

Lost Wages Assistance Information and FAQs

On August 28, 2020, Illinois submitted its application to the Federal Emergency Management Agency (FEMA) for the new federal Lost Wages Assistance (LWA) funds to provide supplemental payments to unemployment benefits as a result of COVID-19. This program was established by a presidential memorandum.

LWA will provide eligible claimants an additional \$300 per week. According to the presidential memorandum, the program prohibits claimants with less than a \$100 weekly benefit (including the amount received for a dependent) from receiving these additional funds.

LWA is a completely separate program from the Federal Pandemic Unemployment Compensation Program (FPUC), which provided an additional \$600 per week to all eligible claimants until its expiration on July 25, 2020.

FREQUENTLY ASKED QUESTIONS:

- 1. Q: Prior to the FPUC expiration in July 2020, claimants automatically received the \$600 FPUC supplement on top of their regular benefit. If Illinois is awarded FEMA grant money for LWA, will claimants automatically receive \$300 a week on top of their regular benefit?**

A: Yes, but under the federal rules, only if the claimant:

- Is unemployed due to a COVID-19 related reason; and
- Is receiving benefits through a debit card or direct deposit; and
- Receives at least a total amount of \$100 per week in compensation through:
 - Unemployment compensation, including regular State Unemployment Compensation
 - Unemployment Compensation for Federal Employees (UCFE)
 - Unemployment Compensation for Ex-Service Members (UCX)
 - Pandemic Unemployment Assistance (PUA)
 - Pandemic Emergency Unemployment Compensation (PEUC)
 - Extended Benefits (EB)
 - Trade Readjustment Allowance (TRA)

- 2. Q: Is LWA retroactive?**

A: Yes. LWA will first be provided to claimants eligible for benefits earned during the week ending August 1, 2020.

- 3. Q: How long will LWA last?**

A: The length of the program is unknown at this time. The presidential memorandum states that the LWA program ends if any of the following occur:

- FEMA runs out of the money set aside for this program; or
- Congress passes, and the President signs, legislation to replace this program; or
- We reach December 27, 2020.

4. Q: A claimant filed for benefits in the week ending August 29, 2020. Will they receive LWA?

A: Maybe. FEMA is providing up to \$44 billion for this program for all states, and from the same funds used for disaster recovery. States will receive at least three weeks (i.e. at least the weeks ending August 1st, August 8th, and August 15th) of funding, but then will receive money only if funds remain available for FEMA to distribute. IDES will remain in contact with FEMA regarding the availability of funds and inform our customers when funding is no longer available.

5. Q: A claimant receives less than \$100 per week in unemployment compensation. Can they receive LWA?

A: No, they cannot receive LWA. The presidential memorandum excludes claimants who receive less than \$100 a week in weekly benefits (including dependent allowance) from participating in the program.

Example: Jane Doe receives a WBA of \$100 and does not receive a dependent allowance; she would meet the qualifications for this requirement. John Doe receives a WBA of \$50 and receives a \$50 dependent allowance, which combined, brings him to \$100; he would meet the qualifications for this requirement.

6. Q: How many Illinois claimants are excluded under the presidential memorandum?

A: Currently, approximately 55,000 Illinois claimants will be denied access to LWA because they do not meet the \$100 weekly benefit + dependent allowance threshold.

7. Q: Do claimants who self-certify need to contact IDES to confirm that their unemployment is COVID-19 related?

A: No. This information is captured during the initial claim filing process.

8. Q: Are these LWA payments taxable income?

A: Yes, LWA payments are taxable income.

9. Q: Can these LWA payments be offset by prior debts owed for overpayment of unemployment benefits or child support?

A: No, LWA payments cannot be used as offsets, other than to repay taxes owed from prior years.

10. Q: If Illinois is awarded the FEMA grant, how quickly can claimants receive assistance?

A: IDES will work as hard and quickly as possible to distribute LWA as soon as grants funds are received.

11. Q: Will Illinois employers see their tax rates increase due to LWA?

A: No. LWA is a federally funded program.