

## Federal Unemployment Programs Extended by American Rescue Plan

AUGUSTA - On Thursday, March 11, 2021 the American Rescue Plan was signed into law by President Biden. This law includes several provisions that extend federal unemployment programs.

Pandemic Unemployment Assistance (PUA) extended:

Pandemic Unemployment Assistance (PUA) claimants were previously eligible for up to 50 weeks of benefits. Now, they will be eligible for up to 79 weeks of benefits. The additional weeks will be added to PUA claims automatically; claimants should just continue to file their weekly claims.

NOTE: If a claimant previously exhausted their 50 weeks of PUA, they will be able to begin certifying again beginning Sunday, March 21, 2021. Week-ending March 20, 2021 is the first week the PUA continuation takes effect. Based on the federal law, there are no back weeks available for those who previously exhausted PUA. If someone exhausted their previous PUA benefits and has not filed a weekly claim within the last two weeks, they will need to go online to reopen their claim.

PUA as a whole will be extended through September 4, 2021, but claimants may exhaust their individual 79 weeks before that date.

Pandemic Emergency Unemployment Compensation (PEUC) extended:

The Pandemic Emergency Unemployment Compensation (PEUC) program previously provided up to 24 weeks of additional benefits to claimants who exhausted their regular state Unemployment Insurance benefits. Now, it will provide up to 53 weeks through September 4, 2021.

If a claimant is already collecting PEUC, no additional action is needed.

Those who had already exhausted their previous PEUC benefits should follow the same process outlined above for those who exhausted their PUA benefits.

\$300 Federal Pandemic Unemployment Compensation (FPUC) extended:

Federal Pandemic Unemployment Compensation (FPUC), which provides an additional \$300 per week on top of a claimant's weekly benefit amount, has been extended through September 4, 2021.

Claimants will continue to receive FPUC automatically as long as they continue to file weekly claims.

Tax Relief for Unemployment Claimants:

The Maine Legislature has approved an income tax exemption of up to \$10,200 per recipient of unemployment compensation benefits received during 2020 from Maine individual income tax for taxpayers with a federal adjusted gross income of less than \$150,000.

This does not affect unemployment claims or accounts. Claimants should check with the IRS and MRS for further details and guidance on tax relief.

More information will be posted to [www.maine.gov/revenue](http://www.maine.gov/revenue) when it is available.

## IRS Statement - American Rescue Plan Act of 2021

The IRS is reviewing implementation plans for the newly enacted American Rescue Plan Act of 2021. Additional information about a new round of Economic Impact Payments, the expanded Child Tax Credit, including advance payments of the Child Tax Credit, and other tax provisions will be made available as soon as possible on IRS.gov. The IRS strongly urges taxpayers to not file amended returns related to the new legislative provisions or take other unnecessary steps at this time.

The IRS will provide taxpayers with additional guidance on those provisions that could affect their 2020 tax return, including the retroactive provision that makes the first \$10,200 of 2020 unemployment benefits nontaxable. For those who haven't filed yet, the IRS will provide a worksheet for paper filers and work with software industry to update current tax software so that taxpayers can determine how to report their unemployment income on their 2020 tax return. For those who received unemployment benefits last year and have already filed their 2020 tax return, the IRS emphasizes they should not file an amended return at this time, until the IRS issues additional guidance.

### Assistance for Employers and the State Unemployment Trust Fund:

Governmental entities and nonprofit organizations are relieved of 75% of the benefit costs for COVID-related unemployment claims, an increase from the 50% previously funded, through September 4, 2021.

Full federal funding of the first week of benefits is restored, after dropping from 100% to 50% with the previous extension, through September 4, 2021.

Full federal funding of benefits paid through the Workshare program, through September 4, 2021.

Additional Information: - Any updates or additional information will be posted at <https://www.maine.gov/unemployment> . - For any issues regarding an individual claim, call 1-800-593-7660.