

Lost Wages Assistance Program (LWA)

- Tennessee has applied for a federal grant from FEMA to fund the Lost Wages Assistance (LWA) Program.
- FEMA's LWA program grant requires a 25% match from states. As an option, this match can come from the aggregate amount of state UI benefits being distributed. Like many states that have applied to this grant, Tennessee is pursuing this option.
- Tennessee will pay a \$300 LWA payment, in addition to a state or federal unemployment benefit if a claimant meets all eligibility requirements.
- The \$300 payment allows Tennessee to maintain its Coronavirus Relief Fund initiatives while still more than doubling the state's maximum weekly benefit.
- With the LWA payment, the maximum benefit available to eligible claimants will be \$575 per week, before federal withholding taxes.
- Claimants who meet the eligibility requirements of the LWA program will receive the additional weekly benefit.
- The grant requires a claimant be unemployed due to COVID-19.
- The grant requires claimants to receive at least \$100 in weekly benefits from an unemployment insurance program to be eligible for the LWA benefit.
- Approximately 9% of unemployment claimants have a Weekly Benefit Amount below \$100.
- LWA benefits will be retroactive to August 1, 2020.
- The state will automatically add the LWA payment to the benefits of claimants who meet eligibility requirements.
- Unlike the FPUC program, LWA is a grant with a finite amount of money. When the federal government depletes the grant, it will no longer be able to provide LWA payments. If the grant is not depleted, the LWA program will end on December 26, 2020.
- In anticipation of the grant's approval, the Department and its vendor are already working to build the new program into the unemployment computer system. If the grant is approved, the Department will begin paying the new benefit as quickly as possible.
- The LWA program will terminate if Congress passes legislation related to unemployment insurance relief.