

LABOR

MICHAEL L. PARSON
GOVERNOR



NEWS

ANNA S. HUI
DEPARTMENT DIRECTOR

FOR IMMEDIATE RELEASE: May 16, 2020

FOR MORE INFORMATION CONTACT: Communications2@labor.mo.gov

Missouri Offers Guidance on Paycheck Protection Program Payments Made to Unemployed Workers

Jefferson City, MO — As more and more Missouri businesses are beginning to take advantage of the Paycheck Protection Program (PPP) loans offered through the Small Business Administration, the Missouri Department of Labor and Industrial Relations' (DOLIR's) Division of Employment Security (DES) is providing guidance on payments made to unemployed workers by their employers.

How to Report Payments Received Through Employer Paycheck Protection Program Loans

The DES advises businesses taking advantage of the federal PPP loan to notify their employees as soon as possible if they intend to pay employees wages through the PPP loan. If an employer has chosen to receive the PPP loan to pay employees, employees do not have the choice of receiving unemployment benefits rather than the paycheck from the employer. Claimants who are notified that they will receive paychecks from their employer through the PPP loan should report their gross earnings for the week.

In most cases, if an individual is being paid by their employer through the PPP and the amount is greater than what is allowed for the individual's Weekly Benefit Amount (WBA) in unemployment, a claimant would be considered employed and therefore not eligible to receive unemployment benefits. Similarly, self-employed individuals receiving a PPP loan should not claim Pandemic Unemployment Assistance (PUA) benefits for the same time period.

Any unemployment payments made to claimants for the same time period for which they are being paid by an employer through the PPP loan, or any other type of employer payment, would be considered overpaid. If a claimant has already claimed unemployment for those weeks, they should report their earnings immediately to the DES by calling 573-751-4058 and select the appropriate option. A specialist will assist claimants in reporting those earnings.

Any improperly received unemployment payments, including the \$600 federal supplement available through the Federal Pandemic Unemployment Compensation (FPUC), must be paid back by the claimant for those weeks for which the employer was also paying them through the PPP. If earnings through the PPP loan are less than the WBA, claimants may be eligible for partial unemployment benefits, but claimants are still required to report those earnings each week the PPP funds were paid. Under the CARES Act, the DES is required to recover overpaid benefits. Failure to repay the overpaid benefits, including the weekly \$600 additional federal payment, will result in a reduction of future unemployment benefits.

Intentionally misreporting or under-reporting earnings, including PPP earnings, to obtain funds under the regular unemployment program or the CARES Act qualifies as fraud. If an individual obtains benefits through fraud, the individual is ineligible for any additional benefit payments, must pay back the benefits received and is subject to criminal prosecution.

For guidance on how to report earnings including weeks for which unemployment and federal supplement payments have already been requested or received, visit labor.mo.gov/coronavirus (see questions 4, 5, and 16).

For more information, visit labor.mo.gov/coronavirus.

###