



## Commonwealth of Kentucky Labor Cabinet

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Governor

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## **Pandemic Unemployment Benefits to End in Ky. Sept. 6**

*State retires Unemployment Insurance Trust Fund loan debt*

**FRANKFORT, Ky. (July 29, 2021)** — Gov. Andy Beshear today encouraged Kentuckians drawing federal pandemic unemployment insurance benefits to rejoin the workforce before those programs expire Sept. 6.

“With a surging economy and job opportunities available throughout the commonwealth, there isn’t a valid reason why any Kentuckian who wants a job shouldn’t be able to find one,” the Governor said.

Federal pandemic unemployment insurance benefit programs expire nationwide on Sept. 6. Unemployment insurance claimants in Kentucky will no longer be able to claim benefits from the following programs after that date:

- **Federal Pandemic Unemployment Compensation (FPUC)**, which provides an additional \$300 weekly payment to recipients of unemployment compensation.

- **Pandemic Unemployment Assistance (PUA)**, which provides benefits for those who would not usually qualify, including the self-employed, gig workers and part-time workers.
- **Pandemic Emergency Unemployment Compensation (PEUC)**, which provides an extension of benefits once regular benefits have been exhausted.
- **Mixed Earner Unemployment Compensation (MEUC)**, which provides an additional \$100 benefit to certain people with mixed earnings.

Claimants participating in those programs will receive an email from the Kentucky Office of Unemployment Insurance (OUI) communicating that those benefit programs are ending. If claimants are waiting to receive an eligibility determination for any of these four federal programs, OUI will ensure that they receive payments owed to them for all weeks before September 6 for which they are determined eligible.

Choosing not to end pandemic unemployment benefits prematurely in the commonwealth has helped Kentuckians who lack access to child care at a time when students can't be in school during summer months, the Governor said. He also said that those benefits continue to pump \$34 million each week into grocery stores, restaurants and retail establishments in our communities across the state.

"I have spoken many times about how we were not going to steer our recovery on a red or blue state solution but instead how we could 'thread the needle' just right to find the right solution to help the citizens of this state and our economy," the Governor said.

That solution includes an incentive for people to return to work [announced by the Governor in June](#). Claimants who return to work by tomorrow's deadline can qualify for a \$1,500 Back-to-Work incentive. That bonus will pay the first 15,000 qualifying UI claimants who return to work between June 24 and July 30 a one-time taxable stipend of \$1,500 if they meet all eligibility requirements.

The Kentucky Public Protection Cabinet will begin accepting applications for the incentive program beginning Aug. 2. The last day to apply is Oct. 1, 2021. For more information, please visit the [Team Kentucky Back to Work website](#).

- Anyone needing job seeker assistance can [contact their nearest Kentucky Career Center office](#) for more details on available jobs in their area. Aside

from job leads, KCC staff can also provide job search assistance, apprenticeship opportunities, vocational rehabilitation, adult education and training resources.

- Kentuckians who are having difficulty paying rent and utilities can seek assistance through the [Team Kentucky Eviction Relief Fund](#).

#### *Unemployment Insurance Trust Fund loan debt retired*

The Governor also announced today that the federal unemployment insurance trust fund loan the commonwealth relied heavily upon to pay Kentuckians their benefits during the COVID-19 global health pandemic has been retired.

The Kentucky Labor Cabinet paid the balance on a \$505.7 million loan July 22, utilizing one-time American Rescue Plan funds. State lawmakers set aside the money to pay off the loan earlier this year in House Bill 382, passed during the Kentucky General Assembly's 2021 regular session.

“By paying off this loan, the commonwealth will avoid any interest that was expected to begin accruing after Sept. 6, surcharges and increases in employer federal unemployment taxes in 2022,” the Governor said. “It allows us to keep our UI trust fund solvent and the tax burden down for our small businesses.”

The commonwealth was forced to borrow from the federal government to pay UI benefits after the fund became insolvent on June 30, 2020 – the result of a record number of unemployment insurance claims from pandemic-related shutdowns and layoffs.

The state requested monthly loan advances to continue paying UI benefits throughout the remainder of 2020. An injection of \$203 million in CARES Act money into the fund by Gov. Beshear in December thwarted the need for additional monthly advances.

The current trust fund balance stands at \$306.2 million, which is expected to carry payments through the end of 2021 without the need for additional borrowing.

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