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Section V – Fiscal Instructions

1. Payment to States. Under Section 204 of the Act each state that has entered into an agreement to pay TEUC will be paid an amount equal to 100 percent of the amount of TEUC paid to individuals by the state under the agreement and in full accordance with the Act and these instructions.

a. Requesting TEUC Benefit Funds. States will request funds from the Extended Unemployment Compensation Account (EUCA) to pay all TEUC benefits attributable to all claim types (UI, UCFE, and UCX). Drawdown procedures are not changed --- all requests go through the Automated Standard Application for Payments (ASAP) system. Drawdown requests must adhere to the funding mechanism stipulated in the Treasury-State Agreement executed under the Cash Management Improvement Act of 1990. Requests will be funded in the same manner as all ASAP transactions elected by the states (FEDWIRE or ACH to the state benefit payment account). See paragraph 3 of this section for specific instructions.

Benefits paid to former employees of state and local governments, "501(c)(3)" nonprofit organizations and federally recognized Indian tribes are funded from U.S. Treasury general revenues through the EUCA. This does not affect the process for requesting funds, but does affect the reporting of those benefits on the ETA 2112. States are to report all TEUC payments, including reimbursable, UCFE/X on line 39, column F. (Note that it does not matter whether these employers have elected reimbursement status.) See the reporting instructions in Section VI for details.

b. TEUC Administrative Funds. Section 205(c) of the Act appropriated funds from the Employment Security Administration Account (ESAA) in the Unemployment Trust Fund, to pay costs related to the administration of the TEUC agreement. Section 205(c) also authorizes the Secretary to determine each state's share of the amount appropriated according to the factors described in section 302(a) of the Social Security Act (42 U.S.C. 501(a)). States will receive TEUC administrative funds through the contingency entitlement process. (See Section VI, Paragraph 3.h.)

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2. TEUC Reporting Instructions.

a. Obligational Authority. The Grant Officer will assign a separate line on the UI program notices of obligational authority for TEUC grant funds, and a separate sub-account for TEUC will be set up in the Payment Management System for SWAs to draw down TEUC administrative funds.

b. Administrative Fund Accounting. Because of the separate appropriation for TEUC administrative funds and the availability of these funds until expended, SWAs must track and report TEUC administrative expenditures and obligations separately from the regular UI program. Therefore, SWAs should establish a separate fund ledger and must submit a separate SF 269 for the TEUC program. SWAs should include any TEUC administrative expenditures and obligations incurred in March 2002 in their June 30, 2002, TEUC SF 269 report.

c. Time Distribution. To ensure that regular UI and TEUC costs are tracked separately, SWAs should charge time used for all TEUC activities to the appropriate UI functional activity codes (as outlined in Appendix E to ET Handbook No. 410) under the separate TEUC fund ledger; however, SWAs should combine regular and TEUC staff year usage data in Section A of the UI-3 worksheet.

d. Accounting for TEUC Payments (Benefits).

(1) TEUC advances to the states' UTF accounts, and disbursements for TEUC benefit payments will be reported on the monthly ETA 2112. Do not use a separate form for this report. (See Section VI, Reporting Instructions.) Accurate reporting of advances, reimbursements and payments is important due to the monthly reconciliation of balances with OWS records; balances are subject to constant congressional and public inquiries.

(2) Since TEUC paid to UCFE and UCX will be funded out of General Revenues, the Federal Employees Compensation (FEC) Account will not be used to pay TEUC

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benefits. Therefore, federal agencies will not be required to reimburse the Unemployment Trust Fund for TEUC paid to federal employees. The ETA 191 report and UCFE/UCX detailed claimant data provided by states to Federal agencies must **exclude** TEUC.

3. Drawdown Instructions for TEUC. Beginning on March 15, 2002, the Automated Standard Application for Payments System (ASAP) will have new lines for making drawdowns to pay TEUC benefits. The lines are clearly labeled TEUC and may be broken down by type of payment - for former employees of contributory employers, UCFE/X, or reimbursable and special contributory employers. The Bureau of Public Debt, managers of the UTF, will immediately inform state users of the ASAP of any modifications to screens or drawdown instructions.

a. Processing Refunds. There are two scenarios for returning funds to these program lines. The most likely scenario will be when the state has funds in their state UI account and they need to return those funds. This should be completed as a negative amount posted to the appropriate line in ASAP. To accomplish this, the total draw for the day in ASAP must be greater than the negative balance posted to the appropriate line.

The second scenario is when a state actually has the funds in its federal UI account that are required to be returned to the appropriate program line. This should be accomplished by the state processing a book transfer transaction that accomplishes a transfer from its UI account to the appropriate program under the EUCA account.

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1. General. The TEUC program reports, ETA 207, ETA 218, ETA 227, ETA 5130 and ETA 5159 should be submitted electronically by utilizing separate TEUC entry screens that are available through the UI Required Reports electronic reporting system. These reports will mirror the reports required for the regular Federal-State Extended Benefits program. TEUC activity should also be reported on the ETA 2112, ETA 539 and UI-3 as specified below in section 2. Unless otherwise noted, definitions of items will follow definitions in the regular program as specified in ETA Handbook 401, 3rd Edition. Due dates will be the same as the regular versions of reports.

Reporting will begin with the first reporting period in which the effective date of the TEUC program falls. Reporting for all

Reports except the ETA 2112 will continue for twelve full months

or four full quarters after the last payable week of the TEUC program. For those reporting periods in this post-TEUC time-frame, only reports, which have non-zero data, need be submitted. Reporting on the ETA 2112 should continue for as long as there is activity.

2. Data Items to be Reported.

a. ETA 207. Report column 1, Total Determinations and Redeterminations, for lines 101 through 106. Report also lines 201 and 202, columns 7 through 10; and lines 301 and 302, columns 11, 12, 14, and 17.

b. ETA 218. Report line 100, columns 1 through 3.

c. ETA 227. Report Section A, Overpayments Established, lines 101 and 103, for columns 2 through 5. Also report all of Section C, Recovery/Reconciliation, excluding lines 303-307, columns 11-14.

d. ETA 5130. Report all data elements.

e. ETA 5159. For Section A Claims Activities, report initial claims information for columns 2 through 5 and column

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7 for lines 101 through 103. Report eligibility reviews and continued weeks claimed activity for columns 8 through 12 for lines 201 through 203. The claims information needed for column 11 for lines 201 through 203 will be identified as entitlement type "code 2" (Federal Benefit Extension) in field number 28 on the Interstate Liable-Agent Data Transactions (LADT). For Section B, Payment Activities, report columns 14, 15, 17, 18, and 19 for lines 301 through 302 and columns 21 and columns 24 through 28 for line 303.

(1) First Payments. Report the first payment under TEUC program. Do not report the first payment after TEUC-X augmentation as a first payment.

(2) Final Payments. A final payment is to be reported when a payment is issued that exhausts the benefit entitlement in the individual's TEUC account. When the state is in an EB period or a TEUC-X period, only payments that exhaust a TEUC account that has been augmented with TEUC-X is reported as a final payment.

f. ETA 2112. Regular activity should be reported in the aggregate on the electronic regular ETA 2112 report as usual. Information reflecting TEUC activity should be reported as follows:

Line 15. Reed Act Distributions. Include all Reed Act distributions to the state account in the UTF.

Line 16. Intra-Account Transfer. Include in line 16F the amount of TEUC funds transferred from the UTF to the state benefit payment account.

Line 23. Federal Emergency Compensation. Enter in columns C and E the amount of Federal funds received as advances or reimbursement for TEUC.

Lines 33, 34, 35. Enter total benefits paid, attributable to state and local governments, "501(c)(3)" nonprofits, and Indian tribes, as appropriate, on the appropriate line for the type of employer, **excluding TEUC benefits**.

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Line 36. FECA Net Federal Benefits - UCX. Enter in columns C and F the net Federal portion of unemployment compensation paid to former members of the armed services, **excluding TEUC**. The total payments should be adjusted for refunds deposited during the month, credits and recharges, and cancellations and reissuances.

Line 39. Federal Emergency Compensation. Enter in columns C and F the net amount for which the federal government is liable for TEUC, **including UCFE and UCX** and federal emergency programs. Include residual activity (e.g., overpayment recoveries) from expired emergency programs (e.g., EUC, FSC, FSB). Break out **all disbursements by program** in the "Comments" section as follows:

(1) Regular - TEUC benefits paid to former employees of contributory employers.

(2) Reimbursable, Federal, and Special Contributory - 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) Expired Program Transactions - any residual activity for expired federal benefit extension programs, e.g., recoveries of EUC overpayments.

Line 41. Reed Act Withdrawals. Enter all Reed Act funds withdrawn from the state account in the UTF.

Line 43. FECA Net Benefit Payments - UCFE. Enter in columns C and F the net Federal portion of unemployment compensation paid to former federal civilian (including postal) employees, **excluding TEUC**. The total payments should be adjusted for refunds deposited during the month, credits and recharges, and cancellations and reissuances.

Line 50. Withholding. States are to report gross benefits in column F regardless whether amounts of withholding

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transferred to the IRS goes through the state benefit payment account. See ETA Handbook 401, 3rd Edition, for specific instructions. **Line 16 F must equal Line 44E.**

g. ETA 539. Total weeks claimed for State, UCFE, and UCX under the TEUC program for the report period will be reported in the comments section and labeled as "TEUC" followed by the number. For example: "TEUC=239". (The agent weeks claimed information needed for this report will be obtained from the LADT identified in field 28 as "code 2", Federal Benefit Extension.)

h. UI-3 Worksheet. Report combined staff year figures for the UI regular and TEUC programs in Section A of the regular UI-3 report. TEUC claims workload and staff years will be shown on the lines for third tier programs in Section B of the regular UI-3 report.

3. Notification of a TEUC-X Trigger. States with a TEUC agreement with the Secretary may already have triggered or may trigger a TEUC-X period under the requirements of Section 203(c) of the Act. A letter from the governor or appropriate state official declaring that the state has triggered either on or off the TEUC-X period based on the 4 percent IUR is required in the same manner as for an EB period under EUCA.

States with a 4 percent IUR as of enactment of the TEUC Act should immediately declare a TEUC-X period indicating a beginning date in accordance with the requirements of 20 CFR 615.12. Send letter to:

Ms. Grace Kilbane
Office of Workforce Security
200 Constitution Avenue, N.W.
Room S-4231
Washington, D.C. 20210

Any paper reports should be faxed to 202-693-3229 instead of mailing. The cover sheet should indicate delivery to UI Required Reports.

4. OMB Approval. These instructions have been submitted to the Office of Management and Budget (OMB), but have not yet

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been approved. Therefore, they should be considered draft instructions of proposed data collections. ETA will notify states upon OMB approval and communicate any changes deemed necessary during the OMB approval process.