Two Month Into COVID Shutdown and Some Still Can't Get Unemployment

May 27, 2020 - It's been over two months since the country began to shut down over the threat of COVID19, and there are still millions of people trying to get unemployment without much luck. The issues causing this seem to be related to antiquated state systems and lack of live help to assist people when they do run into problem. But these issues aren't specific to any one state. This is happening all over the country.

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I've spoken to numerous people in different areas of the country, and the issues they are facing are all similar. In most cases, the people impacted have filed for unemployment benefits only to be told that they don't qualify for some reason. It could be that they didn't make enough money or work enough hours in the quarter used to qualify them for benefits. Or it could be that their state unemployment office wasn't able to verify some of the information that they provided.

Normally, you would just pick up the phone and talk to someone at the department. But a common theme from coast to coast is that when you call them, nobody answers the phone. In California, people are asked to key in their date of birth and their SSN, only to be told later on in the call that there is nobody available to speak with them at this time. At that point, they get hung up on. I know of one case in which out of desperation, a person sent a register letter with return receipt required. That was a month ago and they still haven't received the receipt. The general consensus is that there isn't anyone in California's EDD (Employment Development Department) who is responding to those filing claims.

That's disconcerting because when claims are denied, one of the standard letters that the EDD sends out states that the reason for the claim denial might be because the claimant's identity may have been compromised, but no further information is provided. In other words, the recipients of these letters now need to worry that they may be identity theft victims.

All of this is beyond frustrating for many. It may also lead to their financial ruin. But those who are persistent may be able to overcome these hurdles.

One of the biggest issues with filing for unemployment has been that gig workers and the self employed began filing after the shutdown. These people had never been eligible for unemployment before, but when the federal government implemented the CARES Act in March, that changed. A new benefit, called Pandemic Unemployment became available. Unfortunately, it took the states several more weeks to make changes to their systems.

Anyone who is self employed or a gig worker who applied for benefits before their state systems were updated was likely to face issues with their application. Those issues include denial of benefits and in some cases, simply falling through the cracks. Your application would wind up in limbo. If that happened to you, you should continue to make inquiries with your state unemployment agency.

Another big issue that some face is that they had a mixture of income types. They may have had income from self-employment, some gig income and some regular W-2 income from a full or part time job. Most of the states don't know how to handle this scenario. Even if your W-2 income wasn't as much as the income you made from other sources, many states will use only W-2 income when calculating benefits and ignore those other sources. If you only worked 10 or 15 W-2 hours a week, you may very well not be eligible for regular unemployment. But you may be eligible for the newer Pandemic Unemployment benefits but you may have to file a new application.

The bottom line here for anyone who has been denied unemployment benefits is that you need to keep pushing if you think the denial was inaccurate. People are still getting approved and they are receiving back pay. But if you give-up, you'll never see the benefits that you are entitled to.
by Jim Malmberg
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