



**Improving the Capabilities of the HR Workforce**

**DCPAS VIRTUAL BENEFITS SYMPOSIUM**

# Unemployment Compensation Basics

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Derrick Holmes | September 24, 2024

# Agenda

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- Unemployment Compensation Benefits (UC)
- Unemployment Compensation for Federal Employees (UCFE)
- UCFE Responsibilities
- UCFE Claims and Billing Process
- UC Program Management
- Resources



# Overview

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- **At the end of this session, attendees should be able to**
  - Understand the UC and UCFE programs.
  - Know the UCFE responsibilities of the Department of Labor (DOL), the States, and the Department of Defense (DoD).
  - Understand the UCFE claims and billing process.



# UCFE Regulations

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- **Title 5 United States Code (U.S.C.)**
  - Contains general and permanent laws of the United States and forms the foundation for the administration of civilian personnel.
- **20 Code of Federal Regulation (CFR) 609**
  - Provides the general and permanent rules and regulations of the UCFE program.



# What is Unemployment Compensation?

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- The UC program, also referred to as unemployment insurance (UI), was established in 1935 by the Social Security Act.
- UC provides temporary financial assistance to individuals who have become unemployed through no fault of their own in accordance with State UC law.
- Individuals must meet State monetary requirements for the base period (a recent one-year period defined by state law).
- Individuals must also be able and available for work, actively seeking work, and meet other state eligibility requirements.
- Individuals who apply for UC benefits are referred to as claimants.



# The Federal-State Partnership

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- The Federal government provides broad requirements for the UC program.
- States are free to design laws, within the requirements of Federal law, that meet the needs of the State.
- Most wage and salaried employees are covered for UC purposes.
- The UC program is funded from a tax levied on most employers. Certain businesses, such as non-profits, reimburse the State for all UC benefits paid to former employees.
- All 50 states, the District of Columbia (DC), the U.S. Virgin Islands (VI), and Puerto Rico (PR) have UC programs.



## UC Benefits

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- An established UC claim is good for a one-year period referred to as the benefit year.
- Generally eligible claimants can receive up to 26 weeks of UC benefits.
- During times of high unemployment, States may provide up to 20 additional weeks of benefits depending on State law under the Extended Benefits program.



## UC Benefits

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- Additional weeks of benefits may be available through an act of Congress during times of extremely high unemployment.
- A claimant's weekly benefit amount is determined by the wages earned during the base period and State law.
- Claimants must certify with the State that they are still unemployed, actively seeking work, and available for work to continue to receive UC benefit payments.





## UC Benefits

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- Income received while unemployed may affect benefits received.
- Benefits may be reduced by severance or terminal leave payments.
- Benefits are required to be reduced for receiving a pension, retirement pay or any other periodic payment.
- Receipt of Injury Compensation benefits in some States can reduce UC benefits or disqualify a claimant from UC.



## What is UCFE?

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- Subchapter 1 of chapter 85, title 5 of the U.S.C. as amended by Public Law 94-566, 90 Stat. 2667, 5 U.S.C. 8501-8509 provides for the UCFE Employees program.
- UCFE provides temporary financial assistance to eligible former Federal civilian employees.
- States act as agents of the Federal government in administering the UCFE program.
- States operate the UCFE program under the same terms and conditions as the regular UC program.



# UCFE Eligibility

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- Have Federal service and wages in the applicable State's base period.
- Meet the employment and wage eligibility requirements of the applicable State.
- Have filed an initial claim for UCFE benefits.
- Be totally or partially unemployed and able to work, available for work, and seeking work under the conditions of the applicable State law.
- Be personally present in a State, DC, VI, or PR when the claim is filed.



# Appeal Rights

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- A claimant or an employer can appeal a UC determination not in their favor.
- A claimant may request a review of information if the denial of benefits is based on information received by the Federal agency.
- All appeals must be filed within the applicable State's time frame.



# Department of Labor Responsibilities

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- Implement the UCFE regulations and provide guidance to States and Federal agencies.
- Maintain agreements with the States, DC, VI, and PR for the administration of the UCFE program.
- Issue UCFE coverage rulings for Federal agencies.
- Maintain a directory with contact information for all Federal agencies for UCFE purposes.
- Bill Federal agencies for UCFE benefits paid.



# State Responsibilities

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- Develop operational procedures to administer the UCFE program.
- Process claims, determine eligibility and ensure timely benefit payments.
- Submit quarterly detailed benefit payment data to Federal agencies.
- Maintain an up-to-date version of the Federal Agency Directory.
- Quarterly provide a total of UCFE benefits paid by Federal agency to DOL and submit other required reporting.



## DoD Responsibilities

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- Notify DOL of any changes to a component's address or contact information.
- Provide all separating employees with a SF-8.
- Respond to all UCFE documents received from the States within 12 days of the postmark date.
- Reimburse the Federal Employees Compensation (FEC) account.
- Inform new employees that if they are receiving UC benefits to notify the State agency that they are now employed.



# DoD Responsibilities

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- Distribute program updates issued by DOL
- Periodically provide UC training to appropriate staff.
- Assess UC operations through internal controls





# UCFE Claims Process

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- Claimant files a claim in the State of their last official duty station.
- The State sends a request for wage and separation information (ETA-931) or a request for information on an additional claim (ETA-931A) to DoD.
- DoD responds to the ETA-931 or ETA-931A within 12 days of the postmark date.
- The State uses the information on the ETA-931 or ETA-931A to assist with determining UC benefit eligibility.
- If DoD does not respond within the 12 days, the State determines eligibility based on the information provided from the claimant.



# UCFE Claims Process

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- The State sends an eligibility determination to the claimant and DoD.
- The claimant or DoD can appeal the determination.
- If an appeal is filed, both the claimant DoD will be notified of the date, time, and place of the hearing.
- Depending on State UC law, an adverse decision can be filed to the second level appeal authority or the appropriate circuit court.



## UCFE Billing Process

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- Funds used to pay UCFE benefits are advanced by DOL to the States through the FEC Account.
- The FEC Account is a revolving account at the Department of the Treasury that is used to pay benefits for the UCFE and Unemployment Compensation for Ex-servicemembers programs.
- Federal agencies must reimburse the FEC Account for all UCFE and UCX benefits paid to eligible individuals.



# UCFE Billing Process

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- States draw funds down from the FEC Account to pay UCFE benefits.
- Quarterly the States submit the Statement of Expenditures of Federal Funds for Reimbursable Unemployment Compensation Benefits Paid to UCFE Claimants (ETA-191) to DOL.
- DOL totals the benefit payments by Federal agency.
- DOL provides the totals to the Federal agencies.
- DOL notifies the Department of the Treasury the total gross amounts due by each Federal agency.



## UCFE Billing Process

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- Federal agencies have 30 days after receipt of the bill from DOL to pay.
- DOL receives the funds from the Federal agency and deposits them into the FEC account.
- States provide Federal agencies with a quarterly listing of detailed benefit payment data (quarterly statements) that support the charges billed.
- Federal agencies use the quarterly statements to dispute incorrect charges and reconcile the statements with the DOL bill.
- States have 2 years to make corrections to UCFE charges.



# Defense Civilian Personnel Advisory Service Responsibilities

- Review the quarterly statements to ensure the total matches the DOL bill and protest incorrect charges with the States.
- Follow up on outstanding protested charges until the credits have been received or the 2-year deadline occurs.
- Request missing quarterly statements.
- Upload DOL bills and the States' quarterly statements to the Defense Injury and Unemployment Compensation System (DIUCS).
- Update DIUCS with information related to protested charges.
- Keep leadership informed of expenditures and credits.



# UC Program Management

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- Ensure DCPAS is provided with the component's current point of contact information.
- Ensure Unemployment Compensation Program Administrators (UCPAs) have access to DIUCS
- Assess UCPAs training needs.
- Recommended that the SF-8 is periodically reviewed for correct information.
- Ensure mail is opened and reviewed daily
- Inform UCPAs of any program updates and advisories from DCPAS.
- Review quarterly UC charge reports sent by DCPAS
- Track appeals



## Resources

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### DoD Instruction 1400.25, Volume 850

- <http://www.dtic.mil/whs/directives/index.htm>

### UCFE Instructions for Federal Agencies

- <https://oui.doleta.gov/unemploy/pdf/UCFE.pdf>

### Comparison of State UI Laws

- <https://oui.doleta.gov/unemploy/statelaws.asp#RecentStatelaw>





# UC Contacts

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# Questions



# Please take a moment to provide us your feedback

You can scan the QR code or go to:

<https://forms.osi.apps.mil/r/Dv4UWtBQ6T>

UC Session: Unemployment  
Compensation Basics

