

COVID-19

LOST WAGES ASSISTANCE PROGRAM BACKGROUND AND FAQS

On August 8, 2020, President Trump signed a Presidential Memorandum establishing a grant-based Lost Wages Assistance (LWA) program through the Federal Emergency Management Administration (FEMA). The Presidential Memorandum authorizes up to \$44 billion to be expended from FEMA's Disaster Relief Fund (DRF) for lost wages assistance to eligible claimants. This program allows participating states to provide a new weekly payment of up to \$400 for eligible UI claimants who are unemployed or partially unemployed due to disruptions caused by COVID-19. This payment would be in addition to a claimant's weekly benefit amount.

The Montana Department of Labor & Industry (DLI) received FEMA approval to participate in the LWA program on August 17, 2020. Montana's LWA payment will be \$400. Seventy-five percent of the new weekly payment (\$300) will come from FEMA DRF distributions and the other \$100 from Montana's allocation of the Federal CARES Act Coronavirus Relief Funds.

Who is eligible?

The Memorandum defines eligible individuals as those unemployed or partially unemployed due to COVID-19 disruptions and who are receiving unemployment benefits through:

- The regular state UI program;
- Pandemic Unemployment Assistance (federal self-employment unemployment benefits);
- Pandemic Emergency Unemployment Compensation (13-week federal extension); or
- Extended Benefits (13-week extension after exhausting other UI benefits, including Pandemic Emergency Unemployment Compensation)

LWA does not extend to individuals receiving benefits as participants in an approved state worker training program.

What do I need to do to receive the LWA payment?

Just keep filing your weekly payment requests in [MontanaWorks.gov](https://montanaworks.gov) or mtpua.mt.gov. When filing in MontanaWorks, be prepared to answer a new question: "Were you unemployed, partially unemployed, unable or unavailable to work due to disruptions caused by COVID-19 this week?"

How much will I receive in LWA?

Eligible Montanans will receive an LWA payment of \$400 per week. Payments are issued separately from your weekly UI benefit and are typically released on a Thursday or Friday.



When can I expect it?

The LWA program launched in Montana on 8/27/20. If eligible, LWA is available for weeks ending 8/1/2020 forward on COVID identified claims. LWA will be paid retroactively if claimants were eligible for intervening weeks.

This funding is authorized on a week to week basis and could end at any time. Once LWA ends, the \$400 cannot be paid on any prior eligible weeks.

How long will LWA payments be available?

FEMA and USDOL announced on 9/9/2020 that LWA payments are only available from benefit week ending August 1 through benefit week ending September 5th, 2020. No LWA payments will be made beyond this six-week period.

Are LWA payments taxable?

Yes, your LWA payment is taxable.

However, UI cannot withhold federal taxes of 10% on LWA payments, even if you have marked withholding on your regular UI claim.

For your 2020 tax filing, you will receive a 1099 from UI at the beginning of 2021 disclosing your LWA benefits.

