



# COVID-19: Supplementing Unemployment Insurance Benefits (Federal Pandemic Unemployment Compensation vs. Lost Wages Assistance)

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Among [other temporary Unemployment Insurance \(UI\) provisions](#) authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136; enacted March 27, 2020), [Federal Pandemic Unemployment Compensation \(FPUC\)](#) provided an additional, federally financed \$600 weekly benefit that augmented all UI benefits from March 29, 2020, until July 25, 2020, for most states (July 26, 2020, for New York). The FPUC authority is now expired.

On August 8, 2020, President Donald Trump issued a [presidential memorandum](#) authorizing [other needs assistance \(ONA\)](#) under Section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act ([Stafford Act](#); P.L. 93-288, as amended; [42 U.S.C. §5174\(e\)\(2\)](#)) for lost wages. As described in [Federal Emergency Management Agency \(FEMA\) guidance](#), this Lost Wages Assistance (LWA) program provides grants to states to supplement the weekly benefits of certain eligible UI claimants in participating states, subject to a [cost sharing requirement](#). LWA grants may be paid in the amount of \$300 a week in entirely federal funds; or, if a state chooses to contribute an additional \$100 a week in state funds, the total is \$400 a week. LWA grants are available for weeks of unemployment ending between [August 1, 2020, and December 27, 2020](#), but the program could [terminate earlier](#) if Congress enacts supplemental COVID-19-related unemployment compensation (e.g., reestablishes the FPUC authority) or certain conditions are met related to the balance of the Disaster Relief Fund (DRF).

This Insight discusses the now-expired FPUC benefit and currently authorized LWA grants to states, including key differences in authorization and administration, benefit amount, eligibility, and funding. For a preliminary legal analysis of LWA, see CRS Legal Sidebar LSB10532, *President Trump's Executive Actions on Student Loans, Wage Assistance, Payroll Taxes, and Evictions: Initial Takeaways*.

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## Authorization and Administration: FPUC (now expired) vs. LWA

FPUC was created under [Section 2104](#) of the CARES Act (P.L. 116-136). While authorized, FPUC was an additional, federally financed benefit that augmented all weekly UI benefits, including regular [Unemployment Compensation \(UC\)](#), [Pandemic Unemployment Assistance \(PUA\)](#), [Pandemic Emergency Unemployment Compensation \(PEUC\)](#), [Extended Benefits \(EB\)](#), [Disaster Unemployment Assistance \(DUA\)](#), [Short-Time Compensation \(STC\)](#), [Trade Readjustment Allowance \(TRA\)](#), and [Self Employment Assistance \(SEA\)](#). All states administered weekly FPUC payments through agreements with the U.S. Department of Labor (DOL). [DOL provided guidance on FPUC](#) to states. FPUC was structured as an entitlement for UI claimants to be paid until the expiration of the program (July 25, 2020).

LWA is authorized under the August 8, 2020, [presidential memorandum](#), which references the [statutory authority for ONA](#) under the Stafford Act. LWA may augment the weekly benefits of certain eligible claimants (see below) receiving [UC](#), [PUA](#), [PEUC](#), [EB](#), [STC](#), [TRA](#), and [SEA](#); but not [DUA](#). [FEMA is administering LWA](#); states may [apply for LWA grants](#) by September 10, 2020, and provide LWA in conjunction with their UI systems. Additionally, DOL is providing [technical assistance on LWA](#). LWA is not an entitlement, but is subject to state application and availability of funds. There is a [25% cost sharing requirement](#) for LWA, as required by ONA in statute ([42 U.S.C. §5174\(g\)\(2\)](#)), which states can satisfy by either paying \$100 a week to eligible claimants or by demonstrating that the total UI benefits paid with state unemployment funds in [the aggregate meets the amount of the 25% match](#). FEMA maintains an updated [list of states that have approved LWA applications](#).

## Benefit Amount: FPUC (now expired) vs. LWA

When it was authorized, FPUC provided an additional \$600 a week to claimants in all UI programs. This amount was 100% federally financed. FPUC income must be disregarded for the purposes of [Medicaid](#) and the [Children’s Health Insurance Program \(CHIP\)](#).

LWA may not exceed \$400 a week, [which includes up to \\$300 a week in federal funding plus an optional \\$100 a week in non-UI state funds](#). (As of this date, [two states](#)—Kentucky and Montana—have announced an intention to pay the additional \$100 a week.) Under the Stafford Act, ONA is disregarded “when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs.”

## Eligibility: FPUC (now expired) vs. LWA

When it was authorized, FPUC was payable to all UI claimants receiving at [least \\$1 in underlying UI benefits](#).

LWA is payable to UI claimants (in all programs except for DUA) who are [receiving at least \\$100 a week in underlying benefits](#) (before offsets for any earnings during a period of [partial unemployment](#) or before benefit reductions based upon participating in the [STC program](#)) and [self-certify that they are unemployed or partially unemployed due to COVID-19](#).

## Funding: FPUC (now expired) vs. LWA

During its authorization period, FPUC payments, as well as administrative costs related to FPUC, were 100% federally funded. The FPUC authorizing language under [Section 2104](#) provided for the appropriation of “such sums as necessary” for benefit payments and costs incurred by states in administering the payment, including implementation and staffing.

LWA is funded through the [Disaster Relief Fund \(DRF\)](#), subject to [funding limitations](#). After any of the following conditions are met, LWA will no longer be payable:

- FEMA has expended \$44 billion on LWA.
- The DRF balance reaches \$25 billion.
- Enactment of legislation providing supplemental federal unemployment compensation, or similar compensation, for unemployed or partially employed individuals due to COVID-19.
- The program end date of no later than December 27, 2020, is reached.

FEMA is to initially provide [three weeks](#) of LWA grant funding to approved states—and then on a weekly basis, thereafter—based on estimated payments. [States may not use any UI funding sources for LWA administrative costs](#). Instead, FEMA is to provide [up to 5% of the total LWA grant](#) to states for administrative costs.

## Author Information

Katelin P. Isaacs  
Specialist in Income Security

Julie M. Whittaker  
Specialist in Income Security

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