

James Zahansky, AWMA®

Principal/Managing Partner
& Chief Goal Strategist



Unemployed? Here's How to Keep Your Head Above Water

COVID-19 has presented many challenges since we have all begun to social-distance, work from home, and limit our travel outside of the house. But one of the most leveling aspects has been the dramatic increase in unemployment. More than 22 million Americans have filed for unemployment benefits as businesses are forced to close because of public health orders or cut costs through layoffs and furloughs. This may leave people wondering what resources are available to put food on the table, keep the roof over their head, and manage other financial obligations. Here's everything you need to know if you have lost your job or been furloughed because of the spread of COVID-19.

What should I do if I've been laid off or furloughed?

The first thing you should do is apply for unemployment benefits. The goal of unemployment benefits is to replace a percentage of the income you were making at your previous job – in Connecticut, the max you can receive is \$649 per week. The next thing you should do is assess your budget and your finances. Is your income enough to cover your bills and other monthly expenses? Do you have enough saved up to get you through this until you can go back to work? Are there monthly expenses or subscriptions where you can cut back?

Finally, consider applying for another job if you or someone in your home is not severely at risk for COVID-19. Even though businesses in your field may not be hiring, others are hiring lots of essential employees to help with the recent demand for certain products. Consider the time frame from when you apply, interview, and ultimately start, as it may be prolonged. For employment placement resources in Connecticut, visit www.CThires.com.

Am I eligible for unemployment assistance?

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There are three provisions under the CARES Act that expand benefits and eligibility for those affected by COVID-19: the Federal Pandemic Unemployment Compensation (FPUC), Pandemic Unemployment Assistance (PUA), and the Pandemic Emergency Unemployment Compensation (PEUC).

The FPUC provides an additional \$600 to your state's weekly unemployment benefit. This is a flat supplement that comes solely from federal funding. For Connecticut residents, the additional \$600 will begin the week of April 27, 2020 and end July 25, 2020.

The PUA expands eligibility for unemployment to those who typically do not qualify: independent contractors, part-time workers, and those who do not have sufficient work history. Individuals must first be denied eligibility or exhaust entitlement to regular unemployment benefits or any state or federal extended benefits before they can be found eligible for PUA benefits. Eligible individuals will receive the \$600 FPUC benefits, though this income is taxable. In Connecticut, this program is available until December 26, 2020.

The PEUC adds 13 weeks to the standard 26 weeks of unemployment benefits, so you can ultimately receive 39 weeks of assistance should it be needed.

The filing process may take longer than normal as more than 22 million Americans have filed for unemployment in the past month.¹ You can make an unemployment claim online, over the phone, or in-person – though we don't recommend going in person if you can avoid it. For more information, visit www.dol.gov or if you are a CT resident, go to <http://www.ctdol.state.ct.us/>

Is there more help coming?

As many people know, the CARES Act provides a one-time relief payment, which starts at \$1,200. Depending on your income and the make-up of your household, you may receive more or less. Some people may have already received their check through direct deposit, but if you do not have your banking information filed with the IRS, a check will be mailed to your house.

If you are in need of food assistance, the federal government boosted the amount of money for recipients of the Supplemental Nutrition Assistance Program, or SNAP. Many school districts are also providing meals for children and families that parents can pick up and take home. Our website has local assistance programs listed for those who may need them. www.whzwealth.com/covid19-resources

¹ Jim Zarroli and Avie Schneider, "Job Carnage Mounts: 17 million file for unemployment in 3 weeks." NPR

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What happens to my health insurance?

If you have been laid off, you may qualify for COBRA, where you can keep your employer's plan for up to 3 years. To be eligible for COBRA coverage, you must have been enrolled in your employer's health plan when you worked, and the health plan must continue to be in effect for active employees² There is a 60-day application window from the time you lost your job, so it is better to act sooner rather than later.

If you are furloughed, you may be able to keep your employer-sponsored plan. To pay for your employer-sponsored plan during a furlough, some employers take larger deductions before and after the time off, while others request payment on a pre-set schedule – ask your employer how to handle this situation³. Depending on the status of your health coverage from your employer, you may qualify for a Special Enrollment Period. You may also be eligible for a premium tax credit to help pay for Marketplace coverage.

Your state's health insurance exchange provides access to private insurance if you don't already have access through your employer. There may be a special enrollment period if you have lost your employer-sponsored plan due to COVID-19, though typically, there is a 60-day enrollment period after losing your job. For more information about insurance for Connecticut residents, go to www.accesshealthct.com

As a reminder, COVID-19 tests are free, even if you are uninsured. If you have symptoms, you should be tested. To receive a test, first, call your doctor to explain your symptoms. If necessary, your doctor will recommend a testing center nearby, then you must call that site and register for a date and time (some places allow you to schedule a test up to 2 days prior). Results can take 2-7 days, though there is a new rapid testing center in New Haven. For more information and testing requirements, visit ct.gov/coronavirus.

How should I pay my bills if I don't have a job?

Be proactive and ask the companies you have bills with for help, stating specifically that you are financially impacted by the coronavirus. Ask if they have a program or service set up for those affected by job loss due to COVID-19. Many financial

² Dol.gov

³ <https://www.allbusiness.com/what-happens-to-employee-benefits-during-a-furlough-12330411-1.html>

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institutions are deferring payments on auto loans, home loans, student loans, credit card payments, and electricity, internet, and cell phone bills.

If you have a mortgage, federal officials have imposed a nationwide halt to foreclosures and evictions for more than 30 million Americans with home loans backed by the Federal Housing Administration or two government-controlled companies, Fannie Mae and Freddie Mac.

Some states, including California and New York, have paused foreclosure and eviction that would also apply to those borrowers. In other states, homeowners may have to negotiate arrangements with their mortgage provider. Regulators are encouraging banks and other mortgage providers to simply extend the life of the mortgage to make up for any missed payments brought on by joblessness.

For renters, the CARES Act in most cases forbids landlords from evicting tenants for 120 days on properties secured by government-backed mortgages (though renters' credit scores could get dinged if their landlord reports them for non-payment).

Helping you stay afloat

At Weiss, Hale & Zahansky Strategic Wealth Advisors, we understand that these can be very difficult times. We are here as a partner in the community to provide resources and information to help make things a little easier right now. Consider these strategies and tips if you are currently unemployed or might be in the coming weeks. For more resources, such as Northeastern Connecticut assistance programs, articles, podcasts, and more, go to our website, www.whzwealth.com/covid19-resources. If you need financial advising, email us at info@whzwealth.com or call us at 860-928-2341 for more information. Our Investment Committee meets daily and the advisors are working diligently in order to provide the best wealth management experience for every client, every time.

Authored in part by Principal/Managing James Zahansky, AWMA®. Securities and advisory services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. 697 Pomfret Street, Pomfret Center, CT 06259, 860.928.2341. <http://www.whzwealth.com>

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Woodstock, Thompson, Putnam, & Killingly Villager Newspapers. Published January 1, 2020.

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697 Pomfret Street, Pomfret Center, CT 06259 | TEL 860.928.2341 FAX 860.928.5271 | www.whzwealth.com

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