

# ILR

## Work and the Coronavirus

Helping people understand how COVID-19 affects work and employment by sharing insights and help from ILR's workplace experts.

## How the CARES Act Impacts Workers

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The CARES Act, signed into law on March 27, created and extended programs that provide benefits and protections for workers during the COVID-19 crisis. Below is a summary of some of the benefits for working people, low-income people and gig workers.

### Unemployment Insurance

The CARES Act provides \$600 of extra unemployment insurance benefits and 13 extra weeks of benefits for eligible workers. The legislation was specifically designed to include independent contractors, gig workers and other workers who would not be traditionally eligible for unemployment insurance. [More information on unemployment insurance can be found here.](#)

### Cash Payments to Individuals

The relief package includes cash payments to individuals who earn less than \$99,000, or \$198,000 as a married couple. Payments are set at \$1,200 for those making less than \$75,000 (or \$150,000 as a married couple) and decrease by \$5 for every \$100 in additional incomes, completely phasing out for those earning more than \$99,000 (or \$198,000 as a married couple). Those with children will also receive an extra \$500 per child. [The Washington Post has developed a calculator](#) where you can determine your expected cash payment. Individuals who did not file taxes in 2018 or 2019 may still be eligible and would need to check the [IRS website](#).

### Increased Housing Benefits

The CARES act directs funding to assist those in housing crisis and to prevent eviction. The legislation provides \$4 billion for homeless people and programs that decrease an individual's chances of homeless. The legislation extends \$3 billion for programmatic spending for those already receiving federal rental assistance. Finally, \$450 million will be spent to assist vulnerable groups such as Veterans, those experiencing domestic violence, Native Americans, homeless youth, seniors and people with disabilities.

## **Extended Family and Medical Leave**

The CARES act and the previously passed “Families First Coronavirus Response Act” includes provisions related to expanding and clarifying Family and Medical Leave during the Covid-19 crisis. Please read Esta Bigler’s summary of these provisions for further information (link to Esta’s piece).

## **Increased Food Assistance**

The CARES act does not create new programs for food assistance, but will include an additional \$15.5 billion for the SNAP program and \$8.8 billion for meals for school through food purchases and demonstration projects. In addition, \$450 million will be spent for community food programs.

## **Protections for Unionized Workers and Organizing**

The CARES act legislation contains certain provisions that protects unionized workers’ agreements and enhances employees’ ability to organize collectively. Businesses with 500 and 10,000 employees who receive loans under the act cannot invalidate collective bargaining agreements during the term of the loan and for two years after repayment. These companies must also maintain neutrality during union organizing campaigns for the terms of the loan.

## **Employee Retention Credit**

For employers who suspend operations or experience a significant decline in gross receipts, the CARES act offers a tax credit up to 50 percent of qualified wages for keeping an employee on payroll. This tax credit is designed to encourage employers to keep paying or utilizing workers instead of laying them off. The maximum amount is \$5,000 per employee for the tax credit. More detailed information can be found at the [IRS website](#).

## **Loans for Freelancers and Independent Contractors**

The CARES act has opened up loans for freelancers and independent contractors. Eligible workers could receive benefits under the Paycheck Protection Program. As part of this program, freelance workers and independent contractors can receive up to eight weeks of payroll along with rent and utilities expenses through a loan. Loans can be both partly or fully forgiven. Further information can be found from the [Freelancers Union](#).

Policy and labor organizations such as the [Center on Budget and Policy Priorities](#), [SEIU](#), and [Western Center on Law and Poverty](#), provide detailed summaries and analysis of the benefits in the CARES act. For more detailed information on eligibility for Unemployment Insurance, consult the [Department of Labor](#) or the [NYS AFL-CIO](#) resources.