20
3. Take the result from step 2 and subtract it from the weekly UI benefit
4. Round down to the nearest whole dollar

# How Do Earnings Affect Unemployment Insurance Benefits? (Part 3)

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Earnings must be promptly reported when receiving UI.

If person quits job within 28 days because the work was “unsuitable”, they *MAY* still be eligible for UI

## Example 1: (Part 1)

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Mustafa receives \$200/week from UI.

He starts working and earns \$150/week gross wages.

How much will his UI benefit be now?

How much total income will he have?

## Example 1: (Part 2)

1. \$150/week gross wages
2. Subtract 20% of UI benefit (20% of \$200 = \$40 = greater than \$20). Difference is  $\$150 - \$40 = \$110$ .
3. \$200/week UI benefit - \$110/week reduction = \$90/week adjusted UI benefit

### TOTAL INCOME:

\$150/week gross wages  
+ 90/week UI  
\$240/week

# Interaction with SSI and Medicaid/MO HealthNet (Part 1)

## Regular Rules

A person on SSI is required to apply for and accept UI and any other benefit to which they may be entitled.

UI benefits are considered unearned income and will reduce SSI accordingly.

If a SSI beneficiary receives enough unearned income from UI, their SSI payment will be suspended.

# Interaction with SSI and Medicaid/MO HealthNet (Part 2)

## Regular Rules

Their Medicaid (MO HealthNet) would stop unless their countable income was low enough for free MO HealthNet, OR they used a spend down.

If the person has worked enough, they may become eligible for SSDI.

If the person has even minimal earnings and their UI is not too high, they may also be eligible for MO HealthNet through the Ticket to Work Health Assurance (TWHA) Program.

# Interaction with SSI and Medicaid/MO HealthNet (Part 3)

## Rules Under the Families First Coronavirus Response Act

Although MO HealthNet could ordinarily stop after SSI suspension, the rule is different under the Families First Coronavirus Response Act.

This law provides an additional 6.2% federal contribution to states for Medicaid if they meet certain conditions. One condition is that a person who receives Medicaid during the COVID-19 emergency must continue to receive Medicaid until the crisis ends, even if no longer regularly eligible.

# Interaction with SSI and Medicaid/MO HealthNet (Part 4)

## Rules Under the CARES Act

The extra \$600 per week benefit does NOT count as income for MO HealthNet or CHIP purposes.

If a worker's SSI continues to be suspended due to UI after the COVID-19 emergency ends, the worker could:

- Keep free MO HealthNet if countable income is low enough, OR

# Interaction with SSI and Medicaid/MO HealthNet (Part 5)

## Rules Under the CARES Act

If a worker's SSI continues to be suspended due to UI after the COVID-19 emergency ends, the worker could:

- Keep MO HealthNet with a spend down, OR
- Get MO HealthNet through the Ticket to Work Health Assurance (TWHHA) Program if they have even minimal work earnings AND their countable income is low enough.

# Interaction with SSI and Medicaid/MO HealthNet (Part 6)

## Rules Under the CARES Act

Finally, a person whose SSI would stop due to UI could potentially use a Plan to Achieve Self Support (PASS) to continue SSI while paying for expenses to reach a work goal.

## Example 2: (Part 1)

Shaniqua received \$240/week gross wages (\$1,040/month average) and an average of \$305.50/month SSI.

She worked for 2 years before being laid off through no fault of her own.

She applies for UI and receives a benefit of \$125/week (\$541/month average).

What will her average SSI payment be while she receives UI?

## Example 2: (Part 2)

Shaniqua received \$240/week gross wages (\$1,040/month average) and an average of \$305.50/month SSI.

She worked for 2 years before being laid off through no fault of her own.

She applies for UI and receives a benefit of \$125/week (\$541/month average).

What will her average SSI payment be while she receives UI? **\$262/month** ( $\$783 - (\$541 - \$20)$ )

## Example 2: (Part 3)

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What will Shaniqua's average total pretax income be?

## Example 2: (Part 4)

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What will Shaniqua's average total pretax income be?  
\$803/month (\$541 UI + \$262 SSI)

## Example 3: (Part 1)

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Pedro received a full SSI payment before starting work 3 years ago.

He now earns \$440/week gross wages (1,905/month average).

His SSI is reduced to \$0 by his earnings, but he is eligible for “1619(b)”, a work incentive that keeps him eligible for SSI, and continues his Medicaid.

## Example 3: (Part 2)

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Pedro is laid off due to COVID -19.

He applies for Unemployment Insurance and is approved for \$229/week PLUS an extra \$600/week, for a total of \$829/week (\$3,590/month average).

How much SSI should Pedro receive?

What should happen to his MO HealthNet?

## Example 3: (Part 3)

Pedro is laid off due to COVID -19.

He applies for Unemployment Insurance and is approved for \$229/week PLUS an extra \$600/week, for a total of \$829/week (\$3,590/month average).

How much SSI should Pedro receive? **\$0 (\$783 - (\$3,590 - \$20))**

## Example 3: (Part 4)

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What should happen to his MO HealthNet? Ordinarily, his MO HealthNet would stop, unless he had a huge spenddown. His unearned income would make him ineligible for 1619(b).

However, because Pedro received MOHealthNet during the COVID-19 emergency, the State would continue his MO HealthNet, even though he would ordinarily not be eligible.

# Interaction with Social Security Disability Benefits and Medicare (Part 1)

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Unemployment benefits have no impact on Social Security Disability benefits.

A worker may receive both UI and Social Security Disability payments, if they are eligible for both.

# Interaction with Social Security Disability Benefits and Medicare (Part 2)

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Because Social Security Disability benefits can continue, Medicare eligibility also continues.

If a person is denied UI because they are receiving Social Security Disability, they should appeal.

## Example 4: (Part 1)

Cecilia receives \$920/month SSDI.

She has worked in her job for 5 years and earns \$280/week gross wages (\$1,213/month average).

She is laid off due to COVID -19.

She applies for Unemployment Insurance and receives \$145/week PLUS an extra \$600/week, for a total of \$745/week (\$3,226/month average).

Should Cecilia continue receiving SSDI, and if so, how much?

How much total monthly income should she receive?

## Example 4: (Part 2)

Cecilia receives \$920/month SSDI.

She has worked in her job for 5 years and earns \$280/week gross wages (\$1,213/month average).

She is laid off due to COVID -19.

She applies for Unemployment Insurance and receives \$145/week PLUS an extra \$600/week, for a total of \$745/week (\$3,226/month average).

Should Cecilia continue receiving SSDI, and if so, how much? **Yes. \$920/month.**

## Example 4: (Part 3)

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How much total monthly income should she receive?  
**\$4,146/month (\$920 SSDI + \$3,226 UI)**

# For More Information

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Go to the Missouri UI web site at this link:

<https://labor.mo.gov/unemployed-workers>

Read the text of the CARES Act at this link:

<https://www.congress.gov/bill/116th-congress/house-bill/748/text#toc-HB497FA84BE3B40479927BB8EC35E9886>

# Economic Impact Payments

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The CARES Act also provides economic impact payments (also known as stimulus payments) for most adult Americans.

# Economic Impact Payments - Eligibility

To be eligible for economic impact payments, a person must:

- Be a U. S. citizen or resident alien
- Have a valid Social Security number
- Could not be claimed as a dependent on another person's taxes
- Have adjusted gross income below certain limits

# Economic Impact Payments – How Much Can You Get? (Part 1)

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The basic payment is:

- \$1,200, or
- \$2,400 for a married couple filing a joint tax return
- PLUS \$500 for each “qualifying child” who is a dependent and under age 17 at the end of the year

# Economic Impact Payments – How Much Can You Get? (Part 2)

If adjusted gross income is above the following limits, the payment is reduced by 5% of the amount by which income exceeds the limit:

- \$75,000/year if single
- \$112,500/year if head of household
- \$150,000/year if married filing a joint return

# Economic Impact Payments – What Do You Need to Do to Get Them? (Part 1)

Most people will get payments without having to do anything.

These include:

- People who filed federal tax returns in 2018 or 2019
- People who have gotten SSI, Social Security Disability, Retirement or Survivor benefits, or Railroad Retirement benefits since 2019 or earlier and received 1099 forms, but don't file tax returns

# Economic Impact Payments - What Do You Need to Do to Get Them? (Part 2)

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Some people need to enter information into a portal provided by the IRS at this link labeled “Non-Filers: Enter Payment Info Here”

<https://www.freefilefillableforms.com/#/fd/EconomicImpactPayment>

# Economic Impact Payments – What Do You Need to Do to Get Them?

## (Part 3)

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People who should use the “Non-Filers: Enter Payment Info Here” link include those who:

- Get benefits from Social Security, SSI or Railroad Retirement, don't file taxes, and have qualifying children
- Started getting benefits in 2020 and didn't file taxes
- Didn't file taxes in 2018 or 2019, and aren't required to or plan to file in 2019

# Economic Impact Payments – What Do You Need to Do to Get Them? (Part 4)

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The payment will be directly deposited into the person's bank account if they:

- Get Social Security, SSI or Railroad Retirement benefits by direct deposit and don't file tax returns
- Had tax refunds directly deposited for 2019 (or 2018, if 2019 return not yet filed)

# Economic Impact Payments – What Do You Need to Do to Get Them? (Part 5)

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If a person doesn't qualify for automatic direct deposit, they can request direct deposit using the Get My Payment tool at this link: <https://www.irs.gov/coronavirus/get-my-payment>

Otherwise, the payment will be mailed.

# Economic Impact Payments – How Do They Affect Other Benefits?

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Payments are treated as tax refunds.

They don't count as income for any federally -funded, means-tested public benefits, such as SSI, MO HealthNet, SNAP, HUD, TANF or VA pension.

They don't count as resources for 12 months after receipt.

# **Economic Impact Payments – Are They Taxable?**

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No. Payments are not taxable.

# Economic Impact Payments – Can They Be Withheld? (Part 1)

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Payments can't be withheld to recover overdue taxes or other federal or state debts, EXCEPT

They can be withheld to recover past -due child support

# Economic Impact Payments – Can They Be Withheld? (Part 2)

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However, private creditors, and even people's own banks, may try to claim payments to settle outstanding debts.

If this happens to a person, contact the state consumer affairs office, elder affairs office or local legal services agency

# Economic Impact Payments – More Information

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Go to the IRS Economic Impact Payments page at this link:

<https://www.irs.gov/coronavirus/economic-impact-payments>

The National Consumer Law Center published an article on strategies to help protect payments from seizure. It can be found at this link: <https://library.nclc.org/protecting-against-creditor-seizure-stimulus-checks>