
FISCAL UPDATE Article

Fiscal Services Division

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COVID-19 — FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION PROGRAM — AUGUST 20, 2020

The U.S. Department of Labor announced on April 4, 2020, the publication of Unemployment Insurance Program Letter No. [15-20](#) providing guidance to states for implementation of the Federal Pandemic Unemployment Compensation (FPUC) Program. The FPUC Program provided an extra \$600 per week on top of the weekly benefit amounts an employee would have otherwise received through the Unemployment Insurance Program through the end of July 2020. This provision is contained in Section 2104 of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act ([H.R. 748](#)), enacted on March 27, 2020. Funding for the FPUC benefits was provided from federal funds.

According to the Iowa Department of Workforce Development (IWD), the FPUC Program payments were not available for those individuals receiving Training Extension Benefits or Business Closing Benefits. The first week this benefit was payable was the week ending April 4, 2020. The last week of unemployment this benefit was payable was the week ending July 25, 2020. Additional information provided by the IWD can be found [here](#).

The IWD [reports](#) that a total of approximately \$7.9 million in FPUC benefits has been paid for the week ending August 15, 2020. The payments were for unemployment before the Program ended. A total of approximately \$1.581 billion in FPUC benefits has been paid since April 4, 2020.

The FPUC benefits described above and unemployment benefits of any kind are not available to employees who quit their job, refuse to return to work, or refuse to receive full-time pay. Attempts to collect payments after quitting a job could be viewed as fraudulent and will be further investigated by the IWD. The CARES Act specifically provides for serious consequences for fraudulent cases, including fines, confinement, and an inability to receive future unemployment benefits until all fraudulent claims and fines have been repaid.

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