

The Lost Wages Assistance Program

August 19, 2020

On August 8th, the President signed a [Presidential Memorandum](#), “*Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019 (COVID-19)*” creating the **Lost Wages Assistance (LWA) Program**. The purpose of this memorandum and this new program is to provide additional supplemental federal support to individuals receiving unemployment benefits, including regular unemployment compensation under state law and Pandemic Unemployment Assistance (PUA), which expanded unemployment to independent contractors. The CARES Act provided Federal Pandemic Unemployment Compensation (FPUC), an additional \$600 per week, for claimants for weeks of unemployment from March until July 2020; however, those benefits expired on July 31, 2020.

Contents

- Background**..... 1
- DOL Guidance** 1
- FEMA Resources**.....2
- FAQS**.....2

Background

The Lost Wages Assistance Program is a new program that would provide eligible claimants receiving regular state unemployment compensation or Pandemic Unemployment Assistance (PUA) with \$400 per week (\$300 in federal contribution, \$100 in state contribution). Under the President’s Memorandum, \$44 billion from the Disaster Relief Funds are to be expended by FEMA for this program. Benefits are available for claimants for weeks of unemployment on or after August 1, 2020 until December 27, 2020, or until the Disaster Relief Fund total balance decreases to \$25 billion, or until Congress takes legislative action. **States must apply for the LWA grant through FEMA to receive these funds.**

The federal government will cover the cost of 75 percent of the benefit amount for claimants at \$300 per week, and states are expected to provide 25 percent of the benefit amount for claimants at \$100 per week under this program. **States are to administer this program through their existing unemployment insurance systems with assistance from the U.S. Department of Labor (DOL) and FEMA.**

DOL Guidance

DOL recently issued the following guidance on the Lost Wages Assistance Program and how states can apply for a grant to receive these federal funds:

- [Unemployment Insurance Program Letter No. 27-20](#), August 12, 2020



The Lost Wages Assistance Program

August 19, 2020

- [Unemployment Insurance Program Letter No. 27-20, Change 1](#), August 17, 2020
- [Questions and Answers about the Lost Wages Assistance \(LWA Program\)](#), August 17, 2020

FEMA Resources

FEMA has provided the following resources regarding the Lost Wages Assistance Program:

- [FEMA Lost Wages Supplemental Payments Assistance Fact Sheet](#)
- [FEMA Supplemental Lost Wages Payments Under Other Needs FAQ](#)

FAQS

1. What is the Lost Wages Assistance (LWA) program?

The Loss Wages Assistance (LWA) program is a new benefit to provide benefits to eligible claimants receiving unemployment compensation or Pandemic Unemployment Assistance (PUA) to provide supplemental support in the amount of \$400 per week, for weeks of unemployment beginning on or after August 1, 2020 until December 27, 2020.

This is a federal-state program. Funds are issued to participating states by FEMA from the Disaster Relief Fund, and states are responsible for fully administering this program through existing state unemployment insurance programs. The Federal government is subsidizing this program at 75 percent (\$300) and states are responsible for subsidizing the program at 25 percent (\$100).

2. Who is eligible to receive LWA?

Claimants are eligible to receive LWA if they receive an individual weekly benefit amount of at least \$100 per week in unemployment benefits in regular unemployment benefits or Pandemic Unemployment Assistance (PUA), including eligible independent contractors.

3. How much will I receive in LWA if I am eligible?

It depends! If the state finds that you're eligible to receive LWA, then you will may be eligible to receive either \$300 per week or \$400, for weeks of unemployment beginning on or after August 1, 2020 until December. The supplemental amount is added to your weekly unemployment benefit amount that is determined by the state.

The supplemental LWA amount will vary by state. Under the LWA program, the federal government is required to subsidize this program at 75 percent, and states are required to subsidize the program at 25 percent. However, some states may have already provided claimants with comparable supplemental unemployment benefits therefore meeting the 25 percent share required under the LWA program guidelines.



The Lost Wages Assistance Program

August 19, 2020

4. How do I know if my state is participating in the Lost Wages Assistance Program (LWA) Program?

It is best to check with your state labor or workforce development agency to determine whether your state is participating. To participate in the LWA program, states are required to [apply for grants through FEMA](#) to administer these benefits by September 10, 2020.

5. Will my state notify me if I am eligible for the LWA program?

Yes. The state must contact all claimants receiving their potential eligibility for the LWA program.

6. Will I need to file a new claim for benefits under the LWA program?

It depends. The state labor or workforce development agency will notify claimants regarding their LWA eligibility. Claimants will be required to self-certify that you are fully or partially unemployed due to COVID-19 disruptions, if you have not done so under the PUA program.

7. If I am receiving regular unemployment benefits or PUA, do I need to self-certify again to receive LWA?

It depends. Claimants receiving Pandemic Unemployment Assistance (PUA) were required to self-certify prior to receiving PUA and do not need to self-certify again to receive LWA. For new PUA or regular unemployment insurance claimants, the self-certification can be done at the time of claim filing. For individuals with an existing regular state unemployment claim, the state will provide you a one-time special certification when the LWA program begins in your state.

8. Will I need to provide my state labor or workforce development office with additional documentation to receive benefits under LWA?

No. Currently, no additional documentation is required when claimants have to self-certify that they are fully or partially unemployed or unable to work due to COVID-19 disruptions, if they have already self-certified.

9. Will I need to file a separate weekly claim each week to receive LWA?

No. The state will determine your LWA eligibility, if you are already receiving current underlying unemployment benefits such as PUA or regular state unemployment benefits. The LWA benefit will be added to your weekly benefit amount, and will be administered in relatively the same manner that the federal pandemic unemployment compensation of \$600 was added for eligible claimants.

10. If I am denied LWA by the state, can I appeal the state's decision?

Yes. The state is responsible for determining your LWA eligibility. Claimants who are not eligible for LWA have rights to appeal the state's decision through your state's unemployment appeals process. The state is responsible for providing you with



The Lost Wages Assistance Program

August 19, 2020

your rights regarding the appeals process, and is fully responsible for making any and all determinations regarding your LWA eligibility.

11. How soon will I receive LWA, if I am eligible?

It depends. The timing of when you will receive LWA benefits will vary by state. States have to adjust their unemployment systems to administer this program and these benefits. The U.S. Department of Labor estimates that it will take an average of approximately 3 weeks before states are able to administer these benefits.

12. Are LWA benefits payable retroactively?

Yes. LWA benefits are payable retroactively to eligible claimants beginning on or after August 1, 2020. Individuals who become unemployed after August 1, 2020 may receive LWA for weeks in which the individuals qualify for underlying unemployment benefits and meet the eligibility requirements for LWA.

13. Can I receive LWA if I am not receiving regular unemployment compensation or PUA?

No. Individuals can only receive the additional LWA benefits if he or she qualifies for an underlying unemployment benefit, such regular unemployment benefits under state law, or Pandemic Unemployment Assistance (PUA).

14. Is LWA subject to federal income tax?

Yes. LWA benefits constitute taxable income.

15. When will the LWA program end or when will funds terminate?

The LWA program must end on December 27, 2020. However, the LWA program may end prior to December 2020, if one of the following occurs:

- The Federal Disaster Relief Fund (DRF) balance decreases to \$25 billion; or
- FEMA expends \$44 billion from the Disaster Relief Fund for the Lost Wages Program and that money runs out; or
- Congress enacts legislation, such as another stimulus bill providing supplemental federal pandemic unemployment compensation or similar compensation for individuals partially or fully unemployed.

**We have provided you with the most up to date information regarding the LWA program and will update this page as additional information becomes available. This is a new program, and there may be other outstanding questions regarding implementation of the program, and we will do our best to address any questions or concerns.*

