# Overview of Unemployment Benefits

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Purpose</th>
<th>Duration</th>
<th>Additional Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>UI: Virginia Unemployment Insurance</td>
<td>Benefits ranging from $60 to $378 per week. Determined by wages earned during the applicable base period.</td>
<td>Varies from 12 to 26 weeks.</td>
<td>1-week waiting period and weekly job search requirements are currently suspended.</td>
</tr>
<tr>
<td>PUA: Pandemic Unemployment Assistance</td>
<td>Provides a UI type benefit payment for individuals who are not eligible for traditional UI where the individual cannot work for a COVID-19 related reason.</td>
<td>Available from January 27, 2020 through December 26, 2020.</td>
<td>Excludes individuals who can telework or are receiving paid sick leave or receiving regular UI benefits.</td>
</tr>
<tr>
<td></td>
<td>Base benefit of $158 and will be adjusted based on earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FPUC: Federal Pandemic Unemployment Compensation</td>
<td>Adds $600 to all UI, PUA and PEUC benefit payment for which an individual qualifies.</td>
<td>Ended July 25, 2020. Program started April 19</td>
<td>Must receive at least $1 in state or federal benefits.</td>
</tr>
<tr>
<td>PEUC: Pandemic Emergency Unemployment Compensation</td>
<td>Extends the length of UI by up to 13 weeks.</td>
<td>Available through December 26, 2020.</td>
<td>Individuals must have exhausted all other UI benefits.</td>
</tr>
<tr>
<td>Lost Wages Assistance (LWA)</td>
<td>Funded by FEMA to address expiration of FPUC with $300</td>
<td>Up to 3 weeks, may be extended an additional week</td>
<td>Virginia was approved this week, payments start in 2 weeks</td>
</tr>
</tbody>
</table>
Then and Now

- Prior to the Pandemic VEC could expect a few thousand claims a week, totaling $25 million in benefits a month.
- Claims were at a 50 year low and VEC’s UI budget had been cut by over 40% since 2011. The agency itself had to reduce staff and sell buildings to maintain operations over the past few years.
- Over 1 million claims filed in the past 5 months, exceeding all claims from the previous 5 and half years.
- $8.0 Billion in benefits paid since March 15th.
- Initial claims for the most recent week fell nearly 25%, reaching their lowest level since the pandemic claims began.
- VEC recently conducted its first ever statewide virtual job fair. We had over 5,300 workers and 200 businesses participate. We are working on making these events a regular part of our services in the future.
Timely benefits

Share of people who got their first unemployment benefit payment within 21 days of applying, by state. Includes those who received their first payment in June 2020.

- Louisiana
- North Dakota
- Virginia
- Minnesota
- Colorado
- Rhode Island
- Nebraska
- Oklahoma
- Montana
- Massachusetts
- North Carolina
- Idaho
- Maine
- Indiana
- Washington
- Michigan
- Wisconsin
- Hawaii
- Nevada
- Florida
- Maryland

U.S. Total in January 93%
U.S. Total in June 54%

Top Reasons Claims are delayed or denied

- Separation issue reported by worker or employer
  - Voluntary Quits
  - Terminations
- Excess earnings that exceed base benefit level
  - Reflects people who had hours reduced, but still don’t qualify
- Administrative errors
  - Wrong SSN or banking information needs to be corrected.
- Failure to file weekly certification
- Benefits were previously exhausted
  - Now covered by PEUC and Extended Benefits
VEC Trust Fund Expenditures and Balance*

*Projections, Does not include PUA

<table>
<thead>
<tr>
<th></th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>$39 Million</td>
<td>$1.3 Billion</td>
<td>$859 Million</td>
<td>$186 Million</td>
</tr>
<tr>
<td>Balance</td>
<td>$1.4 Billion</td>
<td>$280 Million</td>
<td>$363 Million</td>
<td>$533 Million</td>
</tr>
</tbody>
</table>
Unemployment Insurance Tax

- There are three components that make up Virginia’s unemployment insurance tax, the base rate, the pool charge, and the fund-builder. Virginia does not currently have a pool charge or a fund-builder rate in place due to the health of the trust fund prior to the pandemic.

- Virginia’s current average tax rate is less than $70 per employee, but is projected to increase to $128 per employee on average and as high as $550 per employee for many businesses.

- Employers also pay federal unemployment tax of $420 per employee. Because Virginia’s unemployment laws conform to federal law, Virginia employers receive a 90% reduction in their federal unemployment tax.

- If Virginia borrows from the federal government and does not repay within the terms set by the federal government, the Commonwealth could be considered out of conformity and our employers would lose this reduction.
Updated VEC Website is now live!
Ellen Marie Hess
Commissioner
Ellenmarie.hess@vec.Virginia.gov