



JB Pritzker, Governor
Kristin Richards, Acting Director

NEWS RELEASE

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IDES Application for FEMA LWA Funds Approved and Received, Payments Being Distributed *Federal Funds for Program Expected to Max Out for All States After Six Weeks*

SPRINGFIELD – Illinois has applied, been approved for, and received \$1.3 billion in funds from the Federal Emergency Management Agency (FEMA) for the six weeks of the new federal Lost Wages Assistance (LWA) program, the Illinois Department of Employment Security (IDES) announced today. Under the new federal program, certain individuals unemployed as a result of the COVID-19 pandemic may be eligible to receive an additional \$300 per week to their weekly benefit amount (WBA). While LWA was initially promoted by the federal government as possibly being available until December 27, 2020, FEMA has announced that funds are no longer available after its sixth week.

IDES has paid out more than \$650 million in payments to nearly 700,000 eligible claimants. Payments began disbursement on September 6 for the weeks between July 26 – August 15 and will continue to be paid out for the weeks between August 16 – September 5. Funds for this new program are only made available through a diversion of FEMA disaster relief funding, a highly unusual method of supplementing state unemployment systems.

“As we continue to pay out LWA funds as quickly as possible to eligible claimants who desperately need them, IDES and the Pritzker administration are extremely concerned about the consequences that will arise as a result of the brevity of this program,” said Acting Director Kristin Richards. “Perhaps most concerning is the nearly 60,000 claimants who are, by design, excluded from this federal program, cutting off the most vulnerable from this supplemental funding to meet basic needs.”

LWA is a completely separate federal program from that of the previous unemployment supplemental Federal Pandemic Unemployment Compensation (FPUC) program, which provided an additional \$600 each week in 100 percent federally funded benefits to any claimant receiving unemployment benefits. Most concerning, eligibility requirements for LWA leave behind the most vulnerable Illinoisans. Unlike the FPUC program, in which claimants earning a minimum of a \$1 WBA were entitled to the additional \$600, LWA requirements allow only those claimants earning a minimum \$100 WBA to receive the additional \$300 to their benefit payments. This excludes approximately 60,000 claimants from receiving additional unemployment funds.

Additionally, the federal government’s goal of bolstering economic activity through this program falls off a cliff after only six weeks. While FPUC funds provided individuals the ability to meet and pay for basic necessities for months, which meant continued economic activity, LWA cuts those funds in half, providing only \$300 per week to far fewer people for a much smaller amount of time. The decrease in eligibility and benefits is expected to decrease economic activity by 20 percent.

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