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CARES Act - 50% Reimbursements for those employers who make payments in lieu of contributions (reimbursing employers) FAQs:

Who is a reimbursing employer?

Reimbursing employers include state, municipalities, federally recognized Indian Tribes and 501 (c) (3) non-profit organizations. In order to be eligible to receive this payment, the organization must have elected to reimburse the state for UI benefits paid to former employees, rather than electing to pay UI taxes on a quarterly basis.

What is the 50% reimbursement provision for reimbursing employers?

Section 2103 of the CARES Act provides for a federal reimbursement of up to a 50% of certain unemployment insurance (UI) benefits paid to former employees of the state, municipalities, federally recognized Indian Tribes and 501 (c) (3) non-profit organizations. The UI benefits paid must be for weeks of unemployment beginning March 17, 2020, through December 26, 2020.

Is every reimbursing employer eligible for the 50% reimbursement?

Every reimbursing employer who is current in its UI tax obligations, will be eligible. All charges must be paid in full, including any applicable interest and penalties.

Can a reimbursing employer simply pay half of its monthly bill?

No. The federal law requires the employer to pay 100% of its bill and then it will be reimbursed 50%.

How will the reimbursing employer receive the 50% reimbursement?

The Connecticut Department of Labor (CTDOL), using funds provided by the federal government, will issue a check monthly for 50% of the applicable weekly UI benefits paid. For example, CTDOL bills reimbursing employers monthly for their share of UI benefits paid to their former employees. If a reimbursing employer pays their monthly bill in full and has no outstanding UI tax delinquency, CTDOL will issue a check the following month for 50% of the applicable weeks of unemployment listed on that prior month's bill.

Please note that despite the availability of possible reimbursements, the continued focus on integrity remains as a critical component of the UI program. As such, CTDOL urges employers to review all correspondence as it relates to the payment of UI benefits to ensure that only those individuals who are eligible to receive benefits actually collect those benefits.

**Federal Reimbursement of UI Benefits Paid Under the Shared Work Program
for Contributing and Reimbursing Employers**

What is the Shared Work Program?

Shared Work is a program designed to save jobs and retain skilled workers. It offers an alternative to layoffs by allowing employers to temporarily reduce employee hours and supplement lost wages with the help of partial unemployment benefits.

What is the federal reimbursement of the Shared Work Program?

Section 2108 of the CARES Act provides for a federal reimbursement to the state for all weeks of unemployment paid under the state's Shared Work Program. It covers weeks of unemployment paid under the Shared Work Program from week ending April 4, 2020 through week ending December 26, 2020.

What does this federal reimbursement mean to employers?

Because all UI benefits paid under the state's Shared Work Program will be reimbursed to the state by the federal government as long as the weeks of unemployment fall within the applicable time period, none of these weeks of unemployment will be charged to any employer. This includes employers who pay UI taxes on a quarterly basis and also employers who have elected to reimburse the state for UI benefits paid to their former employees.

Federal Reimbursement of the First Week of Compensable Regular Unemployment

What is the first week of compensable regular unemployment?

The first week each claimant receives in regular UI benefits is called their first week of compensable regular unemployment.

What is a waiting week?

When a state does not pay UI benefits to a claimant for their first week of unemployment, that is known as a waiting week.

What is a reimbursement of the first week of compensable regular unemployment?

Section 2105 of the CARES Act provides a federal reimbursement to the state for the first week of compensable regular unemployment for any state that does not have a waiting week. Connecticut is such a state. The reimbursement covers the first week of compensable regular unemployment as long as that week falls within the time period of week ending April 4, 2020 through December 26, 2020.

What does this federal reimbursement mean to employers?

Because each claimant's first week of compensable regular unemployment will be reimbursed by the federal government as long as that week falls within the applicable time period, employers will not be charged for that week. This includes employers who pay UI taxes on a quarterly basis and also employers who have elected to reimburse the state for UI benefits paid to their former employees.