

Characteristics of Well-Supported Payment Amounts for Lost Wages & Loss of Support

Model characteristics of well-supported payment amounts for lost wages and loss of support that states can rely on in designing auditable compensation programs that adhere to federal and DOJ grant record-keeping requirements.

Lost wages and loss of support payments have led to questioned costs in several audits of compensation programs in recent years. (See OIG Report 19-34, Rec. 7.) OVC has compiled the information below to assist compensation programs to implement or improve their policies and processes for lost wages and loss of support payments.

A. Policies/Procedures

SAs are encouraged to develop policies and procedures regarding how they process and maintain records for claims, including claims for wage loss and loss of support. Robust policies and procedures for lost wages and loss of support typically describe clear methodologies for calculating a compensation payment, and the documentation that will be required (and maintained by the SAA in its records) to support the payment. SAs are encouraged to incorporate into their policies a description of the methodologies and documentation used to—

- Establish eligibility;
- Determine the period of time affected;
- Calculate total loss due to the crime (for both full-time wage-based work, and, as appropriate, other common work arrangements such as part-time, seasonal, or commission-based work);
- Calculate adjustments to total loss (e.g., benefit maximums; tax considerations). Calculate adjustments for taxes in considering lost wages, and
- Determine dependency for loss of support claims (e.g., how and to what extent the relevant individual was supporting the claimant at the relevant time).

B. Examples of Documentation for Loss of Wages and Loss of Support Claims

- a. Prior pay stubs.
- b. Tax documents, for example:
 - i. W-2 forms from the employer
 - ii. Recent tax returns from the IRS or state otherwise designated

- iii. 1099 forms (e.g., for independent contractors or gig workers)
- iv. Schedule C (e.g., for sole proprietorships)
- c. State issued employment verification forms to be completed by the employer.
- d. Documentation of social security payments.
- e. Pending contracts that were not fulfilled due to injury or death.
- f. Unemployment Benefit Stubs.
- g. Disability Benefit stubs or Award Letters.
- h. Court-ordered support, such as child support.
- i. Verification of monthly rent or mortgage (e.g. signed lease or loan document).
- j. Verifiable average cost of monthly utilities from the utility provider within a determined period of time prior to the event.
- k. Average monthly bank account balance from the bank or financial institution within a period of time prior to the event.
- l. Any other periodic payment of substance such as a monthly automobile payment or automobile lease statement; monthly tuition payment, etc.
- m. Collateral sources, such as money recovered in a civil action or settlement.

C. Resources

Example state policies regarding victim compensation for wage loss and loss of support can be found here: <https://www.ovcttac.gov/myvocaresources>. Please use the login credentials provided by OVC TTAC to access MyVOCA Resources. If you do not have/remember the credentials, contact OVC TTAC at 1-866-682-8822 or TTAC@ovcttac.org.