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COVID-19, Unemployment Insurance, and People with Disabilities

This fact sheet details common questions that we have received about Social Security, Supplemental Security Income, Medicaid and Unemployment Insurance. Because Unemployment Insurance is a state-federal partnership, state unemployment programs vary substantially, and this fact sheet does not attempt to provide details on different state systems.

What is Unemployment Insurance?

Unemployment Insurance (UI) is a joint federal-state program that temporarily pays people who have lost their job through no fault of their own (i.e., not for grounds that constitute misconduct and not voluntarily quitting) while they look for a new job. Many UI programs require that people are looking for full-time work to be eligible for UI.

Who is eligible for UI benefits?

State UI eligibility varies. We would recommend reviewing materials from the state UI agency to learn more. Generally, an individual needs to have been laid off from his or her job (or have quit for good cause connected to the job) and be available for and actively seeking work. Many states require even part-time workers to seek full-time work, meaning many people with disabilities who can only work part time are not eligible. However, in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress made policy changes that broadened the UI eligibility criteria and more people with disabilities may be eligible for UI.

What are the new UI policies that Congress passed?

The CARES Act (the third Coronavirus response bill) included three major UI policy changes.

Pandemic Unemployment Assistance (PUA)

The new PUA program provides emergency unemployment assistance to workers who usually are not covered by state UI, including part time workers. Applicants will need to provide self-certification that they are (1) partially or fully unemployed, OR (2) unable and unavailable to work because of a particular circumstance, including:

- They have been diagnosed with COVID-19 or have symptoms of it and are seeking diagnosis
- They are providing care for someone diagnosed with COVID-19
- They are providing care for a child or other household member who can't attend school or work because it is closed due to COVID-19
- They had to quit their job as a direct result of COVID-19
- Their place of employment is closed as a direct result of COVID-19

Most importantly, this includes many part time workers, so people with disabilities on SSI or Social Security benefits may be eligible if they have lost their jobs due to COVID-19.

Pandemic Unemployment Compensation (PUC)

PUC increases both the state UI benefit amount and the PUA benefit amount by an additional \$600 per week.

Pandemic Emergency Unemployment Compensation (PEUC)

PEUC allows workers with an additional 13 weeks of state UI benefits.

How does receiving state UI or the new PUA benefits impact people on Social Security Disability Insurance, Disabled Adult Child benefits, or other forms of Social Security benefits?

Unemployment income counts as unearned income,¹ not as earned income so the Substantial Gainful Activity (SGA) income limit does not apply. This means that people receiving Social Security Disability Insurance or Disabled Adult Child benefits or other forms of Social Security benefits can claim unemployment without worrying about the usual income limit.

Social Security benefits are not means tested, so while people on Social Security might worry about asset limits in other programs, Social Security itself has no asset limits and the increased benefit amount provided by UI will not create problems for Social Security beneficiaries.

How does receiving state UI or the new PUA benefits impact people on Supplemental Security Income (SSI)?

SSI is different than Social Security in several ways, but unemployment income also counts as unearned income for SSI. This means that SSI benefits may be offset by the amount of the unemployment benefits. This is particularly likely because of the increased PUC benefits authorized by the CARES Act.

People on SSI may also encounter issues with the \$2,000 asset limit for individuals and \$3,000 asset limit for married couples, especially given the generous PUC benefits and the likelihood that people may receive multiple weeks of retroactive benefits at one time due to lags in state implementation of the new programs. If SSI recipients receive benefits that would push them over the asset limits, they should consider spending those funds right away to purchase needed supplies.

In addition, people on SSI are required to apply for other benefits they may be eligible for,² including unemployment insurance.³ If people with disabilities have been working and lost jobs because of COVID, they likely are required to apply for the new PUA program.

¹ Program Operations Manual System (POMS), SI 00830.230 *Unemployment Insurance Benefits*, <https://secure.ssa.gov/poms.nsf/lnx/0500830230>.

² Social Security Act, SEC. 1611(e)(2).

³ Social Security Act, SEC. 1612(a)(2)(B).

How does receiving state UI or the new PUA benefits impact people on Medicaid?

The CARES Act explicitly excludes the extra PUC payments from being considered for Medicaid eligibility so the additional funds from PUC will not be considered against Medicaid asset limits.

However, many people with disabilities are also eligible for Medicaid automatically because of their eligibility for SSI. This means that if state UI or PUA benefits put someone over income or asset limits in SSI and they are no longer eligible for SSI, they may also no longer be eligible for Medicaid. Under a provision of the Families First Coronavirus Response Act, no state Medicaid agency that accepted the increased Federal matching percentage is allowed to terminate coverage for any person currently receiving Medicaid until the end of the pandemic emergency. Guidance from CMS has made it clear that this includes people who become ineligible for Medicaid because their SSI is terminated.⁴

It is also very likely that people with disabilities would continue to be eligible for Medicaid via the Medicaid Expansion or other eligibility pathways.

How does receiving state UI or the new PUA benefits impact eligibility for other programs that people with disabilities rely on?

Supplemental Nutrition Assistance Program (SNAP) benefits may be impacted by the amount of UI benefits an individual receives. Similarly, other means tested programs (those with asset or income limits) may be impacted.

⁴ Centers for Medicare and Medicaid Services, *Families First Coronavirus Response Act (FFCRA)*, Public Law No. 116-127; *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, Public Law No. 116-136; *Frequently Asked Questions (FAQs)*, #33, <https://www.medicaid.gov/state-resource-center/downloads/covid-19-section-6008-CARES-faqs.pdf>.