

FEMA Supplemental Lost Wages Payments under Other Needs Assistance

AUTHORITY

- **Q:** Why is FEMA providing supplemental lost wages payments?
 - **A:** In an effort to help ease the financial burden on those who are unemployed as a result of the COVID-19 pandemic, President Trump signed a [Presidential Memorandum](#) on August 8, 2020 authorizing FEMA to use the Robert T. Stafford Disaster Relief and Emergency Assistance Act (“Stafford Act”) disaster relief funds to provide supplemental payments for lost wages.

- **Q:** Why is FEMA using authority under the Stafford Act Section 408 Other Needs Assistance (ONA) instead of Section 410 Disaster Unemployment Assistance (DUA)?
 - **A:** DUA is very limited and only available to individuals who aren't eligible for regular Unemployment Insurance (UI). The President’s authorization for a \$300 lost wages payment from FEMA is for a supplemental payment on top of UI paid by the state, territory and the District of Columbia. Also, DUA is limited to what regular UI in the state, territory and the District of Columbia would pay out so it can't be used to supplement regular UI.

- **Q:** Is there a concern about duplication of benefits with other state, territory and the District of Columbia programs?
 - **A:** No, there is no concern about duplication of benefits as these are supplemental payments that do not duplicate state, territory and the District of Columbia unemployment insurance benefits.

- **Q:** Is this a cumulative \$44 billion or will states, territories and the District of Columbia have an individual cap?
 - **A:** This is a cumulative \$44 billion, inclusive of administrative costs. FEMA is working to ensure funding is made available for all interested states, territories or District of Columbia on an equitable basis based on estimated unemployment rates by state/territory.

- **Q:** COVID-19 declarations did not previously include the Individuals and Households Program. Will new declarations be necessary for the states, territories or District of Columbia to apply for the supplemental lost wages payment grant?
 - **A:** No, the [Presidential Memorandum](#) authorizes lost wages assistance for the COVID-19 major disaster declarations for all states, territories and the District of Columbia.

- **Q:** Will this grant open other aspects of Other Needs Assistance (ONA) or will it be just supplemental lost wages payments?
 - **A:** The only category of ONA authorized by the President for COVID-19 declarations is supplemental lost wages payments. Authorization of additional assistance remains under consideration.



FEMA

TIMELINE

- **Q:** What does FEMA consider the “period of assistance” for supplemental lost wages assistance?
 - **A:** The period of assistance is the week ending August 1, 2020 to December 27, 2020 or termination of the program, whichever is sooner. Assistance from FEMA for providing supplemental payments for lost wages may terminate prior to December 27, 2020 if:
 - 1) FEMA expends \$44 billion from the Disaster Relief Fund (DRF) for supplemental lost wages assistance.
 - 2) The total, unobligated balance of the DRF decreases to \$25 billion,
 - 3) Legislation is enacted that provides, due to the COVID-19 pandemic, supplemental federal pandemic unemployment compensation or similar compensation for unemployed or partially unemployed individuals.

- **Q:** If another stimulus package is approved and it includes a new retroactive Federal Pandemic Unemployment Compensation (FPUC) type payment, resulting in termination of this program, do all funds distributed through this [Presidential Memorandum](#) need to be recollected to reimburse FEMA?
 - **A:** The supplemental lost wages assistance program must terminate immediately if legislation providing supplementary unemployment benefits (e.g., an extension to the FPUC program) is enacted. The question of funds being recollected cannot be answered without knowing what any new enacted legislation includes.

- **Q:** Will states, territories and the District of Columbia have a deadline to submit their application?
 - **A:** Yes, grant applications and completed administrative plans must be received by September 10, 2020 in order to be considered for a grant. States, territories and the District of Columbia are strongly encouraged to apply as early as possible as program funding is limited.

- **Q:** How long does the program last and how will the grant funding be provided?
 - **A:** FEMA grants for lost wages supplemental payments will continue until the earlier of:
 - 1) FEMA expends \$44 billion from the Disaster Relief Fund (DRF).
 - 2) The total unobligated balance of the DRF decreases to \$25 billion.
 - 3) Legislation is enacted that provides, due to the COVID-19 pandemic, supplemental federal unemployment compensation or similar compensation for unemployed or partially-employed individual.
 - 4) December 27, 2020 which is the end of the period of assistance for the grants.

FEMA will use data from the Department of Labor, as well as state, territory or District of Columbia data received on applications to project the overall funding distributions. Approved grant applicants will receive an initial obligation of three weeks of needed funding. Additional disbursements will be made on a weekly basis in order to ensure that funding remains available for the states who apply for the grant assistance.

- **Q:** How long will it take until the grant funding can be given to states, territories and the District of Columbia? How quickly will grant applications be approved?
 - **A:** The [Presidential Memorandum](#) was signed on August 8, 2020 and FEMA awarded the first four grants on August 14, 2020. FEMA must first receive an application from a state, territory and the District of Columbia. After an application is submitted, FEMA approval time depends on whether the application is complete and

addresses all grant requirements. Our experience to date is that FEMA will be able to approve applications very quickly, depending on completeness and sufficiency. Once the grant award is approved by FEMA and signed by the state, territory and the District of Columbia funding to the states/territories will then be available within one business day of receipt of the fully executed grant award.

- **Q:** How long will it take states, territories and the District of Columbia to administer that funding to individuals? Will it vary - between the time we turn in an application and get approval for that application; from approval to funds being available; and between a request for transfer of the funds and for those funds to be in our account?
 - **A:** The timeframe to administer funding to individuals will vary by applicant. States, territories and the District of Columbia must adjust their unemployment insurance system to access these funds and accommodate program requirements, such as claimant eligibility, which may factor into delivery time state/territory systems and capabilities vary. The Department of Labor estimates an average of three weeks from August 8, as states, territories and the District of Columbia adjust their systems concurrently with FEMA's review process. However, at least one state has estimated it will have all payments out retroactive to August 1, 2020 in less than one week from grant award.

GRANT APPLICATION PROCESS

- **Q:** Which states and territories have been awarded supplemental lost wages assistance grants?
 - **A:** Awards are being processed on an ongoing basis. Information regarding the grants that have been awarded can be found in FEMA's media releases on [FEMA.gov](https://www.fema.gov).
- **Q:** Is this grant for states, tribes and territories?
 - **A:** The President has authorized the FEMA Administrator to provide grants to states, territories or District of Columbia to make supplemental lost wages payments to those receiving unemployment insurance compensation, in accordance with sections 408(e)(2) and (f) of the Stafford Act (42 U.S.C. §§ 5174(e)(2), (f)). Tribal members can access supplemental lost wages payments through their state's/territory's unemployment agency, as they do with regular unemployment.
- **Q:** Which state, territory and the District of Columbia agency should apply for the grant? Who is the administering entity at the state or territory level?
 - **A:** The state, territory and the District of Columbia unemployment agency responsible for administering the supplemental lost wages payments should apply for the grant. This will ensure that the recipient identified in the grant award will be able to access grant funds from the Treasury to administer the payments allocated to their DUNS number. The state, territory and the District of Columbia emergency management agency may have experience with applications for ONA grants and should be consulted to provide technical assistance as necessary.
- **Q:** What type of documentation will need to be included to apply for the grant?
 - **A:** States, territories and the District of Columbia must provide the following forms available to download and submit with instructions at the [Grants.gov SF-424 Forms Repository](https://www.grants.gov):
 - Standard Form (SF) 424, Application for Federal Assistance
 - SF-424A Budget Information for Non-Construction Programs

- To include a weekly benefits and individual projection for each category of benefits listed in the description of “eligible individuals” provided
- SF-424B Assurances for Non-Construction Programs
- Grants.gov Lobbying Form
- SF-LLL Disclosure of Lobbying Activities
- Attachments Form
 - Complete this form by attaching a signed State Administrative Plan which includes relevant state, territory and the District of Columbia procedures for grant administration and FEMA ONA Option Selection Form 010-0-11
- **Q:** If a state, territory and the District of Columbia elects to provide its cost share through the use of existing unemployment insurance benefits (rather than new expenditures), how would they indicate that option on either the State Administrative Plan (SAP) or the Other Needs Assistance (ONA) Administrative Option form?
 - **A:** The state, territory and the District of Columbia is to include the \$300 or \$400 on the ONA Option Selection Form. Instructions are below for completing the [FEMA Form 010-0-11: Individuals and Households Program \(IHP\) - Other Needs Assistance Administrative Option Selection](#) that includes the correct selections for a grant to administer supplemental payments for lost wages are available below.
 - On page 3, complete the ADDITIONAL ONA ITEMS Section. In the first box under ADDITIONAL ONA ITEMS include the following information:
 - Line Item: Write “Individual Weekly Supplemental Lost Wages Benefit – \$300 or \$400.
 - ONA Category: Write “Miscellaneous”.
 - Standard Quantity: Write “1”.
 - Maximum Quantity Awarded: Write “N/A”.
 - Justification/Situations for Use: Write “Supplemental payments for lost wages needed as a result of the 2019 Novel Coronavirus pandemic, as authorized by the [Presidential Memorandum](#) on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019.”

At grant close out, the state, territory and the District of Columbia will need to demonstrate how they met the statutory cost share. The state, territory and the District of Columbia will be responsible for demonstrating 25% of the total aggregate grant award. For the \$300 option, states, territories and the District of Columbia can satisfy this cost share by showing that they expended state/territory funds equivalent to at least 25% of the total grant amount on regular unemployment payments to individuals who received lost wages supplemental payments, retroactive to the week ending August 1, 2020.

- **Q:** If a state, territory of the District of Columbia does not provide sufficient information in their application, will there be an opportunity to provide updated information through a Request for Information or will their application be denied?
 - **A:** FEMA will coordinate with states, territories and the District of Columbia directly to complete missing items in their application packages, as necessary.

GRANT FUNDING PROCESS

- **Q:** Are grant dollars pre-funded or reimbursed? Is it first come, first serve with a hard cut-off based on estimated expenditures?
 - **A:** Once a grant is approved, a state, territory and the District of Columbia will receive an initial obligation of three weeks of funding. Once a state, territory and the District of Columbia is prepared to implement the program, the state/territory will draw down the grant funds as frequently as weekly from the Treasury in accordance with payment procedures for their UI program and consistent with the requirements of the Cash Management Act. States, territories and the District of Columbia may make retroactive payments to eligible claimants for the weeks ending August 1 to August 22, 2020. After the initial three-week obligation, additional weekly disbursements will be made on a weekly basis in order to ensure that funding remains available. This is similar to the mechanism states/territories used to draw down Federal Pandemic Unemployment Compensation program funds.

However, states, territories and the District of Columbia should apply for grants as quickly as possible given the potential for program termination based on the parameters established.

- **Q:** Will the funds to pay supplemental lost wages assistance be deposited into the state unemployment account in the Unemployment Trust Fund (UTF)?
 - **A:** No, states, territories and the District of Columbia may not use the funds in their state unemployment account in the UTF to process funding for supplemental lost wages payments. States, territories and the District of Columbia must establish a separate account to receive the funding to pay supplemental lost wages assistance as it must be able to account for these funds separately from its state unemployment accounts.
- **Q:** What is the process for the states, territories and the District of Columbia to request additional weeks of lost wages assistance?
 - **A:** The information regarding the process for states, territories and the District of Columbia to request additional weekly lost wages payments can be found on [FEMA.gov](https://www.fema.gov). State, territories and the District of Columbia may submit the following Lost Wages Additional Week Request documentation to FEMA at FEMA-LWA-Reporting@fema.dhs.gov:
 - Lost Wages Additional Week Request Template
 - SF-424A

States, territories and the District of Columbia should submit Lost Wages Additional Week Request documentation for one week at a time. No more than one week shall be submitted on each Lost Wages Additional Week Request template. FEMA will process these requests within 3 business days.

FEMA will review requests at the end of each week of eligibility. For example, the earliest FEMA will review a request for a fourth week of additional payments is August 22nd. The earliest FEMA will review a request for a fifth week of additional payments is August 29th. The earliest FEMA will review a request for a sixth week of additional payments is September 5th.

- **Q:** How will the funding flow to the state, territory and the District of Columbia?

- **A:** State, territory and the District of Columbia unemployment agencies will be issuing lost wages payments on behalf of the state/territory. The funds will be disbursed through the disbursement platform utilized by Department of Labor and Treasury for unemployment insurance programs. FEMA intends to issue both grant funding assistance and authorized reasonable administrative costs through this platform.
- **Q:** When do states, territories and the District of Columbia need to repay FEMA for any payments made in error?
 - **A:** As states, territories and the District of Columbia identify and recover payments made in error, the funding must be reimbursed to FEMA. Following the end of the Period of Performance (90-day timeframe following the termination of the program), the Lost Wages Assistance program has two concurrent 90-day periods to closeout and liquidate the grant. Reconciliation of all payments made under the grant will need to be completed within these periods which close 90 days after the Period of Performance ends, unless extended.

INDIVIDUAL CLAIMANT ELIGIBILITY

- **Q:** Who is currently eligible for supplemental lost wages assistance?
 - **A:** Individuals (“claimants”) currently eligible for at least \$100 per week in UI compensation from the week of August 1, 2020 from any of the below listed programs may receive supplemental lost wages payments from their state, territory and the District of Columbia.
 - Unemployment compensation, including regular State Unemployment Compensation, Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Service members (UCX)
 - Pandemic Emergency Unemployment Compensation (PEUC)
 - Pandemic Unemployment Assistance (PUA)
 - Extended Benefits (EB)
 - Short-Time Compensation (STC)
 - Trade Readjustment Allowance (TRA)
 - Payments under the Self-Employment Assistance (SEA) program

Individuals are required to self-certify through established state, territory and the District of Columbia unemployment insurance procedures that they are unemployed or partially unemployed due to disruptions caused by the COVID-19 pandemic as part of the initial unemployment insurance claims process. Claimants who previously self-certified that they are unemployed or partially unemployed due to disruptions caused by COVID-19 will not need to recertify again.

- **Q:** How frequently must an individual self-certify that he or she is unemployed or partially unemployed due to COVID-19?
 - **A:** An individual does not need to certify each week that he or she is “unemployed or partially unemployed due to disruptions caused by COVID-19.” The individual instead must certify once per claim:
 - If the individual qualified for Pandemic Unemployment Assistance, he or she is presumed to have met the self-certification requirements.
 - If the individual already self-certified that he or she is unemployed or partially unemployed due to disruptions caused by COVID-19, he or she already meet the self-certification requirements even if this certification was prior to August 1, 2020.

- For individuals with new or reopened/additional unemployment claims, the self-certification can generally be done at the time of the claim filing. States, territories and the District of Columbia with procedures that ask claimants if their separation is due to the COVID-19 pandemic as part of their initial application will meet this requirement.
 - For individuals with an existing unemployment claim, who have not provided a self-certification due to disruptions caused by COVID-19, will need to provide a one-time special certification as of the supplemental lost wages assistance program start date.
- **Q:** When determining eligibility, what does it mean that “the week in question must be considered compensable”?
- **A:** An individual is eligible for LWA if they have completed the self-certification, are monetarily eligible for at least a \$100 weekly benefit amount (WBA), and they are not otherwise disqualified or denied. We consider a week that is not subject to disqualification or denial to be compensable even if the amount is reduced to \$0. We defer to state law if it contains a provision that allows the state to interpret a week that is reduced to \$0 as non-compensable.
- **Q:** Is there a documentation requirement related to individuals self-certifying that their unemployment or partial unemployment is due to disruptions caused by COVID-19?
- **A:** Individuals must self-certify, and states, territories and the District of Columbia must document this self-certification so that it can be demonstrated to FEMA at grant closeout or during program monitoring and audit. However, under this program, no additional documentation or verification of the self-certification is presently required from individuals.
- **Q:** How does a state, territory and the District of Columbia determine if an individual meets the eligibility requirement under the August 8 [Presidential Memorandum](#) that he or she must receive at least \$100 in benefits for the underlying unemployment benefit program?
- **A:** This eligibility provision is determined at the individual level based on the individual’s weekly benefit amount. An individual is determined to have received at least \$100 per week for purposes of being an “eligible claimant” if the individual’s WBA as provided on the monetary determination is at least \$100 (including any dependents’ allowance). In addition, the week in question must be considered compensable.
- **Q:** Are the individual claimant self-certification requirements listed in the State Administrative Plan (SAP) and Award Letter in conflict with the self-certification requirements presented in the [Presidential Memorandum](#)?
- **A:** No, FEMA has determined that the language used in the SAP and Award Letter do not conflict. The supplemental lost wages benefits-eligible claimant definition aligns with the supplemental assistance provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and with the President’s direction to provide supplemental lost wages payments to eligible individuals who are unemployed or partially unemployed due to disruptions caused by COVID-19.
- **Q:** Is the state, territory and the District of Columbia required to notify individuals who may be eligible for supplemental lost wages assistance? If so, is there a required mechanism to make that notification?
- **A:** Yes, the state, territory and the District of Columbia must contact an individual who is potentially eligible for supplemental lost wages assistance to allow him or her to submit a self-certification that his or her

unemployment or partial unemployment is due to disruptions caused by the COVID-19 pandemic. This includes all individuals who meet the \$100 eligibility provision for weeks of unemployment ending on or after August 1, 2020. States, territories and the District of Columbia must describe their approach to these notifications in the State Administrative Plan required as part of their grant application.

Additionally, since supplemental lost wages assistance is retroactive, an individual who was previously unemployed or partially unemployed as a result of COVID-19, but now is employed may still be eligible for supplemental lost wages assistance for the period after August 1, 2020 until he or she regained employment. Since these individuals are no longer filing for unemployment benefits, the state, territory and the District of Columbia must reach out to the individuals about his or her potential eligibility for supplemental lost wages assistance. The state/territory may use administrative costs awarded for conducting this outreach.

There is no required mechanism to notify potentially eligible individuals. States, territories and the District of Columbia, however, are strongly encouraged to provide easy-to-understand information regarding supplemental lost wages assistance, including:

- The steps individuals must take to satisfy the self-certification requirement, and
 - That it is important for individuals to respond immediately.

- **Q:** Pandemic Unemployment Assistance allows an otherwise eligible individual to be covered if he or she is unemployed, partially unemployed, or unable or unavailable to work because of a listed COVID-19 related reason in the CARES Act. For supplemental lost wages assistance, must the individual's job separation be directly related to COVID-19?
 - **A:** No, the most recent job separation does not need to be directly related to COVID-19. At the time of self-certification for the program, the individual must be unemployed or partially unemployed due to disruptions caused by COVID-19.

- **Q:** For individuals receiving benefits under the Short Time Compensation (STC) program or as part of mass claims, what is the recommended process for a state, territory and the District of Columbia to get self-certifications that unemployment is due to a disruption from COVID-19? In these cases, the employer provides the eligibility information. Can the state, territory and the District of Columbia accept a certification from the employer for these claims?
 - **A:** In these circumstances, if the employer is able to certify that the individual's lay-off or reduction in hours is due to the disruption from the COVID-19 pandemic, then an employer certification on behalf of the claimant is appropriate. If the employer is unable to do so, then the individual must be contacted directly to self-certify.

- **Q:** What appeal rights does an individual have if the state, territory and the District of Columbia denies payment of supplemental lost wages assistance benefits because he or she does not meet the requirement to be unemployed or partially unemployed due to COVID-19 or he or she does not meet the \$100 threshold?
 - **A:** Section 4(d) of the [Presidential Memorandum](#) defines "eligible claimants" as individuals who receive, for the week supplemental lost wages assistance is sought, at least \$100 per week in eligible unemployment compensation. The state, territory and the District of Columbia is responsible for determining if an individual

satisfies the definition of being an “eligible claimant.” Individuals who do not satisfy the “eligible claimant” definition and are not eligible for the supplemental lost wages assistance payment do not have any appeal rights outside of the state’s standard Unemployment Insurance appeals process. The state, territory and the District of Columbia must identify its appeal process in its State Administrative Plan.

- **Q:** My state is concerned that people who have benefit amounts of less than \$100 are excluded from supplemental lost wages assistance. Can a state use money from the Coronavirus Relief Funds under Title V of the CARES Act (CRF) or local funds to supplement the weekly benefit amount for these individuals to raise them up to \$100 so they qualify for supplemental lost wages assistance pursuant to the [Presidential Memorandum](#)?

 - **A:** No. The Presidential Memorandum explicitly provides that individuals must receive at least \$100 from one of the listed unemployment benefit programs. Using other funds to pay an amount in addition to the unemployment benefit is not sufficient to qualify an individual to receive the \$100 eligibility provision pursuant to the Presidential Memorandum.

- **Q:** Will individuals who have already been provided their underlying benefits for weeks ending August 1, 2020 or after receive supplemental lost wages assistance retroactively?

 - **A:** Yes, supplemental lost wages assistance is payable retroactively to eligible claimants beginning with the week ending August 1, 2020. However, if an individual becomes unemployed after the week ending August 1, 2020, he or she may only receive supplemental lost wages assistance for weeks in which the individual qualifies for an underlying unemployment benefit and meets the eligibility requirements for supplemental lost wages assistance.

- **Q:** If a determination of eligibility for a prior week of unemployment is not made until after the supplemental lost wages assistance program is terminated, will supplemental lost wages payments be paid for that week?

 - **A:** Once the Period of Assistance terminates, no additional funding will be provided by FEMA in grant awards or amendments for benefit payments or administrative costs. However, during the grant award’s Period of Performance, the state, territory, and the District of Columbia may incur allowable costs under the LWA program, (2 C.F.R. § 200.309) including issuance of supplemental payments to eligible claimants who submitted timely claims during the Period of Assistance, issuance of payments to applicants whose appeals were decided in their favor, and incur administrative costs previously awarded. In other words, during the Period of Performance:
 - States, territories and the District of Columbia may continue to issue LWA payments to claimants for the weeks they were eligible within the Period of Assistance and who submitted timely claims during the Period of Assistance. States, territories and the District of Columbia may only issue these payments if they have funding available within the total obligation awarded by FEMA.
 - With regard to appeals, states, territories and the District of Columbia may pay applicants for weeks within the Period of Assistance following appeals that are decided in the applicants’ favor during the Period of Performance if funding is available within the total obligation awarded by FEMA.

FEMA acknowledges that states, territories and the District of Columbia may not be able to administer payments to all eligible applicants who submitted timely claims or adjudicate all timely appeals during the initial Period of Performance. For this reason, states, territories and the District of Columbia may request

extensions of the Period of Performance, if necessary, to fully administer the LWA program and make all eligible payments within the total obligation awarded by FEMA.

- **Q:** Who is eligible for Other Needs Assistance under the Individuals and Households Program?
 - **A:** Individuals must be a U.S. citizen, non-citizen national or a qualified alien to be eligible for FEMA's Individuals and Households Program. Undocumented claimants may be eligible for similar financial assistance under programs funded by state or local funds, or programs funded by voluntary agencies.
- **Q:** Will the funding in the grants authorized to applicants be for individuals already receiving unemployment due to COVID-19 or will this be for only new claims? Or both?
 - **A:** The funding will be provided to existing and new claimants for unemployment compensation who self-certify that they are unemployed or partially unemployed as a result of COVID-19 from the week of unemployment ending August 1, 2020 through December 27, 2020 or until termination of the program because funding is exhausted.

INDIVIDUAL CLAIMANT PAYMENT PROCESS

- **Q:** Information provided stipulates a \$300 federal share/\$100 state/territory share. Does this mean that the state/territory does not have the ability to alter the amount of funding provided? If a state or territory has a legislative maximum of unemployment assistance, does this impact the amount that the federal government can provide?
 - **A:** Per the [Presidential Memorandum](#) that authorizes this assistance, the federal share for supplemental lost wages payments is fixed at \$300. The state, territory and the District of Columbia may choose to provide all claimants either a \$300 or a \$400 supplemental payment. These amounts cannot be adjusted. The supplemental payment is not unemployment insurance; it is a supplemental payment on top of the applicable unemployment insurance benefit paid by the state, territory and the District of Columbia.
- **Q:** Are Lost Wages Assistance program payments countable as income for eligibility determinations for Medicaid and the Children's Health Insurance Program?
 - **A:** The supplemental lost wages benefits provided under section 408(e) of the Stafford Act do not count as income for purposes of determining eligibility for income-based federal benefits. The payments are available under section 408 of the Stafford Act "Federal Assistance to Individuals and Households," 42 U.S.C. § 5174. Pursuant to section 312(d) of the Stafford Act, as implemented at 44 C.F.R. § 206.110(f), such assistance "shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs." (42 U.S.C. § 5155).
- **Q:** May payment of supplemental lost wages assistance be combined with the underlying unemployment benefit payments when issued?
 - **A:** Yes, the state, territory and the District of Columbia has discretion as to whether it issues a combined payment or separate payment for supplemental lost wages assistance, but the state/territory must be able to account for supplemental lost wages assistance separately from the underlying benefit. Whether paid together or separately, the supplemental lost wages payments must be paid at the same time as the underlying benefit (either weekly or bi-weekly).

ADMINISTRATIVE COSTS

- **Q:** Will states, territories and the District of Columbia receive administrative costs?
 - **A:** Yes, the Stafford Act authorizes administrative costs of no more than 5% of the total grant; these funds are in addition to those for benefit payments. The administrative costs are subject to the statutory 25% cost share. However, the underlying benefit costs for the regular unemployment insurance (UI) program and/or Coronavirus Relief Funds (CRF) may be used to satisfy the state, territory and the District of Columbia's cost share requirement for administrative costs. Pacific Territories may request a cost share waiver under the Insular Areas Act. (See 48 U.S.C. § 1469a).

- **Q:** May a state, territory and the District of Columbia use funding from its state/territory grant to administer the regular UI program from the Department of Labor or funding provided under the Reed Act, section 4102 of the Families First Coronavirus Response Act, or for administration of CARES Act programs to pay for administration of the supplemental lost wages assistance program?
 - **A:** No, if a state, territory and the District of Columbia uses Unemployment Insurance (UI) resources that are currently used to support administration of the UI programs (such as the UI IT systems, staff, call-centers, and building costs) to support administration of the supplemental lost wages assistance program, then the state/territory must develop a cost allocation plan. This is necessary to ensure that funding from USDOL-funded UI programs only supports those programs and FEMA funding for the supplemental lost wages assistance program only supports administration of the supplemental lost wages assistance program.

However, the underlying benefit costs for the regular UI program may be used to support the cost share for administrative costs.

- **Q:** May FEMA administrative funds provided to states, territories and the District of Columbia to administer the supplemental lost wages assistance program be used to cover all staff costs?
 - **A:** Unemployment Insurance (UI) employees are federally funded by the Department of Labor (DOL). The DOL's funding may not be used to administer supplemental lost wages assistance.

As such, the state, territory and the District of Columbia may utilize the funding provided by FEMA for administrative costs under the supplemental lost wages assistance grant for employees' regular and overtime hours to deliver supplemental lost wages assistance. Example: 40 hours per week is normally paid with 100% UI funding. The employee is now spending 50% of her time on supplemental lost wages assistance. So long as the state, territory and the District of Columbia does not charge 50% of the employee's cost to the UI administrative grant for the period of time that the employee is supporting supplemental lost wages assistance, the state/territory can use FEMA funding for administrative costs to pay the employee's costs for administering supplemental lost wages payments.

States, territories and the District of Columbia must account for the time charged and demonstrate a proportional allocation of staff costs to facilitate the delivery of the program so as to avoid any improper duplication of charging. As a general rule, the state, territory and the District of Columbia may submit charges to administer supplemental lost wages assistance for all employee overtime and any portion of the employee's regular time costs not also paid for with other federal funds.

- **Q:** May states, territories and the District of Columbia receive upfront supplemental lost wages assistance administrative funding to support implementation and start-up costs for the supplemental lost wages assistance program?
 - **A:** States, territories and the District of Columbia should identify estimated reasonable costs in their applications. Once approved and awarded, funds can be drawn down in accordance with the grant award letter and other requirements, such as the Cash Management Improvement Act.

COST SHARE

- **Q:** What state, territory and the District of Columbia funds may be used to cover the state/territory's 25% cost share match for supplemental lost wages assistance?
 - **A:** If a state, territory and the District of Columbia opts for individuals to receive a \$300 additional supplemental lost wages payment per week, states/territories may use the total benefits paid with state/territory unemployment funds to eligible claimants (individuals who meet both the self-certification and \$100 eligibility provision) beginning with the week ending August 1, 2020 and moving forward to the end of the program as the required non-federal match. This total amount may be used to cover the state/territory match for supplemental lost wages assistance paid on both regular unemployment compensation and all federally-funded programs. Administrative costs will also include a 75% federal cost share and a 25% state/territory cost share.

If a state, territory and the District of Columbia wants individuals to receive a \$400 additional supplemental lost wages payment per week, the state/territory must identify other state/territory funds, which may include CRF, general revenue, or other state/territory fund sources, to cover the \$100 state/territory contribution in addition to the \$300 federal contribution.

- **Q:** Is the calculation for the state's, territory's or the District of Columbia's 25% cost share match calculated at the aggregate level or the individual level?
 - **A:** The requirement is to meet the state's, territory's or the District of Columbia's 25% cost share match at an aggregate level.
- **Q:** What happens if a state, territory and the District of Columbia falls short of meeting the 25% cost share match?
 - **A:** If a state, territory and the District of Columbia falls short of meeting the 25% cost share match, it will be liable for paying FEMA the difference.
- **Q:** If a state, territory and the District of Columbia has previously deposited its CRF into its unemployment account, may those funds be used for the \$100 add-on to provide a \$400 supplemental lost wages payment?
 - **A:** No, once the CRF is deposited into the state's, territory's or the District of Columbia's unemployment account, the funds become subject to the withdrawal standard set forth in Section 3304(a)(4) of the Federal Unemployment Tax Act (FUTA) (26 U.S.C. 3304(a)(4)) and Section 503(a)(5) of the Social Security Act (SSA) (42 U.S.C. 503(a)(5)). The state, territory and the District of Columbia cannot use these funds to pay the additional \$100 benefit on top of the \$300 Federal supplemental lost wages payment.

- **Q:** If a state, territory and the District of Columbia is using other money to provide individuals with an amount higher than \$300, is there something that limits the state/territory to only contributing \$100 or may the state/territory provide additional money?
 - **A:** The [Presidential Memorandum](#) authorized up to \$400 through the supplemental lost wages assistance program, including a \$300 federal contribution. If the state, territory and the District of Columbia chooses to provide an amount beyond this using non-UI funds, it is considered a separate state/territory program which would be subject to authorization under state law.

- **Q:** Can a state, territory and the District of Columbia use benefit payments for fully federally-funded unemployment benefit programs (UCFE, UCX, PUA, PEUC, and EB) to meet the state/territory's 25% cost share match requirement to receive the \$300 federal share for supplemental lost wages assistance?
 - **A:** No, Coronavirus relief funds and other state, territory and the District of Columbia funds must be used to meet this match requirement.

- **Q:** May a dependent's allowance be used towards meeting the state's 25% cost share match in underlying state-funded benefits to provide the \$300 supplemental lost wages payment to individuals?
 - **A:** Yes, insofar as the dependent's allowance is paid using state, territory and the District of Columbia funds to an eligible claimant, it is included in the aggregate calculation of state-funded benefits for purposes of meeting the state's 25% cost share match to provide the \$300 supplemental lost wages payment.

- **Q:** Will FEMA fund 75% of the grant amount up front or fund 100% of the grant amount and send a bill for collection for the 25% state, territory and the District of Columbia cost share?
 - **A:** There are two supplemental payment options for the state, territory and the District of Columbia to demonstrate the cost share:
 - Option 1: the individual receives \$400 - \$300 federal contribution (75% cost share) and \$100 from state, territory and the District of Columbia funds, including Coronavirus Relief Funds (25% cost share).
 - Option 2: the individual receives \$300 - \$300 is the federal contribution and to satisfy its cost share the state, territory and the District of Columbia will be credited for underlying regular unemployment insurance paid from state/territory funds for the population that receives the \$300 supplemental payment.

States, territories and the District of Columbia are required to indicate their supplemental payment option selection (\$400 or \$300) on the Other Needs Assistance Administrative Option Selection form as part of their grant application package.

At grant close out, the state, territory and the District of Columbia will need to demonstrate how they met the statutory cost share. The state, territory and the District of Columbia will be responsible for demonstrating 25% of the total aggregate grant award. For the \$300 option, states/territories can satisfy this cost share by showing that they expended state/territory funds equivalent to at least 25% of the total grant amount on regular unemployment payments to individuals who received lost wages supplemental payments, retroactive to August 1, 2020.

- **Q:** Can states, territories and the District of Columbia count their existing Unemployment Insurance (UI) weekly benefit payments from state/territory funds back to March 29, 2020 toward their cost share requirement of the lost wages supplemental payments grant, or may they only count the UI payments back to August 1, 2020 toward the cost share requirement?
 - **A:** The state, territory and the District of Columbia may count UI payments during the same period of federal funding consistent with the parameters of the grant – week of unemployment ending August 1, 2020, onward, for individuals that meet the LWA requirements to be eligible. States, territories and the District of Columbia may not apply funds expended prior to the week of unemployment ending August 1, 2020.

OFFSETS/DEDUCTIONS/GARNISHMENTS/TAX IMPLICATIONS

- **Q:** What are circumstances under which the state, territory and the District of Columbia must reimburse FEMA?
 - **A:** The state, territory and the District of Columbia is responsible for refunding to FEMA any unobligated balances that FEMA paid that are not authorized to be retained per 2 C.F.R. § 200.343(d).

Additionally, states, territories and the District of Columbia are responsible for recovering assistance awards from individual claimants who obtained the assistance fraudulently, assistance awards made to individuals who were not eligible for unemployment, and assistance awards made in error (See 44 C.F.R. 206.120(f) (4 and 5); see *also* 2 C.F.R. § 200.343(a)-(b) for guidance on the grant closeout and liquidation period).

- **Q:** Are supplemental lost wages payments [subject to federal income tax](#)?
 - **A:** Yes, supplemental lost wages payments are subject to federal income tax and the state, territory and the District of Columbia must communicate to individuals that such payments are taxable. Providing individuals with the option to have federal income tax withholding is a determination for the state/territory to make. The state, territory and the District of Columbia should encourage individuals to contact the IRS for specific guidance on the tax treatment of unemployment compensation (see <https://www.irs.gov/taxtopics/tc418>).
- **Q:** What are the offset rules for supplemental lost wages assistance? Is a state, territory and the District of Columbia required or able to offset supplemental lost wages payments for past debt of unemployment benefits (overpayments) and child support?
 - **A:** Offsets of supplemental lost wages payments other than for tax withholding are not permitted. States, territories and the District of Columbia may not offset supplemental lost wages payments for child support debts. See information on overpayment recovery above.
- **Q:** Are states, territories and the District of Columbia responsible for recovering assistance and reimbursing FEMA for payments made in error?
 - **A:** Yes, states, territories and the District of Columbia are responsible for recovering assistance awards from claimants who obtained them fraudulently, assistance awards made to those not eligible for unemployment, and assistance awards made in error. (44 C.F.R. 206.120(f) (4 and 5)). Adjustments to expenditures will be made as funding is recovered, [reimbursed to FEMA], and reported quarterly on the SF-425, Federal Financial Report. ((See 44 C.F.R. § 206.120.(f)(5)(i); see also Section III.E. of the State Administrative Plan template which provides additional guidance on the Recovery of Funds procedures and FEMA’s Lost Wages Assistance Grant Close Out guidance).

The Period of Assistance is the time in which grant funding is awarded based on eligible claimants identified by the state, territory and the District of Columbia. The Period of Performance is the 90-day period following the Period of Assistance. During the Period of Performance:

- States, territories and the District of Columbia may continue to issue LWA payments to claimants for the weeks they were eligible within the Period of Assistance and who submitted timely claims during the Period of Assistance. States, territories and the District of Columbia may only issue these payments if they have funding available within the total obligation awarded by FEMA.
- With regard to appeals, states, territories and the District of Columbia may pay applicants for weeks within the Period of Assistance following appeals that are decided in the applicants' favor during the Period of Performance if funding is available within the total obligation awarded by FEMA.

Following the end of the Period of Performance, there are two concurrent 90-day periods to both close out and liquidate the grant. FEMA acknowledges that states, territories and the District of Columbia may not be able to administer payments to all eligible applicants who submitted timely claims or adjudicate all timely appeals during the initial Period of Performance. FEMA also recognizes the states', territories' and the District of Columbia's efforts to investigate and pursue the recovery of fraudulent and improper payments may extend beyond the 180-days from the Period of Assistance. For this reason, states, territories and the District of Columbia may request extensions of the Period of Performance and the 90 day period following the Period of Performance for close out and liquidation, if necessary, to fully administer the LWA program, make all eligible payments within the total obligation awarded by FEMA and pursue the recovery of fraudulent and improper payments.

- **Q:** Do states, territories and the District of Columbia have an obligation to notify FEMA of fraudulent activity?
 - **A:** Yes, states, territories and the District of Columbia have an obligation to expeditiously investigate and report any evidence of fraud, waste or abuse to the Department of Homeland Security (DHS) Office of Inspector General. (44 C.F.R. 206.120(d)(3)(B)(ix and x)). They may also report any fraud activity to the Department of Labor (DOL) Office of Inspector General.

DHS Office of Inspector General (OIG)

Phone: 1-800-323-8603

Fax: 202-254-4297

Online allegation form: <https://hotline.oig.dhs.gov/#step-1>

Website: <https://www.oig.dhs.gov/hotline>

DOL Office of Inspector General

Phone: 1-800-347-3756

Fax: 202-693-7020

Email: hotline-19@oig.dol.gov

Website: <https://www.oig.dol.gov/hotlinecontact.htm#>

In addition, the DOL provides a listing of state fraud hotlines where individuals may report allegations of unemployment fraud. The listing is found at <https://www.dol.gov/general/maps/fraud>.

Finally, a state that identifies a possible case of disaster linked fraud may also report it to the federal government through:

The National Center for Disaster Fraud (NCDF)

Phone: 866-720-5721

Fax: 225-334-4707

Email: disaster@leo.gov

Website: <https://www.justice.gov/disaster-fraud>

MONITORING/REPORTING/NOTIFICATION

- **Q:** What reporting will be required by states, territories, and the District of Columbia for lost wages assistance payments?
 - **A:** Information on reporting requirements for states, territories and the District of Columbia can be found on the [Lost Wages Supplemental Payment Assistance Guidelines](#) page. FEMA has provided a Lost Wages Weekly Report Template that can also be found on the [same page](#) under the Reporting Requirements section. States, territories and the District of Columbia must, on a weekly basis, provide a report to FEMA that includes the total, actual dollar amount of lost wages benefit payments made, by program, the number of appeals for the underlying benefits received by claimants and any pending claims. If the state, territory and the District of Columbia does not have up-to-date appeals data for the reporting period, FEMA will accept the most recently reported appeals data provided to the U.S. Department of Labor.

If the state, territory and the District of Columbia has not yet paid out lost wages benefit payments, they will need to provide FEMA with data regarding the total, weekly number of unemployment benefit claims paid, by program, as well as the number of open appeals and pending claims.

The state, territory and the District of Columbia will also need to provide the SF-425, Federal Financial Report, and aggregate recovery data for erroneous, fraudulent or improper payments (dollar amount, number of claimants, and general reasons for the recoveries) to FEMA quarterly. However, states, territories and the District of Columbia should not submit any personally identifiable information (PII) unless expressly requested by FEMA.

- **Q:** Guidance states, “and submit final reports within 90 days of the end of the Period of Assistance.” What if there are pending appeals? Can the state, territory or the District of Columbia request an extension?
 - **A:** Yes, the Period of Performance may be extended upon request by the state, territory and the District of Columbia with approval from FEMA.

More Information

States and territories with questions about the grant and how to administer the program can contact the FEMA Individuals and Households Help Desk at FEMA-IHPHelpdesk@fema.dhs.gov.

For additional information please visit [FEMA.gov](https://www.fema.gov).