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May 12, 2020

Senate Special Committee on COVID-19 Hawai'i State Capitol 415 South Beretania Street Honolulu, HI 96813

RE: Response on PUA (as of 05/12/2020, 3:00 pm)

Dear Senators:

Thank you for the opportunity to discuss the Pandemic Unemployment Assistance (PUA) program with the Senate Special Committee on COVID-19 on May 8, 2020. As requested, the responses to the questions presented are provided below.

The Department of Labor and Industrial Relations (DLIR) is the subject matter expert for Unemployment matters for the State of Hawaii. Thus, the responses provided below were coordinated with DLIR.

1. A list of all PUA eligibility and submission requirements.

The Pandemic Unemployment Assistance (PUA) program requirements are articulated in US Department of Labor's <u>Unemployment Insurance Program Letter (UIPL) No. 16-20</u> and <u>UIPL No. 16-20</u>, <u>Change 1</u> (Instructions and Questions and Answers). The UIPLs indicate the following criteria for qualifying individuals:

"In general, PUA provides up to 39 weeks of benefits to qualifying individuals who are otherwise able to work and available for work within the meaning of applicable state UC law, except that they are unemployed, partially unemployed, or unable or unavailable to work due to one of the COVID-19 related reasons identified in Section 2102(a)(3)(A)(ii)(I) of the CARES Act and listed below:

- The individual has been diagnosed with COVID-19 or is experiencing symptoms of COVID-19 and is seeking a medical diagnosis;
- A member of the individual's household has been diagnosed with COVID-19;
- The individual is providing care for a family member or a member of the individual's household who has been diagnosed with COVID-19;
- A child or other person in the household for which the individual has primary caregiving responsibility is unable to attend school or another facility that is closed as a direct result of the COVID-19 public health emergency and such school or facility care is required for the individual to work;
- The individual is unable to reach the place of employment because of a quarantine imposed as a direct result of the COVID-19 public health emergency;

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- The individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
- The individual was scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of the COVID-19 public health emergency;
- The individual has become the breadwinner or major support for a household because the head of the household has died as a direct result of COVID-19;
- The individual has to quit his or her job as a direct result of COVID-19; or
- The individual's place of employment is closed as a direct result of the COVID-19 public health emergency.

Additional requirements are indicated in the UIPL.

2. An infographic, flowchart, or picture illustrating the process for applying and the differences in eligibility for PUA and traditional unemployment insurance benefits.

The figure below is an illustration of the difference between the various unemployment programs that was shown at the hearing:

COVID Unemployment Programs

Federal Pandemic Emergency Compensation (FPUC) Program (fka \$600/week Federal add-on)

- New Federal COVID program
- Federally Funded
- Provides \$600/week above the State Unemployment or PUA benefit

State Unemployment

- Hawaii employers pay into the Hawaii
 UI Trust Fund based on payroll paid.
- The UI Trust Fund is used to pay for benefits.
- Benefits are determined based on a formula. \$648/week maximum.

Federal

Pandemic Unemployment Assistance (PUA) Program

- New Federal COVID program, with rules set by the Federal government
- Covers COVID impacted workers who cannot be covered by State UI programs (defined by Feds)
- Benefits are determined based on income earned.
 \$648/week maximum.

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PUA. Hawaii.gov

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The illustration below provides additional information:



PANDEMIC UNEMPLOYMENT ASSISTANCE

ANYONE ISSUED A W2 IN 2018 OR 2019:

DENIED UNEMPLOYMENT INSURANCE

- Insufficient Wages PUA + \$600 or Work History

NO W2:

SOLE PROPRIETOR (No need apply for UI)

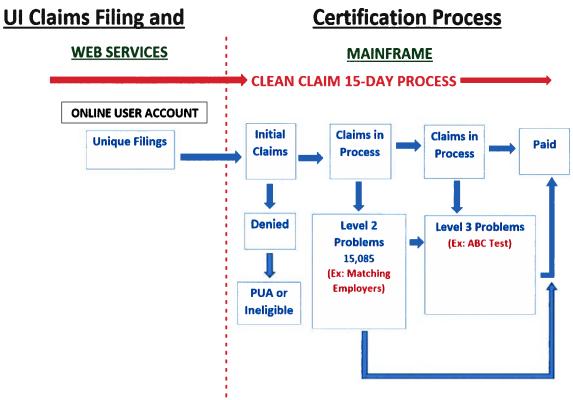
- With No Wages PUA + \$600 (18 Months)

INELIGIBLE FOR UI AND PUA BENEFITS

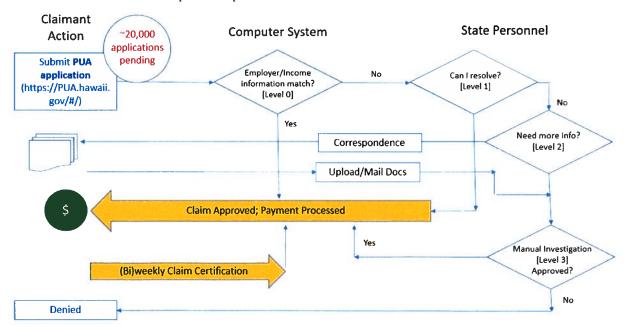
- Quit Voluntarily
- Discharged for Good Cause
- FRAUD

A flow-chart overview of the State Unemployment process is provided below:





A flow-chart overview of the PUA process is provided below:



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3. A general determination on whether a person who had previously received UI benefits which were exhausted. Then, scheduled a job interview, which was then cancelled because of the COVID-19 pandemic, and if this person would qualify for PUA.

Per Bill Kunstman, DLIR: "They would be eligible for regular UI, specifically, the 13-week extension."

4. How long will it take an applicant to get approved for PUA and to then have the benefit deposited into their account?

Once the computer program for processing PUA pre-applications is put into production, a "clean application" will be processed by the computer program within a day. Then, the payment will be sent to the ACH clearinghouse and the claimant will receive payment within three to five days.

Applications that cannot be addressed by the computer system will require a State staff member to review and approve or deny the application.

Please contact Scott Murakami, Director of DLIR, or me if you have any further questions. Thank you for your interest in the PUA program.

Very ruly yours,

Scott T. Murakami

Director, DLIR

Rona M. Suzuki