



## ANALYSIS OF THE AMERICAN RESCUE PLAN:

# Workers



### The American Rescue Plan (ARP) Act of 2021 includes **\$1.9 trillion** in total funding.

There are many aspects of the ARP that affect employees, both at work, or if they become unemployed, as well in worker's access to childcare, education, housing, healthcare, and more. The following is the Council of State Government's (CSG) summary of the major provisions of the bill that affect employees.



#### Direct Stimulus Payments

The ARP provides a **third round of direct-payment stimulus checks** to eligible recipients.

- **Individuals with incomes of \$75,000 or less will receive \$1,400 (plus \$1,400 for each eligible dependent).**
  - Those earning more than \$75,000 will receive less, individuals earning \$80,000 or more do not receive support.
- **For married couples with total yearly income of \$150,000 or less, each spouse receives \$1,400.**
  - Phases out for couples earning \$160,000 or more per year.



#### Unemployment Insurance Support

ARP extends the three major unemployment insurance programs initially created by the CARES Act.

- **The Pandemic Unemployment Assistance (PUA) program for workers who are not traditionally eligible for unemployment insurance (such as independent contractors).**
  - The PUA program has been **extended through 9/6/2021.**
  - The number of eligibility weeks increased from 50 to 79 weeks.
- **Pandemic Emergency Unemployment Compensation (PEUC) provides additional weeks of unemployment insurance benefits to individuals who have exhausted their state unemployment benefits.**
  - The PEUC program has been **extended through 9/6/2021.**
  - Additionally, the ARP increases eligibility weeks **from 24 to 53 weeks.**
- **The Federal Pandemic Unemployment Compensation (FPUC) program supplement of \$300 per week (on top of state UI or PUA/PEUC benefits) is extended through 9/6/ 2021.**
- **Taxes Relief for Unemployment:** The ARP makes the first \$10,200 of unemployment benefits **untaxed for 2020** for recipients who earn less than \$150,000 per year. For those who have already filed, the IRS will automatically adjust your taxes (**[you do not need to file an amended return.](#)**)



## Childcare and K-12 Schools

The ARP includes \$39 billion for childcare, including nearly \$24 billion for Child Care Stabilization grants and nearly \$15 billion for the Child Care and Development Block Grant (CCDBG) program.

- This funding will help sustain an estimated **449,000 childcare providers who are serving a total of 7.3 million children.**
- The ARP provides [\\$123 billion in emergency funds for K-12 schools](#) to safely reopen and address learning loss due to the pandemic.
- **Summer enrichment, distance learning, Head Start, education technology, services for homeless students, and support for disabled students all receive support.**



## Housing Assistance

The ARP includes \$21.55 billion in **Emergency Rental Assistance** to help states and localities keep families in their homes and pay their utilities.

The ARP includes:

- **\$100 million for housing counseling organizations.**
- **\$5 billion to assist people experiencing homelessness.**
- **\$5 billion for Emergency Housing Vouchers.**
- **\$100 million for rural rental assistance.**
- **\$9.9 billion for mortgage assistance to homeowners.**
  - \$39 million for rural homeowners.
- **\$20 million for fair housing organizations.**

The ARP provides \$4.5 billion to the Low Income Home Energy Assistance Program (LIHEAP) and \$500 million for low-income water assistance.



## Healthcare

### The Consolidated Omnibus Budget

Reconciliation Act (COBRA) gives workers who lose their health benefits the ability to continue group health benefits for a limited time under certain circumstances.

- The ARP adds support to COBRA by [creating a health benefits premium subsidy](#) of 100% for eligible recipients from 4/1/2021 to 9/30/2021.
- **Workers who have been laid off, furloughed, or had their hours reduced are eligible.**



**Affordable Care Act** exchanges allow Americans to purchase health insurance.

- The ARP provides [premium subsidies for purchasing health insurance](#) on the ACA exchanges through 2022. The subsidies reduce as income increases.
- **The ARP also caps individual costs for health insurance purchased on an exchange at 8.5 percent of their income.**

**Mental Health:** The ARP includes \$3.88 billion to expand investments made to increase availability of treatment for mental health issues, to help cover increased demand in the pandemic.

**Funeral Assistance:** The ARP sets aside money for extending the funeral assistance program created in the last COVID relief package. This money can reimburse those who lost a loved one to COVID-19 for common funeral expenses.

**Federal Contractors:** The ARP extends [CARES Act Section 3610 through 9/30/2021](#). This provision [reimburses federal contractors for paid leave](#) that they provide to employees who are unable to work due to the pandemic.

**Multiemployer Pension Plans:** The ARP establishes a fund [to provide financial assistance](#) to "critical and declining" pension plans so that benefits continue through 2051.

## Sources and Additional Resources

To read the full text of the American Rescue Plan (ARP) Act of 2021, [CLICK HERE](#).

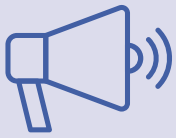
For an analysis of the ARP by the National Association of Counties, [CLICK HERE](#).

For a partial list of programs in the ARP, [CLICK HERE](#).

For the Senate Democrats' summary of the ARP bill's provisions, [CLICK HERE](#).

For all COVID-19 Relief Programs under the Small Business Administration (SBA), [CLICK HERE](#).





# Tell your boss!

## Employee Retention Tax Credit

The ARP extends the **Employee Retention Tax Credit (ERTC)** through **December 31, 2021**.

Expands the ERTC to allow certain severely distressed businesses to claim the credit for a greater share of employee wages. It also expands the credit to cover newly formed businesses.

For more information on how to claim this credit, [CLICK HERE](#).



## Paycheck Protection Program (PPP)

The PPP is a loan program to incentivize businesses to keep workers on payroll rather than lay them off during the pandemic.

The ARP has **expanded PPP Eligibility** to include more types of nonprofits such as 501(c)(5) labor and agricultural organizations.

The bill also **expands PPP eligibility for digital news services that provide local news and lifesaving information about public health guidance**.

For more information, or to apply for a loan, [CLICK HERE](#).

## Paid sick leave and family leave credits

The ARP extends the **Paid Sick Leave Credit**, providing payroll tax credits for employers who voluntarily provide paid leave to September 30, 2021. This credit provides:

- **Up to 80 hours of paid sick leave** for their own health needs or to care for others.
- **Up to an additional 10 weeks of paid family leave to care for a child** whose school or childcare provider is closed due to COVID-19 precautions.
  - The ARP also **expands eligibility to state and local governments** that provide this benefit.

For more information on how to claim this credit, [CLICK HERE](#).

For the U.S. Small Business Administration (SBA) portal for COVID-19 relief programs for small businesses information and applications, [CLICK HERE](#).



## For More Information

**SARAH NEEDLER** | Director of Research

The Council of State Governments, Center of Innovation  
sneedler@csg.org | csg.org