



## Legislative Fiscal Bureau

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February 4, 2021

TO: Senator Devin LeMahieu  
Room 211 South, State Capitol

FROM: Ryan Horton, Fiscal Analyst

SUBJECT: Federal Reimbursement for Unemployment Insurance First-Week Benefits

As you requested, this memorandum describes the provisions under which unemployment insurance (UI) claimants may receive benefits for the first week of unemployment, and an estimate of federal reimbursement to Wisconsin for such benefits.

Under current law, a UI claimant's waiting period is the first week of a claimant's benefit year for which the claimant is otherwise eligible for regular benefits. During a claimant's waiting period, no benefits are payable to the claimant. The waiting period does not affect a claimant's maximum benefit amount, which is 26 weeks of regular state benefits. However, claimants who do not reach the state's 26-week limit effectively receive one fewer week of benefits due to the waiting week requirement. A claimant must serve one waiting week per benefit year.

On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act provided 100% federal funding of the first week of regular UI benefits for states with no waiting week through the week ending December 26, 2020. On April 17, 2020, 2019 Wisconsin Act 185 took effect, which provided that the waiting week requirement under current law would not apply with respect to UI benefit years from the week starting March 15, 2020, through the week ending February 6, 2021. However, in accordance with subsequent guidance provided by the United States Department of Labor, full federal funding for first-week benefits in Wisconsin was available for the weeks beginning April 19, 2020, the first week following the enactment of Act 185.

The Continued Assistance for Unemployed Workers Act of 2020 extended the CARES Act waiting week reimbursement provision through the week ending March 13, 2021, but at a 50% federal reimbursement level from the week starting December 27, 2020. Under current law, as temporarily waived under Act 185, Wisconsin will receive 50% federal reimbursement for the first week of regular UI benefits provided through the week ending February 6, 2021. It is estimated that for each week after February 6, 2021, the state would forgo \$1.3 million in federal reimbursement funding for each week the state has not waived the waiting week requirement. Both the Senate and

Assembly versions of 2021 Assembly Bill 1, as amended to date, include the extension of the 2019 Act 185 waiver of the UI waiting week requirement through the week ending March 13, 2021, and would therefore qualify the state for 50% federal reimbursement for each week that the waiver is in effect.

I hope that this information is helpful. Please contact me if you have questions.

RH/ml