

Subject Temporary subtraction for supplemental unemployment insurance benefits

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Summary

H.F. 1658 provides a temporary subtraction for “supplemental” employment benefits, effective for tax years 2020 and 2021.

The federal government authorized multiple rounds of supplemental unemployment insurance benefits in 2020. These supplemental benefits were a flat amount of \$300 or \$600 that was paid each week in addition to regular weekly benefits.

Supplemental benefits were paid to recipients of regular unemployment insurance, extended benefits, Pandemic Emergency Unemployment Compensation (the federal extension of benefits to individuals who exhausted regular unemployment benefits), and Pandemic Unemployment Assistance, the unemployment insurance benefits available to individuals who do not normally qualify (such as self-employed workers or independent contractors). The subtraction applies to the following supplemental unemployment benefits:

\$600 Federal Pandemic Unemployment Compensation (FPUC): The \$600 weekly benefit authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

\$300 Lost Wage Assistance: The \$300 weekly benefit authorized by President Trump via executive memorandum on August 8, 2020. Eligible Minnesota UI recipients received this weekly benefit for six weeks.

\$300 FPUC Payments extended in December: The \$300 weekly benefit authorized in December 2020 under the Consolidated Appropriations Act, 2021.

Program	Period of Unemployment Covered	Dates Generally Paid (see note below)
CARES ACT FPUC (\$600)	April 5, 2020 to July 25, 2020	April 5, 2020 to July 25, 2020
Lost Wage Assistance (\$300)	July 26, 2020 to September 5, 2020	September 4, 2020 to September 9, 2020
CAA FPUC (\$300)	December 27, 2020 to March 13, 2021	January 3, 2021 to March 13, 2021

Benefit payment dates vary depending on the UI recipient, but are generally paid the week following the week of unemployment for which they received benefits. Some recipients may also retroactively qualify for benefits, which would result in benefits being paid months after the period of unemployment for which they earned benefits. The Lost Wage Assistance program was unique because benefits for all recipients were paid months after recipients were initially eligible.



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