



August 3, 2021

COVID-19, Unemployment Insurance, and People with Disabilities

This fact sheet details common questions that we have received about Social Security, Supplemental Security Income (SSI), Medicaid, and Unemployment Insurance.

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 related to the COVID-19 pandemic. Most importantly, this new program 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 and the PUA benefit 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 or PUC benefits impact people on Supplemental Security Income (SSI)?

On July 23, 2021, the Social Security Administration (SSA) issued guidance that all COVID-19 pandemic unemployment assistance would be disregarded as disaster assistance and not counted as income.¹ Previously, unemployment assistance was counted as unearned income and could reduce SSI benefits. The new guidance means that there should be no changes to SSI benefits and that unemployment assistance should be disregarded for purposes of the SSI asset limits.

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

Many people with disabilities are also eligible for Medicaid automatically because of their eligibility for SSI. The new guidance makes it clear that unemployment assistance should not impact SSI eligibility or Medicaid eligibility.

How does receiving state UI or the new PUA or PUC benefits impact people on Social Security Disability Insurance (SSDI), Disabled Adult Child (DAC), or other Social Security benefits?

Even before this change, unemployment was counted as unearned income² so the Substantial Gainful Activity income limit did not apply and people receiving Social Security Disability, Disabled Adult Child, or other Social Security benefits could claim unemployment without worrying about the usual income limit. The new guidance does not change this, only the classification of unemployment.

How does receiving state UI or the new PUA or PUC 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. These rules are set at the state level.

What if I encountered problems with unemployment assistance before the new guidance was issued in July 2021?

You should contact your local SSA office and specifically bring up Emergency Message 20014 as you discuss this problem with SSA staff. You may want to involve your local legal services organization or a private lawyer if SSA has already made a decision in your case.

Please contact Bethany Lilly (lilly@thearc.org) with any questions about this fact sheet.

¹ SOCIAL SECURITY ADMINISTRATION, EMERGENCY MESSAGE 20014 REV 3: EFFECT OF COVID-19-RELATED FINANCIAL ASSISTANCE ON SSI INCOME AND RESOURCES (July 23, 2021), <https://secure.ssa.gov/apps10/reference.nsf/links/07232021123646PM>. See also, SOCIAL SECURITY ADMINISTRATION, EMERGENCY MESSAGE 21050: SPECIAL PROCESSING INSTRUCTIONS FOR APPLYING SUPPLEMENTAL SECURITY INCOME (SSI) INCOME AND RESOURCE EXCLUSIONS TO PANDEMIC-RELATED DISASTER ASSISTANCE (July 23, 2021), <https://secure.ssa.gov/apps10/reference.nsf/links/07232021011154PM>.

² SOCIAL SECURITY ADMINISTRATION PROGRAM OPERATIONS MANUAL SYSTEM (POMS), SI 00830.230 UNEMPLOYMENT INSURANCE BENEFITS, <https://secure.ssa.gov/poms.nsf/lnx/0500830230>.