



August 17, 2020

U.S. Department of Labor Announces Guidance for Benefits Through the Lost Wages Assistance Program

On August 8, 2020, President Trump signed an Executive Order providing lost wages assistance (“LWA”) to those who lost employment as a result of the COVID-19 pandemic, to supplement State unemployment benefits. On August 12, 2020, the U.S. Department of Labor (“DOL”) issued guidance on administering LWA.

The LWA will be administered by the States through a grant agreement with the Federal Emergency Management Agency (“FEMA”). FEMA will not administer the benefits directly to individuals, but States will distribute the funds through their unemployment insurance (“UI”) system, as a supplemental payment.

LWA is funded using a 75 percent federal cost share and a 25 percent State match. Upon applying and receiving a grant award from FEMA, States may provide eligible claimants \$400 per week, with a \$300 federal contribution, *in addition* to the claimant’s individual UI benefit. States wishing to provide the maximum \$400 benefit must fund \$100 of the amount to cover the 25 percent State match.

Alternatively, States may count funds already used to provide regular State UI payments toward the State match. If States choose this option, eligible claimants will only receive an LWA payment of \$300 from the federal government *in addition* to their weekly benefit amount.

To be eligible for LWA benefits, a claimant must: (1) provide self-certification that he/she is unemployed or partially unemployed due to disruptions caused by COVID-19; and (2) receive, for the week of unemployment, at least \$100 of regular unemployment compensation (“UC”) or any of the following UC programs:

- Unemployment Compensation for Federal Employees (UCFE);
- Unemployment Compensation for Ex-Servicemembers (UCX);
- Pandemic Emergency Unemployment Compensation (PEUC);
- Pandemic Unemployment Assistance (PUA);
- Extended Benefits (EB);
- Short-Time Compensation (STC);
- Trade Readjustment Allowances (TRA); and
- Payments under the Self-Employment Assistance (SEA) program.

The LWA is payable to eligible claimants for weeks of unemployment or partial unemployment ending on August 1, 2020 through weeks of unemployment ending on December 27, 2020. The LWA program will terminate on December 27, 2020, or until FEMA expends the \$44 billion from the Disaster Relief Fund (“DRF”) account designated for the LWA program, or the total balance of the DRF account decreases to \$25 billion, or legislation is enacted that provides similar supplemental federal unemployment compensation.

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If you have any questions regarding this alert, please do not hesitate to contact us.

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