



TO: W-2 Agencies  
Training Staff

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**BWF/BRP OPERATIONS MEMO**

No: 21-12  
DATE: 06/08/2021

W-2  EA  CF  JAL   
RAP  TMJ  TJ  Other EP

**SUBJECT:** *COVID-19 Extended Unemployment Insurance Benefits*

**CROSS REFERENCE:** [W-2 Manual 3.2.6 Prorating Income](#)  
[BWF Operations Memo 20-09](#)  
[Coronavirus Aid, Relief, and Economic Security \(CARES\) Act of 2020](#)  
[Consolidated Appropriations Act Of 2021](#)  
[American Rescue Plan Act of 2021](#)

**EFFECTIVE DATE:** Immediately

**PURPOSE**

The purpose of this memo is to:

1. Communicate information on the Extended Benefit (EB) unemployment insurance program;
2. Communicate information on the 2021 Federal Pandemic Unemployment Compensation (FPUC) payments;
3. Provide detail on how to treat the EB and 2021 FPUC payments when determining financial eligibility for Wisconsin Works (W-2), Emergency Assistance (EA), Refugee Cash Assistance (RCA) and Job Access Loans (JAL); and
4. Provide clarification on W-2 policy for treatment of lump sum payments.

**BACKGROUND**

COVID-19 has contributed to a sharp rise in unemployment, and legislation enacted at both the state and federal levels is intended to temporarily expand unemployment insurance benefit

programs in addition to providing more robust benefits. The federal [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act of 2020](#) provided economic relief in response to the COVID-19 pandemic and included a number of key provisions impacting individuals, including expanded unemployment benefits. As these programs are implemented or reinstated, individuals may receive their unemployment insurance benefits as retroactive lump sum payments following a period of delay.

On May 17, 2020, Wisconsin began an EB period for unemployment insurance in response to our state's high unemployment rate. The EB program provides additional unemployment benefits to those who exhaust previous benefits.

Most recently, the [American Rescue Plan Act of 2021](#) was passed on March 11, 2021. This legislation extends unemployment benefits that were first authorized by the CARES Act earlier in 2020, and later extended by the Consolidated Appropriations Act of 2021. As these programs are implemented or reinstated, individuals may receive their unemployment insurance benefits as retroactive lump sum payments following a period of delay.

This memo provides information on the EB program only. See [BWF/BRP Operations Memo 21-10 COVID-19 Expanded Unemployment Insurance Benefits Under the American Rescue Plan Act of 2021](#) for the most recent information on federally funded unemployment compensation (UC) programs.

See [BWF Operations Memo 20-09 COVID-19 Expanded Unemployment Insurance Benefits](#) for additional background on the three temporary federally funded UC programs and information on case processing instructions. [BWF Operations Memo 20-23 COVID-19 Expanded Unemployment Insurance Benefits – Lost Wages Assistance](#) provides information on a temporary Federal Emergency Management Agency program to provide a supplemental payment in addition to Unemployment Insurance (UI) paid by the state.

## ***EXTENDED BENEFIT PROGRAM***

EB is available to workers during periods of high unemployment. Unemployed individuals who exhaust their regular UI benefits and Pandemic Emergency Unemployment Compensation (PEUC) may be eligible for an additional 13 weeks of benefits through the EB federal-state program.

The Department of Workforce Development (DWD) began issuing the EB payments to individuals as of December 2, 2020. All EB payments are retroactive for claimed weeks between May 17, 2020, and November 7, 2020. No EB payments can be made for weeks claimed after November 7, 2020. The weekly EB payment amount is the same as the individual's regular Unemployment Insurance Benefit (UIB) payment amount.

Individuals must file an initial application for EB. Additional information on the EB program, including responses to Frequently Asked Questions, can be found on the DWD [Extended Benefits](#) web page.

## ***COVID-19 POLICY***

### ***EXTENDED BENEFITS***

For all programs, including W-2, JAL, RCA, and EA, workers must count the EB payments toward the 115% percent gross income test for determining financial eligibility.

EB payments received as a retroactive lump sum will be subject to W-2 financial eligibility policy for lump sum payments. Because the EB lump sum payment is retroactive and not intended to cover a period of time in the future, the payment must only be counted as income in the month received and an asset for any month remaining in accordance with W-2 Manual Chapters 3.2.4 and 3.2.6.1.2.

A retroactive lump sum EB payment is not expected to impact eligibility for ongoing W-2 participants because it is anticipated that individuals will use their retroactive EB payment to respond to current financial needs. Per W-2 Manual Chapter 3.1, when testing prospectively for income and assets, months of asset ineligibility or months of income ineligibility must not be combined to create two consecutive calendar months of financial ineligibility. Per W-2 Manual Chapter 3.3.3, once determined eligible for W-2 and the case is ongoing, if the W-2 Group's assets are expected to exceed \$2,500 for at least two consecutive months, the group becomes ineligible for W-2.

Receipt of retroactive lump sum EB payments may impact eligibility for ongoing W-2 participants if the individual also begins to receive weekly payments. Per W-2 Manual Chapter 3.2.7, once a W-2 Group is determined eligible for W-2, if the W-2 Group's income is expected to exceed the 115% gross income limit for at least two consecutive months, the group becomes ineligible for W-2. Two consecutive months of lump sum UI benefit receipt does not meet this criterion due to the unpredictable arrival of these payments.

A retroactive lump sum EB payment may impact initial W-2 eligibility determination if received in the month of application. If a retroactive EB lump sum or sums are received prior to eligibility determination, but within the application month, the individual may not pass the 115% gross income test for financial eligibility for that month. If the total countable income of the W-2 group is over 115% of the Federal Poverty Level (FPL) for the size of the W-2 group, the group is not eligible for W-2. The individual may be determined eligible the following month if under the 115% FPL income limit and \$2,500 asset limit.

## ***OTHER PROGRAMS***

It is important to understand and discuss with individuals how receipt of Unemployment benefits may affect their eligibility for other programs. Workers may also find information via the Department of Health Services' Process Help *COVID-19 Information* Page on treatment of the MEUC payments as income when determining eligibility for other programs, including BadgerCare Plus, EBD Medicaid, FoodShare, Wisconsin Shares, and the Caretaker Supplement program. The *All Programs: COVID-19 Temporary Processes* sub-page includes information on Economic Unemployment Relief/Other payments.

## **CARES WORKER WEB (CWW)**

### EXTENDED BENEFITS

Lump sum retroactive EB payments are systematically processed the same way PUA and PEUC retroactive lump sum payments are processed. If the case is in Intake mode, then CWW will create an unearned income page using the OTTF code. OTTF income is counted in the Wisconsin Shares and W-2 budgets (see Process Help 44.3.4 Unemployment Insurance).

If W-2 is added to an existing case, Financial and Employment Planners must create an OTTF unearned income page with the total of lump sum payments received to date in the W-2 application month. The begin and end dates of the page must be the applicant's application month.

To assist workers in identifying EB payments, an entry stating 'E – EXTENDED BENEFIT INITIAL CLAIM' will appear in UIB Details.

Employer Information							
Employer Number	Last Day Worked		Termination Reason				
[REDACTED]	11/20/2019		Laid Off				
[REDACTED]	02/23/2019		Laid Off				
[REDACTED]	10/05/2018		Laid Off				

  

Transaction Information							
Week	Paid	CS ICPT	Income	Employer Number	Date	Type	Remarks
2020-46	\$366.00	\$0.00			11/17/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-45	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-44	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-43	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-42	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-41	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-40	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-39	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-39	\$0.00	\$0.00	P		11/14/2020	E	EXTENDED BENEFIT INITIAL CLAIM
2020-38	\$366.00	\$0.00			11/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-37	\$366.00	\$0.00			09/14/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-36	\$366.00	\$0.00			09/08/2020	P	BENEFIT PAYMENT, NEXT CARD SENT
2020-36	\$300.00	\$0.00			10/03/2020	M	FPUC/LWA PAYMENT
2020-35	\$300.00	\$0.00			10/02/2020	M	FPUC/LWA PAYMENT
2020-35	\$311.00	\$0.00			08/31/2020	P	BENEFIT PAYMENT, NEXT CARD SENT

### **AGENCY ACTION**

W-2 agencies should ensure program applicants and participants are informed of the expanded UI benefits for individuals whose employment was adversely impacted by COVID-19. W-2 agencies must discuss the instructions for treatment of the EB payments with staff and update any relevant local agency procedures as necessary.

***CONTACTS***

For W-2 Policy Questions: [BWF Policy Question SharePoint](#)

For W-2, CARES and WWP Functionality Questions: BWF Work Programs Help Desk

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DCF/DFES/BWF/LW & GS