

How Changes to Unemployment Insurance Affect the Sacred Sector

Through recently enacted legislation and new guidance, Congress and the Department of Labor have made changes to the unemployment insurance system that affect individuals across the country, including in the sacred sector. The sacred sector broadly refers to those businesses and nonprofit organizations who are guided by a sacred mission. It includes faith-shaped service providers and educational institutions as well as congregations and houses of worship. Those who work in the sacred sector include clergy, employees of sacred sector institutions, and independent contractors and self-employed persons who serve as clergy, worship leaders, writers and teachers.

Navigating the Unemployment Insurance System

The unemployment insurance system in the United States is a partnership between the federal and state governments. Application processes occur through state agencies while many program rules as well as emergency funding originate with the federal government.

Resource: Links to [Unemployment Agencies By State](#)

Resource: Link to the [Department of Labor COVID-19 Resource Page](#)

Enhanced Compensation Under the CARES Act

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted on March 27, 2020, enhanced benefits for individuals who become unemployed or lose work in three principal ways:

- Establishes a short-term increase in the amount of unemployment compensation provided until July 31, 2020. Individuals receive an additional \$600 in compensation per week, called **Pandemic Unemployment Compensation (PUC)**.
- Authorizes an additional 13 weeks of unemployment insurance (past the typical 26 weeks awarded by states). This benefit, called **Pandemic Emergency Unemployment Compensation (PEUC)**, lasts until December 31, 2020.
- Creates a new program to make unemployment compensation available to those who are not typically covered by the unemployment insurance system including self-employed workers, some independent contractors, clergy and other religious workers. This program, **Pandemic Unemployment Assistance (PUA)**, lasts until December 31, 2020. An individual may receive PUA for up to 39 weeks. Benefits can be combined with \$600 per week PUC to provide comparable assistance to standard unemployment awards.

Work-Share Programs Encouraged by the CARES Act

Over half of the states have in place work-share programs (also known as Short-Time Compensation). Through a work-share program, an employer may reduce hours across its workforce rather than laying off workers. Employees receive supplemental compensation through their state's unemployment agency to make up for loss in pay. The CARES Act provides funding to states to establish and expand work-share programs during the COVID-19 crisis.

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Changes Affecting Sacred Sector Employers			
<i>Employer's past participation in unemployment insurance system</i>	Regularly pay unemployment taxes	Reimburse their state only if/when a former employee receives unemployment compensation	Did not participate in the unemployment system (includes many houses of worship)
	Laid-off employees can receive enhanced benefits (PUC, PEUC). Most states will not increase employer taxes due to COVID19-related layoffs. May be eligible to develop a work-share program	Laid-off employees can receive enhanced benefits (PUC, PEUC) Federal government covers half of what the organization would owe to the state. May be eligible to develop a work-share program	Laid-off employees can apply for benefits through the new Pandemic Unemployment Assistance program.

Changes Affecting Employees and Workers in the Sacred Sector			
<i>Status of employer or worker</i>	Employer regularly paid unemployment taxes or reimburses their state	Did not participate in the unemployment system (includes many houses of worship)	Self-employed persons, some independent contractors
	Can receive enhanced benefits (PUC, PEUC) Many states have suspended work-search requirements and waiting period	Eligible for benefits through the new Pandemic Unemployment Assistance program if there is a COVID-19 reason for job loss	Eligible for benefits through the new Pandemic Unemployment Assistance program if there is a COVID-19 reason for job loss

Supplemental Resources: Immigration, Health Coverage

Despite new laws and new guidance around unemployment insurance on the federal and state levels, several areas remain unclear and challenging to employers and potential beneficiaries alike. The links below outline what is known and what gaps remain about key topics.

Resource: [Immigrant Workers' Eligibility for Unemployment Insurance](#), National Employment Law Project (March 31, 2020)

Resource: [Changes in Income and Health Coverage Eligibility After Job Loss Due to COVID-19](#), Kaiser Family Foundation (April 14, 2020)