U.S. DEPARTMENT OF LABOR Employment and Training Administration Washington, D. C. 20210	CLASSIFICATION UI/TEUC
	CORRESPONDENCE SYMBOL OWS/DUO
	ISSUE DATE April 15, 2002
RESCISSIONS None	EXPIRATION DATE Continuing

ADVISORY : **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 18-02 Change1**

TO : ALL STATE WORKFORCE AGENCIES

FROM : GRACE A. KILBANE
Administrator
Office of Workforce Security

SUBJECT : Temporary Extended Unemployment Compensation (TEUC) Act of 2002 - Questions and Answers

1. **Purpose.** To respond to questions concerning implementation of the TEUC program.

2. **References.** The Temporary Extended Unemployment Compensa-tion Act (TEUCA) of 2002, Title II of Public Law 107-147, signed by the President on March 9, 2002; the Federal-State Extended Unemployment Compensation Act of 1970, as amended; Section 233 of the Trade Act of 1974; 20 CFR Part 615; and UIPLs No. 17-02 and 18-02.

3. **Background.** This advisory continues the Department's guidance concerning the TEUC program by answering questions submitted by states. The answers address specific circumstances consistent with the Department's interpretation of the TEUCA in UIPL No. 17-02.

   The questions and answers are organized by category in the same order and format as the set of questions and answers issued earlier in order to make it easier to find questions and answers of interest. Additional categories have been added.

4. **Action Required.** Administrators are requested to provide this advisory to the appropriate staff and ensure adherence to the guidance.

5. **Inquiries.** Inquiries should be directed to your Regional Office.

6. **Attachment.**
   Questions and Answers for Clarification of Title II of Public Law 107-147.

Questions and Answers for Clarification of Title II of Public Law 107-147

1. Administrative

a. **Question:** If state law requires a request for redetermination before appeal of a monetary determination, is state law followed for TEUC monetary appeals?

Answer: Yes. UIPL No. 17-02, Implementation and Operating Instructions, Section IV, 5.c. provides that the provisions of state law apply to determinations pertaining to TEUC.

b. **Question:** May an individual in continued claim status at the time of exhaustion be automatically switched to a TEUC claim without filing a TEUC initial claim?

Answer: No. A TEUC initial claim must be filed that meets the state's requirements

c. **Question:** May individuals be paid TEUC for weeks of unemployment prior to the effective date of the legislation?

Answer: No. TEUC is payable only for weeks of unemployment beginning after enactment of the TEUCA and the execution of a TEUC agreement with the Secretary of Labor.

d. **Question:** My state is in an EB period and has a TEUC agreement with the Secretary of Labor. If my state chooses to pay EB before TEUC, are we required to pay TEUC effective March 10, 2001, to individuals who have an applicable benefit year for TEUC, but not for EB?

Answer: Yes. The agreement requires the state to implement the TEUC program effective with the first week beginning after the agreement was executed for individuals who meet the requirements of Section 202(b) of the TEUCA.

e. **Question:** My state is in an EB period and has a TEUC agreement with the Secretary of Labor. If my state chooses not to pay TEUC in lieu of EB, is my state prohibited from paying TEUC to an individual prior to the exhaustion of EB?

Answer: Yes. If the state does not exercise its option under Section 202(e) of the TEUCA to pay TEUC in lieu of EB, the individual does not meet the requirements of Section 202(b) (2) of the TEUCA until EB is exhausted.

2. Claimants Potentially Eligible for TEUC

a. **Question:** For purposes of Section 202(b) (4), TEUCA, are transitional claims considered initial claims?

Answer: Yes. See UIPL No. 18-02, Attachment Q and A, 2.a. (4).

b. **Question:** My state law provides that during an EB period, regular benefits in excess of 26 times the WBA (sharable regular) will be denied if the individual failed to purge a disqualifying separation through subsequent employment. Is this individual an exhaustee for TEUC purposes?

Answer: No. This individual is not an exhaustee because the individual has not "received all regular compensation payable" with respect to the benefit year and does not fall within the special rules for determining exhaustees. The fact that regular benefits in excess of 26 times the WBA are subject to EB eligibility requirements does not change the fact that they are regular benefits. However, when the benefit year ends, if the individual is not entitled to regular benefits on a new benefit year, the individual is an exhaustee. Additionally, since state law does not require that the separation disqualification be purged through subsequent work in order for the individual to qualify for regular benefits in a subsequent benefit year, it does not carry over to the TEUC claim.

c. **Question:** My state law provides that during an EB period, an individual must meet the EB work search requirements to qualify for regular benefits in excess of 26 times the WBA (sharable regular) and imposes the EB disqualification requiring subsequent employment to purge a disqualification. Is an individual who is held ineligible under the EB work search provision an exhaustee for TEUC purposes?

Answer: No. This individual is not an exhaustee for the same reasons described in question and answer 2.b. above. However, this individual is an exhaustee after the end of the benefit year, if there is no entitlement to regular benefits on a new benefit year. The disqualification does

not carry over to TEUC, if the state is paying TEUC in lieu of EB, because the EB work search requirement only applies to regular benefits in excess of 26 times the WBA and EB in accordance with 20 CFR 615.9(a).

d. **Question:** To be considered an "exhaustee," must a person have received all regular benefits, i.e., must benefits actually have been paid on the parent claim?

Answer: No. See UIPL No. 17-02, Implementation and Operating Instructions, Section III.5.(b).

e. **Question:** When an individual has only a monetarily ineligible claim on file showing a benefit year ending date during or after the week of March 15, 2001, and there is no record of an appeal, is this individual potentially eligible for TEUC?

f. **Answer:** No. Because the individual did not have sufficient employment and/or wages to establish monetary entitlement, there is no applicable benefit year with respect to which the individual exhausted all rights to regular compensation, as required by Section 202(b)(1), TEUCA.

3. **Applicable Benefit Year for TEUC Purposes**

a. **Question:** When an individual who otherwise meets the eligibility requirements for TEUC has established a second benefit year and has had his/her wage credits canceled or the right to regular compensation totally reduced as the result of a disqualification, is the individual entitled to TEUC based on the prior benefit year?

Answer: No. The "applicable benefit year" for TEUC is the current benefit year where the disqualification has been imposed. The TEUC monetary is determined based on the regular benefit monetary determination prior to wage cancellation. However, any requalifying requirement imposed by the disqualification applies to TEUC eligibility.

b. **Question:** In some cases, due to the receipt of severance pay, an individual's eligibility for regular compensation may be postponed or reduced. This may result in no regular compensation being paid during the benefit year. Even though no benefits were ever actually paid, are these individuals considered to be "exhaustees?"

Answer: Yes. See UIPL No. 17-02, Implementation and Operating Instructions, Section III.5.(b).

4. <u>Monetary Eligibility</u>

a. Question: May individuals who have their base period wage credits canceled or who have had their regular maximum benefit amount reduced to one week establish a TEUC claim? If "yes," what is the TEUC monetary based on?

Answer: Yes. The individual's the original monetary determination before wage cancellation or benefit reduction. See UIPL No. 17-02, Implementation and Operating Instructions, Section III.5.(b)(2)(C). The rationale for this position is that the individual's penalty. To base TEUC entitlement on a lesser redetermined amount (such as one week) would be tantamount to imposing a second penalty for the same disqualifying act. Whether or not the individual is immediately eligible for TEUC depends on the requalifying requirements imposed by state law.

b. Question: If the calculation of the monetary entitlement at 50 percent of regular monetary entitlement results in an amount (dollars and cents) requiring rounding, are state law rounding provisions followed?

Answer: Yes. States are to round up or down in accordance with their laws.

c. Question: My state's benefit amount (MBA) for regular compensation is the lesser of 26 times the weekly benefit amount (WBA) or one-third of the base period wages credits. When an individual is unemployed due to a plant closing, my state pays up to 13 additional weeks of benefits by calculating the MBA payable for regular compensation plus the additional compensation as the lesser of 39 times the WBA or one-half of the base period wage credits. State law does not specifically define these benefits as additional compensation. Are the plant closing benefits considered additional compensation for TEUC purposes?

Answer: Yes. These benefits meet the definition of "additional compensation" (commonly called additional benefits) as defined at 20 CFR 615.2(f) as benefits paid "... by reason of other special factors...." As such, these benefits are excluded from use in the calculation of TEUC monetary entitlement and TEUC may be paid prior to these benefits. Section 202(b)(2), TEUCA, does not

require, as a condition of TEUC eligibility, exhaustion of additional benefits.

5. **Base Period Employment Requirement**

a. **Question:** The individual's base period employment and wages meet the requirement of 20 weeks of full-time work or its equivalent. The state's formula for calculating the weekly benefit amount allows weeks with low earnings to be excluded in the determination of the individual's weekly benefit amount. Does this individual's base period employment and earnings meet the requirements of Section 202(d)(2)(A), TEUCA?

Answer: Yes. Section 202(d)(2)(A), TEUCA requires the application of Section 202(a)(5), EUCA, to the determination of TEUC entitlement. Section 202(a)(5), EUCA, requires an individual to have base period employment of 20 weeks of full-time work or its equivalent, as defined by state law, to qualify. It does not require all of the employment and wages to have been used in the determination of monetary entitlement of the applicable benefit year.

b. **Question:** The individual has covered employment and wages in more than one state. The individual has established a benefit year based on wages from state A only because the base period wages from state B do not increase the weekly or maximum benefit amount. Therefore, no combined wage claim was established and state A returned the wages to state B. May state A use the information from the TC-IB4 wage transfer, that it received from state B, as evidence of sufficient employment and wages in the base period of its claim to satisfy the 20-weeks-of-full-time-work requirement or its equivalent for TEUC entitlement?

Answer: Yes. Section 202(a)(5) of EUCA requires an individual to have a specified amount of base period employment and wages to qualify. It does not require all of the employment and wages to have been used in the determination of monetary entitlement of the applicable benefit year.

c. **Question:** The individual has existing benefit years ending during or after the week of March 15, 2001, in more than one state. The applicable benefit year for TEUC is in state B. The employment and wages used in the monetary determination of the claim in state A meet the 20-weeks-of-work or equivalent requirement. The employment and wages used in the monetary determination

of the TEUC "applicable benefit year" in state B do not meet the base period work requirement. May state B use information from state A, obtained via the Interstate Inquiry (IBIQ) or the combined wage program TC-IB4, to verify that the individual had sufficient out-of-state covered employment and wages in the base period of the claim in state B to satisfy the 20-weeks-of-work or equivalent requirement?

Answer: Yes. Section 202(a)(5) of EUCA requires an individual to have a specified amount of base period employment and wages to qualify. It does not require all of the employment and wages to have been used in the determination of monetary entitlement of the applicable benefit year.

6. <u>Seasonality Provisions/Between Terms Denial</u>

a. Question: Under my state's wage credits in the base period are used to determine monetary eligibility. However, for a seasonal worker, benefits based on seasonal wages may be paid only during the normal seasonal period. Is a seasonal worker, with a combination of seasonal and non-seasonal base period employment, who has exhausted all non-seasonal benefits and is currently ineligible for benefits based on seasonal employment considered an "exhaustee" for TEUC purposes?

Answer: Yes. See UIPL No. 17-02, Implementation and Operating Instructions, Section III.5.(b)(2)(B).

b. Question: Under my state's benefits based on seasonal wages may be paid only during the normal seasonal period for which the seasonal wage credits were earned. Is a seasonal worker, whose monetary determination is based solely on seasonal wages and who is ineligible because of the seasonality provisions, considered an "exhaustee" for TEUC purposes?

Answer: Yes. See UIPL No. 17-02, Implementation and Operating Instructions, Section III.5.(b)(2)(B)

7. <u>TEUC EB Period/TEUC-X Determinations</u>

a. Question: How are the TEUC-X EB period "on" and "off" dates determined?

Answer: The TEUC EB period triggers "on" and "off" in the same manner as an EB period under EUCA. The TEUC EB period begins with the third week beginning after the week for which there is an "on" indicator and it ends

with the ending of the second week that begins after the week of the "on" indicator.

The TEUC Trigger notice shows all states that are in a TEUC EB period, which includes those in a regular EB period and those using the 4 percent trigger. The 13-week minimum duration of the TEUC EB period began for some states based on the 4 percent trigger prior to the enactment of the TEUC Act because of the way the trigger functions. If a state's insured unemployment TEUC EB period will end consistent with the beginning date shown.

b. **Question:** Does the ending of the TEUC EB period result in the ending of TEUC-X payments in a state?

Answer: No. Once an individual has been determined entitled to TEUC-X, the benefits are available through the end of the TEUC program. Whether a state is in a TEUC-EB period only affects whether the individual is entitled to an account augmentation of TEUC-X.

c. **Question:** When an individual exhausts initial TEUC entitlement, what determines whether the balance in the account is augmented by an amount equal to the amount of the initial TEUC maximum benefit amount?

Answer: If a TEUC-X EB period is in effect during the week of unemployment for which the final payment of initial TEUC entitlement is made, the individual's amount equal to the amount of the initial TEUC MBA. When a state is not in a TEUC-X EB period during such week, the individual is not entitled to TEUC-X.

d. **Question:** When the balance in the TEUC account is less than the WBA and the individual qualifies for TEUC-X, is TEUC-X payable for that same week?

Answer: Yes. Section 203(c)(1), TEUCA, provides that, "if, at the time the individual's account is exhausted, such individual's state is in an extended benefit period…, then, <u>such account shall be augmented by an amount equal to the original amount."</u> [Emphasis added.] This provision provides for automatic replenishment of the TEUC account upon exhaustion. As a result, TEUC-X is payable for the week of exhaustion. If the state can accomplish augmentation of the account after payment authorization, that reduces the TEUC balance to zero and

before check writing, the TEUC payment and the TEUC-X adjustment may be issued in a single check.

8. Work Search/Job Service Registration/Able and Available

a. **Question:** Do state law provisions regarding able, available and actively seeking work apply to TEUC?

Answer: Yes. Under Section 203(a)(2), TEUCA, "the terms and conditions of the state law which apply to claims for regular compensation and the payment thereof" apply to TEUC.

b. **Question:** For TEUC claims, my state plans to electronically reactivate prior work registrations and require the same number of job contacts as on the parent claim. Are these procedures inconsistent with any federal requirements?

Answer: No. State law work search and employment service registration requirements apply to TEUC eligibility.

9. Adjudication of Issues

a. **Question:** My state adjudicates all separations from the beginning of the base period to the time a claim is filed. Does this provision of state law apply to TEUC claims?

Answer: Yes. The state is expected to adjudicate all potentially disqualifying separations preceding and during the TEUC claim in accordance with state law applicable to claims for regular compensation.

10. TEUC Benefit Intercept

No new questions.

11. Overpayments/Prosecutions

a. **Question:** When state law does not contain an overpayment waiver provision, states may elect to waive non-fraudulent TEUC overpayments. UIPL No. 17-02, IV.6.b. (2) lists the following three factors that must be considered in determining whether equity and good conscience exists. Whether: 1) the overpayment was the result of a decision on appeal; 2) the state gave notice that the individual may be required to repay the overpayment in the event of a reversal of the eligibility

decision on appeal; and 3) whether recovery of the overpayment will cause financial hardship to the individual. Does this mean that a waiver may only be granted if all three conditions are met?

Answer: No, but each factor should be considered.

b. **Question:** During the Emergency Unemployment Compensation program during the early 1990s, states were advised to refer fraud cases to the USDOL Office of Inspector General (OIG) for prosecution under Section 1001 of Title 18 USC. Those cases referred were not prosecuted under the federal statute and resulted in cases that could have been prosecuted under state law not being prosecuted because the statute of limitations expired before the state was notified that federal prosecutions would not be pursued. How is USDOL going to handle prosecution of TEUC fraud overpayment?

Answer: States should pursue TEUC fraud cases consistent with the way all other state and federal claims are handled. At this time, states should not refer individual cases to the USDOL-OIG. However, should the state suspect any multi-state or multi-claimant cases, these should be referred to the OIG.

c. **Question:** If an individual has been overpaid TEUC and the amount of the overpayment exceeds the amount remaining in the TEUC account, may the offset percentage exceed 50 percent?

Answer: No. The TEUCA provides that "no single deduction" to recover a TEUC overpayment "may exceed 50 percent of the weekly benefit amount from which the deduction is made."

d. **Question:** Section 206(b), TEUCA, allows a state to waive certain TEUC overpayments if it determines that the payment of TEUC was without fault on the part of the individual and repayment would be contrary to equity and good conscience. UIPL No. 17-02, Implementation and Operating Instructions, Section IV. 6.b. states that, if the state law contains waiver provisions for regular compensation, the state provisions may be applied to TEUC. The instructions do not require that the waiver criteria of the state provisions must conform to the waiver criteria set forth in UIPL No. 17-02. Additionally, UIPL No. 18-02, TEUC - Questions and Answers, 11.a. references the "equity and good conscience" criteria in stating that applying a waiver

is voluntary on the part of the state. Does this mean that the state is precluded from applying its state law waiver provision unless it conforms to the "equity and good conscience" requirements of Section 206(b), TEUCA, and may only elect to apply the TEUC waiver criteria as provided in UIPL No. 17-02, Implementation and Operating Instructions, Section IV.6.b?

Answer: No. A state is not precluded from applying its state law waiver provisions if they are, at a minimum, consistent with the requirements of Section 206(b), TEUCA.

e. **Question:** Are states required to use only benefit offsets to recover TEUC overpayments?

Answer: No. A state is to use the full range of recovery tools applicable to regular compensation. See UIPL No. 17-02, Implementation and Operating Instructions, Section IV.6.b.(9).

f. **Question:** When an individual has been overpaid TEUC, is the amount of the overpayment restored to the account at the time the overpayment determination is issued or is it restored as it is recovered?

Answer: The full amount of the overpayment is restored to the individual's account at the time the determination is issued. As a result, an individual may have an outstanding TEUC overpayment and still be eligible for a weekly payment, subject to the offset to recover the overpayment.

g. **Question:** My state is considering adopting an administrative rule for waivers of TEUC overpayments. UIPL No. 17-02, Implementation and Operating Instructions, IV.6.b.(2) sets out three factors which "shall be considered" by states in determining whether equity and good conscience exists. The first of these is "whether the overpayment was the result of a decision on appeal." Does this mean that if an overpayment is the result of a decision on appeal, that fact alone may be grounds for granting a waiver?

Answer: Yes. Even though the state should consider all of the factors, if the individual's constitute grounds for waiver.

12. Short - Time Compensation (STC) Program

a. **Question:** Since my state limits an individual's participation in a STC program to 26 weeks, the individual could (1) continue to work the reduced work week under the STC plan, (2) be ineligible for STC, and (3) have a balance remaining on the regular claim. Is this person an exhaustee for TEUC purposes? If so, do we determine the amount payable each week using STC criteria or regular criteria? How is the individual's TEUC MBA calculated?

Answer: This individual is an exhaustee for TEUC purposes because, even though a balance may remain on the claim, the individual has no rights to regular compensation. If the individual continues to work a reduced work week as provided under the STC plan, then TEUC is to be paid under the state pertaining to STC. However, if the individual no longer works the reduced work week under the STC plan, then the requirements will no longer be applicable and eligibility requirements for regular compensation apply. As a result, if a balance remains on the regular claim, the individual is no longer an exhaustee for TEUC purposes. The TEUC MBA is based on the MBA of regular compensation payable to the individual during the benefit year, even if the STC plan limits the amount payable during the STC plan, since the claimant could be laid off and be entitled to the total balance.

b. **Question:** When regular benefits are paid to individuals participating in a "work-sharing program," the criteria for earnings deductions is based on a percentage of the earnings instead of deducting earnings on a dollar-for-dollar basis as we do with regular claims. Does the STC deduction criteria apply to TEUC? If "yes," does the state law provision that limits the number of weeks payable also apply to TEUC work-sharing benefits?

Answer: Yes, to both questions. As stated in a. above, TEUC is to be paid under the state law's pertaining to STC.

13. Approved Training

No new questions.

14. Self-Employment Assistance

a. **Question:** In the attachment to UIPL No. 18-02, the response to question 14.a. states that an individual may not receive SEA allowance in lieu of any

unemployment compensation except regular compensation. It also stated that if an individual is terminated or voluntarily left the SEA program the individual may qualify for TEUC as an exhaustee. Does this mean that an individual may qualify for TEUC if the state officially terminates an individual's program or an individual withdraws solely for purposes of removing a barrier to qualifying for TEUC?

Answer: Section 3306(t)(6), FUTA, provides that a state SEA program must meet such "requirements as the Secretary of Labor determines to be appropriate." Further, the purpose of the SEA program is to "help speed the transition" of workers "back into the work force." (H. R. Rep. No. 361, Part 1, 103rd Cong. 1st Sess. 94 (1993), quoted in UIPL No. 14-94.) Therefore, consistent with the FUTA requirements, the state may, on its own motion, terminate an individual from its SEA program if the individual's himself/herself in self-employment have failed. However, it may not terminate an individual simply to qualify that individual for TEUC. With respect to an individual withdrawing from a SEA program solely to qualify for TEUC: The same terms and conditions that apply to regular compensation apply to the payment of TEUC. Therefore, if an individual leaves the SEA program by abandoning self-employment, the state, to determine TEUC eligibility, will need to determine whether the individual meets state law eligibility requirements for regular compensation. Under state law it may be, for example, that the leaving of the self-employment (especially if the only reason given is to collect TEUC) itself is cause for ineligibility.

b. **Question:** Do individuals who apply for admittance into the SEA program for the first time need to be notified that their participation will cause them to be ineligible for TEUC?

Answer: No. The goal of the SEA program is that an individual will successfully develop the ability to work in self-employment. It is not necessary to advise new entrants that TEUC (or EB or any other benefit extensions) would not be available if this goal is successfully attained. If the goal of self-employment is not realized and the individual would otherwise be eligible under state law, the individual may be eligible for TEUC.

15. TEUC Effect on Trade Readjustment Assistance (TRA)

a. **Question:** If a state mistakenly pays TRA instead of TEUC, may the state make a bookkeeping adjustment to correct the funding source instead of establishing a TRA overpayment, paying the individual TEUC for the same week(s), and recovering the TRA overpayment at 50 percent of the TEUC weekly benefit?

Answer: Yes. The benefits paid were mischaracterized.

b. **Question:** If an individual with an applicable benefit year for TEUC purposes is in training and is receiving up to 26 weeks of "additional" TRA, must TEUC be paid before additional TRA?

Answer: Yes. Entitlement to TEUC requires suspension of additional TRA the same as regular TRA. After exhaustion of TEUC, the individual may resume eligibility for additional weeks of TRA, provided the fixed 26-consecutive weeks period for additional TRA has not elapsed. Additional TRA may not be paid beyond the fixed 26-consecutive weeks period.

c. **Question:** An individual has received 26 weeks of regular benefits and 22 weeks of basic TRA prior to March 10, 2002. TRA payments are suspended and the individual receives 13 weeks of TEUC. Does a TRA overpayment exist because the combination of regular, TRA and TEUC exceed 52 weeks of benefits?

Answer: No. Receipt of TEUC does not reduce the individual's TRA entitlement that was payable prior to the weeks of unemployment for which TEUC was payable. In this case, the individual was entitled to 52 weeks of TRA less any unemployment compensation received. At the time of the TEUC application, the individual had received a total of 48 weeks (26 UI and 22 out of 26 TRA). TRA was suspended and the individual received 13 weeks of TEUC. The remaining balance of four weeks of basic TRA is reduced to zero by the TEUC payment made for the weeks of unemployment for which TRA would have been payable in the absence of TEUC.

Additionally, TRA does not reduce TEUC entitlement as section 233(d) of the Trade Act only relates to a reduction of Federal-State Extended Benefits (EB) entitlement, not TEUC.

d. **Question:** UIPL No. 17-02, Section III.5.(e)(1) states that TEUC will reduce the "maximum amount of basic TRA

payable..."; does this mean that states will have to issue a monetary redetermination of the basic TRA entitlement, or is there a special required notice to current TRA individuals when TRA is reduced by receipt of TEUC?

Answer: TRA claimants must be provided with an appealable determination that reduces or eliminates the balance of basic TRA payable by an amount equal to TEUC paid or payable for weeks of unemployment prior to the exhaustion of basic TRA entitlement.

e. **Question:** If an individual has received 26 weeks of UI and 26 weeks of basic TRA, is the individual entitled to TEUC, if otherwise eligible?

Answer: Yes. TRA is not deductible from TEUC. Therefore, TEUC is payable to the individual if all other eligibility requirements are met. TEUC does not retroactively cause the overpayment of basic TRA paid for weeks prior to weeks for which TEUC is payable.

16. **Reporting Requirements**

a. **Question:** Does the reference to entitlement type "code 2" for reporting on the ETA 5159 relate to the identification and reporting of nonmonetary determinations.

Answer: No. This code identifies TEUC data, in field 28 as federal benefit extension, on the Liable-Agent Data Transactions (LADT) which is the record for the weekly interstate data exchange.

b. **Question:** Do TEUC and TEUC-X benefit activity have to be reported separately?

Answer: No. There is a single TEUC program.

c. **Question:** When an individual exhausts TEUC first tier and qualifies for TEUC second tier, is the exhaustion of the first tier reported on the TEUC ETA 5159?

Answer: No. Exhaustion of the initial TEUC monetary award is not a reportable exhaustion if the individual meets the requirements to receive TEUC-X. Therefore, when the state is in a TEUC-X period, only final payments that exhaust TEUC-X are reportable.

d. **Question:** Is a separate SF-269 required for reporting TEUC administrative costs? If yes, when is the first report due?

Answer: Yes. However, no SF-269 report will be required for the quarter ending March 31, 2002. The first report for TEUC is due after the end of the June 30, 2002, quarter. That report will cover the period March 9, 2002, through June 30, 2002.

e. **Question:** How will states be reimbursed for administrative costs for the quarter ending March 31, 2002?

Answer: Administrative costs for the quarter ending March 31, 2002, will be reimbursed after receipt of a modified UI-3 (Quarterly UI Contingency Report). Because of the large increase in workload, advances for TEUC administration for the June 2002 quarter are available. Instructions will be issued soon.

f. **Question:** Are the ETA-2112 reporting requirements in UIPL No. 17-02, Implementation and Operating Instructions, Section VI being changed? If yes, what are the revised requirements?

Answer: Yes, the reporting requirements are being changed. All TEUC benefits will be reported on Line 39 of the ETA 2112. TEUC payments to former employees of reimbursable employers will not be reported on Lines 33, 34 and 35. TEUC UCFE and UCX payments will not be reported on Lines 36 and 43. In the "comments" section, the amount reported on Line 39 should be broken out on three lines as follows:

(1) <u>Regular</u> - TEUC benefits paid to former employees of contributory employers.

(2) <u>Reimbursable, Federal, and Special Contributory</u> -TEUC benefits paid to former employees of the federal government (UCFE and UCX), state and local government (contributory or non contributory) Section 501(c) (3) employers (contributory or non contributory employers to which Section 3309(a) (1) of the Internal Revenue Code applies), and Indian Tribes (contributory or non contributory.

(3) <u>Expired Program Transations</u> – any residual activity for expired federal benefit extension programs, e.g., recoveries of EUC overpayments.

Change 1 to UIPL No. 17-02 reflecting this change will be issued shortly.

17. Interstate Benefits/Combined Wage/ICON Applications

a. **Question:** For combined wage claims, are paying states required to prepare and transmit a Report on Determination of Combined-Wage Claim, TC-IB5 and a Statement of Benefits Paid to Combined-Wage Individuals, TC-IB6, to transferring states on TEUC claims?

Answer: No. Paying states are to charge all TEUC payments to the EUCA account. No TC-IB5s or TC-IB6s are to be sent to the transferring states.

b. **Question:** Under interstate and combined wage procedures, when an individual is indefinitely disqualified under state and has sufficient employment and wages to qualify under state law, the individual is allowed to file against state B. When an individual has existing benefit years ending during or after the weeks of March 15, 2001, in state A and state B and is indefinitely disqualified in state B, does the individual have the option of filing TEUC using the claim in state A?

Answer: No. Only the claim in state B meets the definition of an "applicable benefit year" for TEUC purposes. (See UIPL No. 17-02, Implementation and Operating Instructions, Section II, Item 4.)

c. **Question:** Under EB rules, when the liable state is in an EB period, an individual residing in an agent state that is not in an EB period is eligible for only two weeks of EB payments. When the liable state elects to pay EB before TEUC, are the individuals filing from agent states that are not in an EB period or Canada considered exhaustees for TEUC purposes after the two weeks of EB have been paid?

Answer: The two-week limitation found in Section 202(c), EUCA, does not apply to claims filed from Canada. If the state has elected to pay EB before TEUC, EB is payable to individuals filing from Canada if they are otherwise eligible. When an individual filing from Canada becomes an exhaustee, the individual will qualify for TEUC if all other qualifying requirements are satisfied.

With respect to an individual filing from an agent state that is not in a regular EB period, that individual is an

exhaustee for TEUC purposes after the two weeks of EB are paid. If the individual relocates to a state (agent or liable) that is in a regular EB period and EB is again payable, the individual ceases to be an exhaustee for TEUC purposes.

18. Claims Filed by Aliens

a. Question: If an alien was eligible for UI on a regular claim, is the alien automatically eligible for TEUC?

Answer: No. To qualify for TEUC, the individual must be a citizen, a non-citizen national, or a "qualified alien." "Qualified alien" status must be verified through procedures of the state agency as applied to other federal unemployment compensation programs.

19. Application of Worker Profiling and Reemployment Services (WPRS) to TEUC Individuals

a. Question: Are individuals filing for TEUC subject to selection and/or services under the Worker Profiling and Reemployment Services (WPRS) program?

Answer: No. TEUC individuals do not have to be profiled; only individuals filing new claims for regular compensation must be profiled.

20. TEUC Eligibility for Individual Filing from Canada

a. Question: May individuals filing from Canada qualify for TEUC?

Answer: Yes. (See Q & A 17.c. above.)

21. TEUC and Benefit Accuracy Measurement (BAM) Sampling

a. Question: Are TEUC claims included in the BAM survey population?

Answer: No. TEUC weeks claimed or paid are not included in the BAM paid claims or denied claims samples. Refer to BAM State Operations Handbook, ET Handbook No. 395, Chapter III, pp. 12-15.