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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 17-20

TO: STATE WORKFORCE AGENCIES

**FROM: JOHN PALLASCH /s/
Assistant Secretary**

**SUBJECT: Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020—
Pandemic Emergency Unemployment Compensation (PEUC) Program
Operating, Financial, and Reporting Instructions**

1. **Purpose.** To provide states with operating, financial, and reporting instructions for the PEUC program authorized by Section 2107 of the CARES Act of 2020, Public Law (Pub. L.) 116-136.
2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that State Workforce Administrators provide the information in this Unemployment Insurance Program Letter (UIPL) and all attachments to appropriate program and other staff in state workforce systems as they implement the Unemployment Insurance (UI)-related provisions in the CARES Act that respond to the economic effects of the Coronavirus Disease 2019 (COVID-19).
3. **Summary and Background.**
 - a. **Summary.** On March 27, 2020, the President signed into law the CARES Act, which includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. Section 2107 of the CARES Act creates a new temporary federal program called Pandemic Emergency Unemployment Compensation (PEUC) that provides up to 13 additional weeks of benefits to individuals who have exhausted their regular unemployment compensation (UC) entitlement and also provides funding to states to administer the program.
 - b. **Background.** The CARES Act was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways. The CARES Act includes a provision that provides temporary benefits for individuals who have exhausted their entitlement to regular UC and coverage for individuals who are not eligible for regular UC, such as individuals who are self-employed or have limited recent work history. These

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individuals may include certain gig economy workers, clergy and those working for religious organizations not covered by regular UC, and other workers who may not be covered by the regular UC program under their respective state laws.

This UIPL focuses on Section 2107 of the CARES Act, which authorizes the temporary PEUC program. In short, this program provides eligible individuals with up to 13 additional weeks of benefits to individuals who have exhausted their regular unemployment compensation (UC) entitlement.

Importance of Program Integrity. The programs and provisions within the CARES Act operate in tandem with the fundamental eligibility requirements of the Federal-State UI program, which remain in place and must be adhered to. In addition, some of the CARES Act programs include new eligibility requirements which states will need to apply. These requirements include that individuals are only entitled to benefits if they are no longer working through no fault of their own and that individuals must be able and available to work.

States play a fundamental role in ensuring the integrity of the UI program. While states have been provided some flexibilities as a result of COVID-19, those flexibilities are generally limited to dealing with the effects of COVID-19, as discussed in UIPL Nos. 10-20, 13-20, 14-20, 15-20, and 16-20. States must ensure that individuals only receive benefits in accordance with these statutory provisions.

Further, quitting work without good cause to obtain UI benefits is fraud. Section 2107(e) expressly provides that if an individual has obtained these benefits through fraud, the individual is ineligible for any additional benefit payments, must pay back the benefits, and is subject to criminal prosecution under 18 U.S.C. §1001 and other Federal laws. States are expected to enforce these statutory provisions.

The Department is actively working with states receiving funding under the CARES Act to provide UI benefits only to individuals who are entitled to such benefits. The Department will also be actively engaged with its Office of the Inspector General (OIG) to ensure program integrity. The CARES Act includes an appropriation of \$26 million to the Department's OIG to carry out audits, investigations, and other oversight activities related to states' adherence to existing UI laws and policies, as well as the provisions of the CARES Act.

4. **Guidance.** Key information about the PEUC program is provided below, including an overview of the PEUC program, important program dates, funding of PEUC benefits and administration, and reporting and other instructions.

- a. **Program overview.**

PEUC is a temporary program that provides up to 13 weeks of 100% Federally-funded benefits to individuals who:

- have exhausted all rights to regular compensation under state law or Federal law with respect to a benefit year that ended on or after July 1, 2019;
- have no rights to regular compensation with respect to a week under any other state UC law or Federal UC law, or to compensation under any other Federal law;
- are not receiving compensation with respect to a week under the UC law of Canada; and
- are able to work, available to work, and actively seeking work, while recognizing that states must provide flexibility in meeting the “actively seeking work” requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

For purposes of PEUC eligibility, an individual is deemed to have exhausted benefits when:

- no payments of regular UC may be made under state law because such individual has received all available regular UC based on employment or wages during such individual’s base period; or
- the individual’s right to such regular UC has been terminated by reason of the expiration of the benefit year with respect to which such rights existed (excluding any benefit year that ended before July 1, 2019).

The payment of Extended Benefits (EB) for which an individual is otherwise eligible must be deferred until after the payment of any PEUC for which the individual is concurrently eligible. Refer to UIPL No. 14-20 for additional information on the coordination of programs.

- b. **Important program dates.** PEUC is payable in a state beginning the week following the week in which an agreement is signed with the Secretary (see definition of “Agreement” in Attachment I, section B). In states where the week of unemployment ends on Saturday, the first possible week for which PEUC may be paid is the week ending April 4, 2020. In states where the week of unemployment ends on Sunday, the first possible week for which PEUC may be paid is the week ending April 5, 2020.

PEUC is not payable for any week of unemployment ending after December 31, 2020. Accordingly, in states where the week of unemployment ends on a Saturday, the last week that PEUC benefits may be paid is the week ending December 26, 2020. For states where the week of unemployment ends on a Sunday, the last week that PEUC is payable is the week ending December 27, 2020.

- c. **Program administration funding for PEUC program.** The PEUC program is available in the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, provided the state/territory signs an agreement with the Department (See definition of “Agreement” in Attachment I, section B).

The cost of PEUC benefits is 100% federally funded. States may not charge employers for any PEUC benefits paid. Implementation costs and ongoing administrative costs are also 100% federally funded.

If a state wishes to have the administrative costs for implementation of this program federally funded, the state must submit a Supplemental Budget Request (SBR) detailing such costs. SBRs are limited to one-time costs that are attributable to implementation of PEUC.

Permissible implementation costs include:

- Computer programming and other technology costs;
- Implementation of necessary business processes required to create the program implementation;
- Training and travel;
- Notices to beneficiaries; and
- Overhead related only to the above.

The basis for these estimated costs must be included in the SBR application. Calculations for costs for state staff and contractors should be shown in accordance with the SBR instructions in ET Handbook No. 336, *Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines, 18th Edition*. ETA encourages states to submit these forms by **April 30, 2020**, by electronic submission to the National Office at covid-19@dol.gov, with a copy to the appropriate Regional Office. For application submission instructions, refer to SBR application template in **Attachment IV**, SBR Application Template, and **Attachment V**, Instructions for Completing the SF-424 and SF-424A.

State agencies will be able to request on-going administrative costs for PEUC via the quarterly UI-3 report. More specific information is included in **Attachment I**, Section G “Reporting Instructions.”

- d. **Additional Guidance and Instructions.** Additional guidance and instructions on implementing and operating the PEUC program are provided in the attachments to this UIPL. **Attachment I** of this UIPL provides states with the implementation and operating instructions, including definitions, administrative requirements, financial information, and reporting information. **Attachment II** provides the general provisions concerning certifications and assurances for PEUC. **Attachment III** provides the statutory language in Section 2107 of the CARES Act creating PEUC. **Attachment IV** provides a template for the SBR Application template. **Attachment V** provides Instructions for completing the Standard Form (SF) 424 and SF 424A.

5. **Inquiries.** States should direct inquiries to the covid-19@dol.gov and copy the appropriate Regional Office.

6. References.

- Coronavirus Aid, Relief, and Economic Security (CARES) Act, 2020, Pub. L. 116-136, including Title II Subtitle A Relief for Workers Affected by Coronavirus Act;
- Section 303 of the Social Security Act, codified at 42 U.S.C. §503;
- Federal-State Extended Unemployment Compensation Act of 1970, 26 U.S.C. §3304 note;
- Sections 231 and 233 of the Trade Act of 1974, as amended, 19 U.S.C. §§2291 and 2293;
- Section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5177;
- 20 C.F.R. Parts 603, 604, 615, 616, 617, and 650;
- ET Handbook No. 384, *Unemployment Compensation for Ex-Servicemembers, 2nd Edition*;
- ET Handbook No. 391, *UCFE Handbook for State Agencies*;
- ET Handbook No. 401, *UI Report Handbook, 5th Edition*;
- ET Handbook No. 336, *Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines, 18th Edition*;
- UIPL No. 15-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 Federal Pandemic Unemployment Compensation (FPUC) Program Operating, Financial, and Reporting Instructions*, issued April 4, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9297;
- UIPL No. 14-20, *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 – Summary of Key Unemployment Insurance (UI) Provisions Regarding Temporary Emergency State Staffing Flexibility*, issued April 2, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3390;
- UIPL No. 13-20, *Families First Coronavirus Response Act, Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020*, issued March 22, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8634;
- UIPL No. 10-20, *Unemployment Compensation (UC) for Individuals Affected by the Coronavirus Disease 2019 (COVID-19)*, issued March 12, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8893; and
- UIP No. 5-13, *Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012*, issued January 10, 2013, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3698.

7. Attachment(s).

- Attachment I: Implementing and Operating Instructions for the Pandemic Emergency Unemployment Compensation (PEUC) Program;
- Attachment II: General Provisions for Administering the Pandemic Emergency Unemployment Compensation (PEUC) Program;
- Attachment III: Statutory Language of Title II, Subtitle A, Section 2107 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020;

- Attachment IV: Supplemental Budget Request (SBR) Application; and
- Attachment V: Instructions for Completing the SF-424 and SF-424A.

Implementing and Operating Instructions for the Pandemic Emergency Unemployment Compensation (PEUC) Program

A. Introduction.

On March 27, 2020, the President signed Public Law (Pub. L.) 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Section 2107 creates a new Federal program called Pandemic Emergency Unemployment Compensation (PEUC) and provides funding to states to administer the program.

The PEUC program allows states to enter into an agreement with the Secretary of Labor (Secretary) to pay up to 13 weeks of benefits to individuals who:

- have exhausted all rights to regular unemployment compensation (UC) under state or Federal law;
- have no rights to regular UC under any other state or Federal law;
- are not receiving compensation under the UC laws of Canada; and
- are able to work, available for work, and actively seeking work, while recognizing that states must provide flexibility in meeting the “actively seeking work” requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

For purposes of PEUC eligibility, an individual is deemed to have exhausted benefits when:

- no payments of regular UC can be made under state law because such individual has received all available regular UC based on employment or wages during such individual’s base period; or
- the individual’s right to such regular UC has been terminated by reason of the expiration of the benefit year with respect to which such rights existed (excluding any benefit year that ended before July 1, 2019).

Both the costs of the new Federal benefit and the costs of program administration are 100% federally funded. This guidance explains the eligibility requirements and the administrative functions associated with the program.

B. Definitions.

This section contains the definitions of terms used throughout this document.

1. “Act” means the CARES Act, including Title II Subtitle A, The Relief for Workers Affected by Coronavirus Act.
2. “Additional compensation” means compensation fully financed by a state and payable under a state law by reason of conditions of high unemployment or by reason of other special factors, and when so payable, includes compensation payable pursuant to 5

- U.S.C. chapter 85.
3. “Agreement” means the agreement between a state and the Secretary under which the state agency makes payments, as the Secretary’s agent, of PEUC in accordance with Section 2107 of the CARES Act as interpreted by the Secretary as set forth in these instructions or any other instructions issued by the Secretary.
 4. a. “Benefit Year” means the benefit year as defined in applicable state law.
b. “Applicable Benefit Year” means, with respect to an individual, the current benefit year if, at the time an initial claim for PEUC is filed, the individual has an unexpired benefit year, ending on or after July 1, 2019, (this means, in general, that an individual’s benefit year must have ended on July 6, 2019, or later) only in the state in which such claim is filed; or, where the individual has more than one unexpired benefit year in one or more states, the individual’s most recent benefit year ending on or after July 1, 2019. For this purpose, the most recent benefit year, for an individual who has unexpired benefit years in more than one state when an initial claim for PEUC is filed, is the benefit year with the latest ending date, or, if such benefit years have the same ending date, the benefit year in which the latest continued claim for regular compensation was filed.
 5. “Applicable State” means the state where the individual is an exhaustee for PEUC purposes, and, in the case of a combined wage claim for regular compensation, the term means the “paying state” for such claim as defined in 20 C.F.R. 616.6(e).
 6. “Applicable State Law” means the state law of the applicable state for an individual.
 7. “Base Period” means the base period as determined under the applicable state law for the individual’s applicable benefit year.
 8. “Compensation” means cash benefits (including dependents’ allowances) payable to individuals with respect to their unemployment. “Compensation” is also referred to as “Unemployment Compensation” or “UC.”
 9. “Extended compensation” means compensation payable to an individual for weeks of unemployment beginning in an extended benefit period, under those provisions of the state law which satisfy the requirements of the Federal-State Extended Unemployment Compensation Act of 1970 (Pub. L. 91-373), and when so payable includes additional compensation and compensation payable pursuant to 5 U.S.C. chapter 85. Extended compensation is referred to as Extended Benefits or EB.
 10. “Pandemic Emergency Unemployment Compensation” means the compensation payable under Section 2107 of the CARES Act, and which is referred to as PEUC.
 11. “Regular compensation” means compensation payable to an individual under any state law, and, when so payable, includes compensation payable under 5 U.S.C. chapter 85, but does not include extended compensation and additional compensation.
 12. “Secretary” means the U.S. Secretary of Labor.
 13. “State” means the states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands.
 14. “State Agency” means the unemployment compensation agency of the state administering the state law.
 15. “State Law” means the unemployment compensation law of a state approved by the Secretary under Section 3304(a) of the Internal Revenue Code of 1986 (26 U.S.C. §3304(a)).
 16. “Week” means a week as defined in the applicable State’s UC law.
 17. “Week of Unemployment” means a week of total, part-total, or partial unemployment as

defined in the applicable state law, which must be applied to claims filed under the requirements of the PEUC program in the same manner and to the same extent as if the individual filing a claim for PEUC were filing a claim for regular compensation.

C. Operating Instructions.

1. Eligibility for PEUC.

a. **Basic Eligibility Requirements.** To be eligible for a week of PEUC, in addition to meeting the applicable state law provisions, an individual must:

- have exhausted all rights to regular compensation under the applicable state or Federal law with respect to the applicable benefit year;
- have no rights to regular compensation with respect to a week under such law or any other state or Federal UC law;
- certify that he or she is not receiving compensation with respect to such week under the UC law of Canada; and
- be able to work, available to work, and actively seeking work. However, States must provide flexibility in meeting the “actively seeking work” requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

b. **Determining Exhaustees.** An individual is deemed to have exhausted his or her right to regular compensation under a State law when:

- no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual’s base period; or
- such individual’s rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed

Exhaustees cease to be exhaustees when they can establish a valid new benefit year. Therefore, at each quarter change, a State must check to see if an individual has earned enough wages to:

- establish a new benefit year in the State;
- establish a new benefit year in any other State; or
- establish a new benefit year if wages from one or more states are combined (a combined wage claim (CWC)).

If the individual can establish a new benefit year in the filing State or in any other state, the individual may not continue to collect PEUC. In these cases, the individual

should be advised that he or she no longer qualifies for the PEUC claim because of eligibility for a regular or CWC claim and should be instructed: (1) to file a claim for regular UC, or (2) to contact the other state to file a regular UC claim, or CWC claim as appropriate.

Once the claimant qualifies for a new claim (regular or a CWC), payments on the PEUC claim must cease, even if the Weekly Benefit Amount (WBA) for the new UC claim is lower than what the claimant was receiving on the PEUC claim.

If the individual remains unemployed and otherwise eligible, the claimant may resume collection of the original PEUC after exhaustion of the second regular UC claim, as long as the claimant has not already received 13 weeks of PEUC on the first claim.

If a redetermination or an appeal decision results in a determination that an individual is entitled to more or less regular compensation, the individual's status as an exhaustee must be redetermined, as appropriate.

2. Beginning and Ending of the PEUC Program in a State. Under Section 2107 of the CARES Act, PEUC is payable in a State beginning the first week after the date on which the State enters into an agreement with the Department. In States where the week of unemployment ends on Saturday, the first week for which PEUC may be paid is the week ending April 4, 2020, provided an agreement is in place no later than March 28, 2020. In a State where the week of unemployment ends on a Sunday, the first week for which PEUC may be paid is the week ending April 5, 2020.

PEUC is only payable for weeks of unemployment ending on or before December 31, 2020. Accordingly, in States where the week of unemployment ends on a Saturday, the last week that PEUC is payable is the week ending December 26, 2020. For States where the week of unemployment ends on a Sunday, the last week that PEUC is payable is the week ending December 27, 2020.

3. Termination of PEUC Agreement. Either party, upon thirty (30) days written notice, may terminate the PEUC Agreement. The Department reserves the right to terminate this Agreement if it determines that the state does not have an adequate system for administering such assistance, including because the state is not adequately ensuring that individuals receiving benefits under the PEUC Program are eligible for such benefits. In the case of termination, the PEUC period will end thirty (30) days from the date the notice of termination is given. PEUC will only be payable for weeks which end before the date the termination of the agreement is effective.
4. PEUC Eligibility and Relation to Other Types of Benefit Payments.
 - a. Federal Pandemic Unemployment Compensation (FPUC) is available to individuals receiving PEUC for weeks of unemployment ending on or before July 31, 2020, as discussed in UIPL No. 15-20.

- b. Extended Benefits (EB). Section 2107(a)(5) of the CARES Act requires that the payment of extended compensation for which an individual is otherwise eligible must be deferred until after the payment of any PEUC for which the individual is concurrently eligible. In this case, EB entitlement is deferred, not reduced. Therefore, if the State is in an EB period when a PEUC claim is exhausted, individuals may receive any remaining EB entitlement, as long as the EB eligibility provisions are met.
- c. Trade Readjustment Allowances (TRA). The maximum amount of PEUC payable to an individual, who is also entitled to TRA, must not be reduced by reason of TRA entitlement.
- d. Disaster Unemployment Assistance (DUA). An individual is not eligible for DUA with respect to a week of unemployment under Section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, (42 U.S.C. §5177) if the individual is eligible to receive PEUC compensation for that week.

5. PEUC Weekly Benefit Amount (WBA).

a. Total Unemployment.

- The WBA payable to an individual for a week of total unemployment is equal to the amount of regular compensation (including dependents' allowances) payable to such individual during the applicable benefit year for a week of total unemployment under the applicable state law,

and

- The weekly amount of FPUC under section 2104 of the CARES Act, which is payable for weeks of unemployment ending on or before July 31, 2020. See UIPL 15-20.

b. Partial and Part-Total Unemployment.

- The WBA payable to an individual for a week of partial or part-total unemployment is equal to the amount of regular compensation (including dependents' allowances) payable to such individual during the applicable benefit year for a week of partial or part-total unemployment under the applicable state law,

and

- The weekly amount of FPUC under section 2104 of the CARES Act, which is payable for weeks of unemployment ending on or before July 31, 2020. See UIPL 15-20.

6. Establishment of PEUC Account. Section 2107(b) of the CARES Act requires States to establish, for each eligible individual who files an application for PEUC, a PEUC account with respect to the individual's applicable benefit year. The amount established in the PEUC account must be equal to 13 times the individual's average weekly benefit amount (including dependent's allowances), which includes the amount of FPUC under Section 2104.

States have flexibility in how they operationalize the payment of benefits in relationship to the PEUC account.

7. Nonreduction Rule. An agreement with a state under section 2107 of the CARES Act will cease to apply, if the method governing the computation of regular compensation under the state's law has been modified in a manner such that the number of weeks (the maximum benefit entitlement), or the average weekly benefit amount, of regular compensation which will be payable during the period of the agreement will be less than the number of weeks, or the average weekly benefit amount, of the average weekly benefit amount of regular UC which would otherwise have been payable during such period under the state law, as was in effect on January 1, 2020. "Maximum benefit entitlement" means the amount of regular UC payable to an individual with respect to the individual's benefit year.

8. Record Maintenance and Disposal of Records.

- a. Record Maintenance. Each State must maintain records on the administration of the PEUC program and will make all such records available for inspection, examination, and audit by such Federal officials, employees as the Department may designate, or as otherwise required by the law. Reference ET Handbook No. 401, *UI Report Handbook, 5th Edition*, for details.

- b. Disposal of Records. The electronic/paper records created in the administration of the PEUC program must be maintained by the State for three years after final action (including appeals or court action) on the payments, or for less than the three-year period if copied by micro photocopy or by an electronic imaging method. At the end of the three-year period, the PEUC records must be transferred to state accountability under the conditions for the disposal of records that apply to UCFE and UCX records, as explained in Chapter X of ET Handbook No. 391 (1994 Edition) (OMB No. 1205-0179) and Chapter I of ET Handbook No. 384 (1994 Edition) (OMB No. 1205-0176).

9. Disclosure of Information. Information in records made and maintained by the State agency while administering the PEUC program must be kept confidential, and information in such records may be disclosed only in the same manner and to the same extent as information is disclosed with respect to regular UC. This information may be disclosed under provisions of the applicable state law meeting the requirements of 20 C.F.R. Part 603. As provided under 20 C.F.R. Part 603.4(b), the confidentiality

requirements do not apply when such information is being provided in the aggregate, provided it cannot be combined with other publicly-available information to reveal any such identifying particulars about an individual or the individual's past or present employer.

10. Inviolate Rights to PEUC. The individual's rights to PEUC must be protected in the same manner and to the same extent as individual's rights to regular UC are protected under the applicable State law. Such measures must include protection of individuals from waiver, release, assignment, pledge, encumbrance, levy, execution, attachment, and garnishment of their rights to PEUC. In the same manner and to the same extent, individuals must be protected from discrimination and obstruction in regards to seeking, applying for, and receiving PFUC.

D. Processing claims for PEUC.

1. Notifications.

- a. *Identification and Notification of Potentially Eligible Claimants.* The State must identify individuals who are potentially eligible for PEUC and provide them with appropriate written notification of their potential entitlement to PEUC, including filing instructions. This includes notifying individuals who have established a claim with a benefit year ending after July 1, 2019 and who have either exhausted their entitlement or whose benefit year has expired.

Note that PEUC is only payable in States that have an agreement with the Secretary and that start with weeks of unemployment ending on or after April 4, 2020 (or April 5, 2020 if the state's week of unemployment ends on a Sunday), provided the individual is otherwise eligible.

- b. *Interstate Claims.* PEUC is payable to individuals filing under the Interstate Benefit Payment Plan in the same manner and to the same extent that benefits are payable to intrastate claimants. The paying state is responsible for identifying and notifying all potentially eligible interstate claimants of their potential eligibility, including filing instructions. Refer to Handbook 392, *Handbook for Interstate Claimstaking, ET Handbook No. 392, Appendix A, 2nd Edition* for definitions and more information on the Interstate Benefit Payment Plan
 - c. *Notification of Media.* To assure public knowledge of the status of the PEUC program, the state must notify all news media with statewide coverage of the beginning of the PEUC program.
2. Applicability of State Law Provisions. Under Section 2107 of the CARES Act, except where inconsistent with the CARES Act or with the operating instructions promulgated to carry out the CARES Act, all terms and conditions of the state UC law applicable to claims for and payment of regular UC apply to claims for and payment of PEUC. States are reminded that they may have certain flexibilities in applying their requirements in

light of the efforts to mitigate COVID-19, in addition to the specific flexibilities for “actively seeking work” in Section 2107(a)(7). See UIPL No. 10-20.

The provisions of the applicable state law that apply to claims for PEUC include but are not limited to:

- a. Claim Filing and Reporting;
- b. Information and Due Process to individuals, as appropriate;
- c. Notices to individuals and employers, as appropriate, including notice to each individual of each determination and redetermination of eligibility for or entitlement to PEUC;
- d. Determinations, redeterminations, appeals, and hearings;
- e. Disqualification, including disqualifying income provisions;
Note: An individual is not entitled to receive PEUC for a week if the individual is ineligible for benefits for the week due to a disqualification under the applicable state law.
- f. Ability to work and availability for work;
- g. Actively seeking work;
- h. The Interstate Benefit Payment Plan; and
- i. The Interstate Arrangement for Combining Employment and Wages.

Compliance with the requirement to actively seek work for PEUC purposes means an individual:

- a. is registered with employment services as required under state provisions;
- b. is engaged in an active search for employment that is appropriate in light of the employment available in the labor market, the individual’s skills and capabilities, and includes a number of employer contacts that is consistent with the standards communicated to the individual by the state;
- c. is maintaining a record of work search activities, including employers contacted, method of contact, and date contacted, and when requested, is able to provide such information to the state according to state provisions.

Any temporary emergency flexibility measures that states have adopted for regular UC as described in UIPL Nos. 10-20 and 13-20 are applicable to the administration of PEUC. Additionally, section 2107(a)(7)(B) of the CARES Act requires that states provide flexibility with respect to the “actively seeking work” requirements for PEUC “in case of individuals unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.”

3. Claims for PEUC. In processing claims for PEUC, states must verify that claimants have no entitlement to regular UC before processing the application for PEUC. If the applicant meets the requirements in Section C1, the state should process the PEUC application. In situations where an individual may be eligible for PEUC in another state, assessing whether an individual is eligible for regular UC in that state before establishing a PEUC claim can be complex. When coordinating with other states to assess an individual’s

eligibility, states should access the State Identification (SID) inquiry screen and/or the Interstate Benefits Inquiry (IBIQ) screen in the Interstate Connection Network (ICON) to check for claims and wages in other states. All states have access to ICON's user guides for more detailed instructions (www.ui-icon.org).

- a. **Intrastate Initial Claims.** An initial claim for PEUC will be filed by an individual according to the applicable state's manual, remote, or electronic filing procedures.
- b. **Interstate Initial Claims.** Interstate PEUC claims will be filed on the same forms and in the same manner as all other interstate initial claims against the paying state. Before accepting an initial PEUC claim, the state that is taking the claim must review the individual's work history, examine potential entitlement and advise the individual of all filing options. If the individual has sufficient employment and wages to establish a new benefit year under any state or federal program, including the combined wage arrangement, there is no eligibility under the PEUC program. Refer to Handbook 392, *Handbook for Interstate Claimstaking, ET Handbook No. 392, Appendix A, 2nd Edition*.
- c. **Intrastate and Interstate Weeks Claimed.** Claims for payments of PEUC for weeks of unemployment must be filed at the same times and in the same manner as claims for regular compensation are filed under the applicable state law, and on forms or electronic filing procedures as furnished to the individual by the state agency.
- d. **Administrative, entitlement, and eligibility requirements provided in these instructions also apply to claims filed under the CWC program, except where inconsistent with combined wage (and interstate, when applicable) procedures, policies and rules. Refer to Handbook 399, *Interstate Arrangement for Combining Employment and Wages*.**

When a PEUC determination or redetermination is issued on a CWC claim, no Report of Determination of Combined-Wage Claim, TC-IB5, will be issued to the transferring state. The paying state will not bill any state that transfers in wages earned in its state (i.e., the transferring state) for PEUC. The paying state will charge all PEUC compensation paid on CWC claims directly to the Extended Unemployment Compensation Account (EUCA) in accordance with the fiscal instructions provided in these operating instructions.

4. **Secretary's Standard.** The procedures for reporting and filing claims for PEUC must be consistent with these instructions and the Secretary's "Standard for Claim Filing, Claimant Reporting, Job Finding and Employment Services" (Employment Security Manual, Part V, sections 5000 et. seq.).
5. **Determination of Entitlement and Notices to Individuals.**
 - a. **Determination of Initial Claim.** When an individual files an initial claim for PEUC, the State agency must determine promptly the eligibility of the individual and, if

eligible, the weekly and maximum benefit amounts of PEUC payable. If denied PEUC, the individual must be issued a determination that is appealable. For additional information about the coordination of benefits with other UI programs, refer to UIPL 14-20.

- b. **Determination of Weekly Claims.** The state agency must promptly, upon the filing of a claim for a payment of PEUC for a week of unemployment, determine whether the individual is entitled to a payment of PEUC for such week, and, if entitled, the amount of PEUC to which the individual is entitled to and issue a prompt payment.
- c. **Redetermination.** An individual filing a PEUC initial claim or weekly certification has the same right to request a reconsideration of a determinations or as are provided for in the applicable state law for regular compensation.
- d. **Notices to Individual.** The state agency must give written notice to the individual of any determination or redetermination of an initial claim and all weekly claims. Each notice must include such information regarding rights to reconsideration or appeal, or both, using the same process that is used for determinations or redeterminations of regular compensation.
- e. **Promptness.** Full payment of PEUC when due must be made with the greatest promptness that is administratively feasible.
- f. **Secretary's Determination Standard.** The procedures for making determinations and redeterminations and furnishing written notices of determinations, redeterminations, and rights of appeal to individuals claiming PEUC must be consistent with the Secretary's "Standard for Claim Determinations—Separation Information" (Employment Security Manual, Part V, sections 6010 et seq.)

6. Appeal and Hearing

- a. **Applicable State Law.** The applicable state law provisions concerning the right of appeal and fair hearing from a determination or redetermination of entitlement to regular compensation shall apply to determinations and redeterminations of eligibility for or entitlement to PEUC.
- b. **Rights of Appeal and Fair Hearing.** The right of appeal and opportunity for a fair hearing to claims for PEUC must be consistent with these instructions and with sections 303(a)(1) and 303(a)(3) of the Social Security Act (SSA) (42 U.S.C. §§503(a)(1) and 503(a)(3)).
- c. **Promptness of Appeals Decisions.**
 - Decisions on appeals under the PEUC program must comply with the "Standard for Appeals Promptness—Unemployment compensation" in 20 C.F.R. Part 650.

- Any applicable state law provision allowing the advancement or priority of unemployment compensation cases on judicial calendars, or otherwise intended to provide for the prompt payment of unemployment compensation when due, must apply to proceedings involving entitlement to PEUC.
7. Non-Charging Employers. The cost of PEUC benefits to eligible individuals is 100% federally funded. States may not charge employers for any PEUC benefits paid.

E. Fraud and Overpayments.

1. Fraud. Under Section 2107(e) of the CARES Act, an individual commits fraud if he or she knowingly has made or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of PEUC to which such individual was not entitled.

Section 2107(e) only provides for an individual being ineligible for future PEUC benefits in accordance with the applicable provisions of state UC law. It does not permit the establishment of a penalty on PEUC that was fraudulently obtained. Therefore, States may not impose fraud penalty provisions on PEUC payments. Any individuals committing fraud under this program is subject to prosecution under 18 U.S.C §1001 and other Federal laws.

2. Overpayments. A PEUC overpayment occurs when an individual has received a PEUC payment to which he or she is not entitled.
3. Opportunity for a Hearing. Under 2107(e)(3)(B) of the CARES Act, a State may not require repayment of a PEUC overpayment until it determines that the payment was an overpayment, the individual was provided notice of the determination, the individual had an opportunity for a fair hearing, and the determination is final.
4. Waiver of Overpayments. The State has authority to waive repayments of PEUC if the payment was without fault on the part of the individual and such repayment would be contrary to equity and good conscience.
5. Recovery Provisions. If the overpayment amount is not subject to waiver, the State agency must recover the amount of PEUC to which an individual was not entitled in accordance with the same procedures as apply to recovery of overpayments of regular UC paid by the State.

PEUC benefits may only be offset from other State and Federal UC for three years after the date such individual received the PEUC payment to which he or she was not entitled. After three years, a State may continue to recover PEUC overpayments through means other than benefit offsets, according to State law.

6. Benefit Offsets. Consistent with section 2107(e)(3), a state must recover PEUC overpayments from any additional PEUC payments to which the individual is entitled and from any other UC payable under state or Federal law administered by the state agency (including FPUC and PUA from the CARES Act, and any other assistance or allowance payable with respect to a week of unemployment under any other state or Federal law).

Additionally, PEUC payments must be reduced to recover overpayments from any other state and Federal unemployment benefit programs, if the state has a cross-program offset agreement in place under Section 303(g)(2), SSA (42 U.S.C. §503(g)(2)).

A state may not offset more than 50% from the PEUC payment to recover overpayments from any state or Federal unemployment benefit program.

A state has significant flexibility in the way it implements the offset requirement. While a state must attempt to recover the full amount of the overpayment, a state may limit the amount that will be deducted from each payment as noted on page 4 of UIPL No. 05-13, *Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012.*

F. Financial Information and Instructions:

1. Payment to States. Requesting PEUC Benefit Funds—Under Section 2107(c) of the CARES Act, each state that has entered into an agreement with the Secretary to pay PEUC will be paid an amount equal to 100% of the amount of PEUC paid to individuals by the state under the agreement and in full accordance with the CARES Act and these instructions. Pursuant to section 2107(d)(1), states will request funds from the Extended Unemployment Compensation Account (EUCA) to pay all PEUC benefits. All requests will 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).

There will be a new line in the ASAP for making drawdowns to pay PEUC benefits. The line will be clearly labeled PANDEMIC EMERGENCY UC (PEUC).

PEUC benefits paid to former employees of state and local governments, former Federal employees and former service members, “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 PEUC payments, including reimbursable, UCFE/X on line 40, column C and column F. (Note that it does not matter whether these employers have elected reimbursement status.) See Reporting Instructions, Paragraph 2.f for details.

PEUC Administrative Funds. Section 2107(d)(2) of the Act appropriates funds from the Employment Security Administration Account (ESAA) in the UTF, to pay costs related to the administration of the PEUC agreement.

States will receive PEUC administrative funds through the contingency entitlement process. See Reporting Instructions, Paragraph 2.h. The supplemental budget request process will be used for states to request funds for implementation.

2. PEUC Accounting

- a. **Obligational Authority.** The Grant Officer will assign a separate line on the UI program notices of obligational authority for PEUC administrative grant funds, and a separate sub-account for PEUC will be set up in the Payment Management System for states to draw down PEUC administrative funds.
- b. **Administrative Fund Accounting.** Because of the separate appropriation for PEUC administrative funds and the availability of these funds until expended, states must track and report PEUC administrative expenditures and obligations separately from the regular UI program. Therefore, States must establish a separate fund ledger and must submit a separate ETA 9130 for the PEUC program. States are to include any PEUC administrative expenditures and obligations incurred in March 2020 in their June 30, 2020, PEUC ETA 9130 report.
- c. **Time Distribution.** To ensure that regular UI and PEUC costs are tracked separately, states need to charge time used for all PEUC activities to the appropriate UI functional activity codes as outlined in Appendix E to ET Handbook No. 401 5th Edition under the separate PEUC fund ledger; however, States should combine regular and PEUC staff year usage data in Section A of the UI-3 worksheet.
- d. **Accounting for PEUC Payments (Benefits).**
 - PEUC advances to the States' UTF accounts and disbursements for PEUC benefit payments will be reported on the monthly ETA 2112. Do not use a separate form for this report. (See Reporting Instructions.) Accurate reporting of advances, reimbursements and payments is important due to the monthly reconciliation of balances with Department of Labor records.
 - Since PEUC paid to UCFE and UCX claimants will be funded out of General Revenues, the Federal Employees Compensation Account (FECA) will not be used to pay PEUC benefits. Therefore, federal agencies will not be required to reimburse the Unemployment Trust Fund for PEUC paid to ex-federal civilian and military employees. The ETA 191 report and UCFE/UCX detailed claimant data provided by states to federal agencies must exclude PEUC.

3. Processing Refunds. There are two scenarios for returning funds to the program line for PEUC:
 - a. The most likely scenario will be when the State has funds in its State benefit payment account and needs to return those funds to the EUCA. 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.
 - b. 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.

G. Reporting Instructions

1. General. The PEUC program reports, ETA 207, ETA 218, ETA 227, ETA 5130 and ETA 5159 must be submitted electronically by using separate PEUC entry screens that are available through the UI Required Reports electronic reporting system. PEUC 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, 5th 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 PEUC program falls. Reporting for all reports will continue as long as there is activity. However, only reports with non-zero data need to be submitted.

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 - Causes, lines 101 and 103 through 110 for columns 2 through 5 and line 102 for columns 1 through 5. Report all of section B, Overpayments Established – Methods of Detection, excluding line 210. Report all of Section C, Recovery/Reconciliation, excluding lines 314, and columns 22 and 23. Report all of Section D, Criminal/Civil Actions excluding lines 407 and 408, and column 24, and all of Section E, Aging of Benefit Overpayment Accounts, excluding column 25.
 - 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 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 and 302, columns 21 and columns 24 through 28 for line 303.
- First Payments. Report the first payment under the PEUC program.
 - Final Payments. A final payment is to be reported when a payment is issued that exhausts the benefit entitlement in the individual’s PEUC account.
- f. ETA 2112. PEUC benefit payment activity must be reported in the aggregate on the regular ETA 2112 report. Line 16. Intra-Account Transfer. Include in column F the amount of PEUC funds transferred from the UTF to the state benefit payment account. Line 16 column F must equal Line 47 column E.
- Line 16. Intra-Account Transfer. Include in column C and column F the amount of PEUC funds transferred from the UTF to the State benefit payment account. Line 16 column F must equal Line 47 column E.
 - Line 23. Federal Extended Compensation. Enter in columns C and E the amount of Federal funds received as advances or reimbursement for PEUC.
 - Lines 33, 34, 35. Enter total benefits paid, attributable to state and local governments, section 501(c)(3) nonprofit organizations, and federally recognized Indian tribes, as appropriate, on the appropriate line for the type of employer, excluding PEUC benefits.
 - Line 36. UCX Net Payments. Enter in columns C and F the net Federal portion of unemployment compensation paid to former members of the armed services, excluding PEUC. The total payments should be adjusted for refunds deposited during the month, credits and recharges, and cancellations and reissuances.
 - Line 40. PEUC Activity. Enter in columns C and F the net amount for which the Federal government is liable for PEUC, including for UCFE and UCX claimants.
 - Line 42. Federal Emergency Compensation. Enter in columns C and F the net Federal Emergency Compensation paid for past programs, which the Federal government is liable. Exclude PEUC (line 40), Pandemic Unemployment Compensation Assistance (line 42c), Federal Pandemic Unemployment

Compensation (line 42b), Emergency Unemployment Compensation of 2008 (line 39), and the Temporary Extended Unemployment Compensation Act of 2002 (line 41), as each of these programs have dedicated lines on the ETA 2112. Examples of past emergency or supplemental benefits programs authorized and financed entirely by the Federal government during periods of high unemployment are SUA—Special Unemployment Assistance, FSB—Federal Supplemental Benefits, or FSC—Federal Supplemental Compensation and the Emergency Unemployment Compensation of 1991 programs. Identify the payment by program and amount in the “comments” section. Report all benefits paid, including the amounts transferred to the IRS for federal income tax withholding, regardless of whether paid from the state account in the UTF or the state benefit payment account.

- Line 46. UCFE Net Payments. Enter in columns C and F the net Federal portion of unemployment compensation paid to former federal civilian (including postal) employees, excluding PEUC. 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 of whether amounts of withholding transferred to the IRS go through the state benefit payment account. See ETA Handbook 401, 5th Edition, for specific instructions.
- g. ETA 539. Total weeks claimed for regular UC, UCFE, and UCX under the PEUC program for the report period will be reported in the comments section and labeled as “PEUC” followed by the number. For example: “PEUC=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 PEUC claims activity/workload activity electronically on the lines for third tier programs on the regular UI-3 report.
3. Benefit Accuracy Measurement (BAM). All paid and denied PEUC claims will be excluded from the BAM Paid Claims Accuracy (PCA) and Denied Claims Accuracy (DCA) sampling frames. This is consistent with the policy for previous temporary programs.

If a PEUC claim is selected for any PCA or DCA sample because it was not properly coded in the State UI Transactions File, it must be coded “8” in PCA data element c1 (Program Code) or DCA data element 22 (Program Code). These cases will not be investigated by BAM, and the BAM supervisor will not sign-off on these cases.

Denied State UI, UCFE, or UCX claims filed for the sole purpose of establishing eligibility for PEUC should be considered “pro-forma” claims. These cases will be deleted from the sample and will be coded “9” in PCA data element c1 (Program Code)

or DCA data element 22 (Program Code) using the Delete Cases application in the BAM Supervisor Case Management menu. These cases will not be investigated by BAM, and the BAM supervisor will not sign-off on these cases.

If PEUC and pro-forma UI, UCFE, and UCX cases are excluded from the BAM PCA and DCA samples, BAM must sample additional cases in subsequent batches to compensate for the number of excluded PCA and DCA PEUC and pro-forma cases.

4. OMB Approval. Division A, Title II, Section 2116(a) of the CARES Act states that “Chapter 35 of Title 44, United States Code, (commonly referred to as the ‘Paperwork Reduction Act of 1995’), shall not apply to the provisions of, and the amendments made by, this subtitle.” As the OMB approval process is waived for these reporting instructions, these instructions should be considered final.

General Provisions for Administering the Pandemic Emergency Unemployment Compensation (PEUC) Program

CERTIFICATIONS AND ASSURANCES

- 1. Compliance with Federal Requirements.** States must comply with the provisions contained in the states' Agreements with the Department to administer PEUC and all applicable PEUC funding instruments. States must perform such duties and functions in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200 and 2 C.F.R. Part 2900 applicable to all grants and cooperative agreements. Additionally, the Department's administrative requirements for grants and cooperative agreements at 29 C.F.R. Parts 31, 32, 38, 96, and 98 apply to grant funds provided for these activities.
- 2. Prohibition on Subsidization of Forced or Indentured Child Labor.** Consistent with section 103 of the Further Consolidated Appropriations Act, 2020, Pub. L. 116- 94 and in accordance with Executive Order No. 13126, States must not obligate or expend funds made available to administer PEUC for the procurement of goods, mined, produced, manufactured, or harvested or services rendered, whole or in part, by forced or indentured child labor in industries and host countries already identified by the Department prior to enactment of the Department's 2008 appropriation.
- 3. Salary and Bonus Pay Limitations.** States, in compliance with section 101 of the Further Consolidated Appropriations Act, 2020, PUB. L. 116- 94, must not use funds provided for PEUC administration to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided for under section 101 of Public Law 109-149. This limitation shall not apply to vendors providing goods and services as defined in 2 CFR 200, Subpart F – Audit Requirements. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from sub-recipients of such funds, taking into account PEUC, including the relative cost-of-living in the state, the compensation levels for comparable state or local government employees, and the size of the organizations that administer Federal programs involved including Employment and Training Administration programs. See TEGL No. 5-06 for further clarification. The incurrence of costs and the receipt of reimbursement for these costs under this award certifies that the Grantee has read the above condition and is in compliance.
- 4. Veterans' Priority Provisions.** This program, funded by the Department, is subject to the provisions of the "Jobs for Veterans Act" (JVA), Pub. L. 107-288 (38 U.S.C. §4215). The JVA provides priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services. The veterans' priority is implemented by 20 C.F.R. Part 1010 (73 Fed. Reg. 78132, Sept. 19, 2008). Please note that to obtain priority service a veteran must meet the program's eligibility requirements. Training and Employment Guidance Letter (TEGL) No. 10-09 (November 10, 2009) provided general guidance on the scope of the veterans' priority statute and its effect on current employment

and training programs. In addition to TEGL 10-09, a series of questions and answers related to priority of service is posted at:

https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816 for fifteen (15) programs administered by ETA.

The Workforce Innovation and Opportunity Act (WIOA) State Plan requires States to describe the policies and strategies in place to ensure, pursuant to the JVA, that priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the Department and administered by ETA. See Required Elements for Submission of the Unified or Combined State Plan and Plan Modifications under the Workforce Innovation and Opportunity Act, OMB Control No. 1205-0522. In addition, the states are required to provide assurances that they will comply with the Veterans' Priority Provisions established by the JVA. States must adhere to JVA requirements, as interpreted by the Department, in administering PEUC.

- 5. Certifications and Assurances.** In administering PEUC, states must fully comply with the State Quality Service Plan (SQSP) assurances. These SQSP assurances are detailed in Chapter 1, Part VIII of the "Unemployment Insurance State Quality Service Plan (SQSP) Assurances," ET Handbook No. 336 (18th Edition, Change 4).
 - A.** Assurance of Equal Opportunity (EO).
 - B.** Assurance of Administrative Requirements and Allowable Cost Standards.
 - C.** Assurance of Management Systems, Reporting, and Recordkeeping.
 - D.** Assurance of Program Quality.
 - E.** Assurance on Use of Unobligated Funds.
 - F.** Assurance of Prohibition of Lobbying Costs.
 - G.** Drug-Free Workplace.
 - H.** Assurance of Contingency Planning.
 - I.** Assurance of Conformity and Compliance.
 - J.** Assurance of Automated Information Systems Security.
 - K.** Assurance of Confidentiality.

The Office of Management and Budget (OMB), SF 424 B Assurances-Non- Construction Programs, signed and submitted by each state with its State Quality Service Plan annual submission, also apply.

Statutory Language of Title II, Subtitle A, Section 2107 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020

SEC. 2107. PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) Federal-State Agreements.--

(1) In general.--Any State which desires to do so may enter into and participate in an agreement under this section with the Secretary of Labor (in this section referred to as the "Secretary"). Any State which is a party to an agreement under this section may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(2) Provisions of agreement.--Any agreement under paragraph (1) shall provide that the State agency of the State will make payments of pandemic emergency unemployment compensation to individuals who--

(A) have exhausted all rights to regular compensation under the State law or under Federal law with respect to a benefit year (excluding any benefit year that ended before July 1, 2019);

(B) have no rights to regular compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law;

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada; and

(D) are able to work, available to work, and actively seeking work.

(3) Exhaustion of benefits.--For purposes of paragraph (2)(A), an individual shall be deemed to have exhausted such individual's rights to regular compensation under a State law when--

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period; or

(B) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(4) Weekly benefit amount, etc.--For purposes of any agreement under this section--

(A) the amount of pandemic emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to--

(i) the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment; and

(ii) the amount of Federal Pandemic Unemployment Compensation under section 2104;

(B) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof (including terms and conditions relating to availability for work, active search for work, and refusal to accept work) shall apply to claims for pandemic emergency unemployment compensation and the payment thereof, except where otherwise inconsistent with the provisions of this section or with the regulations or operating instructions of the Secretary promulgated to carry out this section;

(C) the maximum amount of pandemic emergency unemployment compensation payable to any individual for whom an pandemic emergency unemployment compensation account is

established under subsection (b) shall not exceed the amount established in such account for such individual; and

(D) the allowable methods of payment under section 2104(b)(2) shall apply to payments of amounts described in subparagraph (A)(ii).

(5) Coordination rule.--An agreement under this section shall apply with respect to a State only upon a determination by the Secretary that, under the State law or other applicable rules of such State, the payment of extended compensation for which an individual is otherwise eligible must be deferred until after the payment of any pandemic emergency unemployment compensation under subsection (b) for which the individual is concurrently eligible.

(6) Nonreduction rule.--

(A) In general.--An agreement under this section shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a manner such that the number of weeks (the maximum benefit entitlement), or the average weekly benefit amount, of regular compensation which will be payable during the period of the agreement will be less than the number of weeks, or the average weekly benefit amount, of the average weekly benefit amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on January 1, 2020.

(B) Maximum benefit entitlement.--In subparagraph (A), the term "maximum benefit entitlement" means the amount of regular unemployment compensation payable to an individual with respect to the individual's benefit year.

(7) Actively seeking work.--

(A) In general.--Subject to subparagraph (C), for purposes of paragraph (2)(D), the term "actively seeking work" means, with respect to any individual, that such individual--

(i) is registered for employment services in such a manner and to such extent as prescribed by the State agency;

(ii) has engaged in an active search for employment that is appropriate in light of the employment available in the labor market, the individual's skills and capabilities, and includes a number of employer contacts that is consistent with the standards communicated to the individual by the State;

(iii) has maintained a record of such work search, including employers contacted, method of contact, and date contacted; and

(iv) when requested, has provided such work search record to the State agency.

(B) Flexibility.--Notwithstanding the requirements under subparagraph (A) and paragraph (2)(D), a State shall provide flexibility in meeting such requirements in case of individuals unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

(b) Pandemic Emergency Unemployment Compensation Account.--

(1) In general.--Any agreement under this section shall provide that the State will establish, for each eligible individual who files an application for pandemic emergency unemployment compensation, an pandemic emergency unemployment compensation account with respect to such individual's benefit year.

(2) Amount in account.--The amount established in an account under subsection (a) shall be equal to 13 times the individual's average weekly benefit amount, which includes the amount of Federal Pandemic Unemployment Compensation under section 2104, for the benefit year.

(3) Weekly benefit amount.--For purposes of this subsection, an individual's weekly benefit

amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment plus the amount of Federal Pandemic Unemployment Compensation under section 2104.

(c) Payments to States Having Agreements for the Payment of Pandemic Emergency Unemployment Compensation.--

(1) In general.--There shall be paid to each State that has entered into an agreement under this section an amount equal to 100 percent of the pandemic emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(2) Treatment of reimbursable compensation.--No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this section or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this section in respect of such compensation.

(3) Determination of amount.--Sums payable to any State by reason of such State having an agreement under this section shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(d) Financing Provisions.--

(1) Compensation.--

(A) In general.--Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used for the making of payments to States having agreements entered into under this section.

(B) Transfer of funds.--Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated) to the extended unemployment compensation account such sums as the Secretary of Labor estimates to be necessary to make payments described in subparagraph (A). There are appropriated from the general fund of the Treasury, without fiscal year limitation, the sums referred to in the preceding sentence and such sums shall not be required to be repaid.

(2) Administration.--

(A) In general.--There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a)) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this section.

(B) Transfer of funds.--Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated) to the employment security administration account such sums as the Secretary of Labor estimates to be necessary to make payments described in subparagraph (A). There are appropriated from the general fund of the Treasury, without fiscal year limitation, the sums

referred to in the preceding sentence and such sums shall not be required to be repaid.

(3) Certification.--The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the Government Accountability Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as so established) to the account of such State in the Unemployment Trust Fund (as so established).

(e) Fraud and Overpayments.--

(1) In general.--If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of pandemic emergency unemployment compensation under this section to which such individual was not entitled, such individual--

(A) shall be ineligible for further pandemic emergency unemployment compensation under this section in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(B) shall be subject to prosecution under section 1001 of title 18, United States Code.

(2) Repayment.--In the case of individuals who have received amounts of pandemic emergency unemployment compensation under this section to which they were not entitled, the State shall require such individuals to repay the amounts of such pandemic unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that--

(A) the payment of such pandemic emergency unemployment compensation was without fault on the part of any such individual; and

(B) such repayment would be contrary to equity and good conscience.

(3) Recovery by state agency.--

(A) In general.--The State agency shall recover the amount to be repaid, or any part thereof, by deductions from any pandemic emergency unemployment compensation payable to such individual under this section or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the pandemic emergency unemployment compensation to which they were not entitled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

(B) Opportunity for hearing.--No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(4) Review.--Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

(f) Definitions.--In this section, the terms ``compensation'', ``regular compensation'', ``extended compensation'', ``benefit year'', ``base period'', ``State'', ``State agency'', ``State law'', and ``week'' have the respective meanings given such terms under section 205 of the Federal-

State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

(g) Applicability.--An agreement entered into under this section shall apply to weeks of unemployment--

- (1) beginning after the date on which such agreement is entered into; and
- (2) ending on or before December 31, 2020.

Supplemental Budget Request (SBR) Application

Instructions: States must complete the application using the suggested format and instructions below for the projects/activities for which the state is seeking funding. This application is to be combined with a completed SF-424 and an SF-424A covering all projects/activities.

Unemployment Insurance Supplemental Budget Request Abstract		
State Name:		
Total Funds Requested for All Projects:		
Name, Title, and Address of Grant Notification Contact (<i>Typically the State Workforce Agency Administrator</i>) Name: Title: Address:		
Name, E-Mail Address, and Phone Number of SBR Project or Fiscal Manager Name: E-Mail Address: Telephone Number:		
Provide the following information for each project (<i>add additional rows as needed</i>):		
Project Name	Total Cost of Project	Proposed Completion Date

Project Description
Project Timeline

Description of Costs			
State Agency Staff Costs:			
Type of Position	Total Hours	Cost Per Hour	Total
Contract Staff Costs:			
Type of Position	Total Hours	Cost Per Hour	Total
Hardware, Software and Telecommunications Equipment:			
Item Description	Cost Per Item	Quantity	Total
Other Costs:			
Item	Cost	Explanation	

SBR APPLICATION SECTION INSTRUCTIONS

Amount of Funding Request for this Project: Provide the total amount of funds requested for all projects.

State Contact(s): Provide name, telephone number, and e-mail address of the individuals - Grant Notification contact and SBR Project/Fiscal Manager for any questions we may have relating to this proposal.

Project Name: Provide the name of the proposed project.

Project Description: Provide a brief description of the projects/activities for which the state seeking funding.

Project Timeline: Provide a list of the dates and the milestones for this projects/activities.

Description of Costs: Provide an explanation of all costs for the projects/activities.

- **State Agency Staff Costs:** Use the table format provided in this attachment to request state staff to support project implementation.
- **Contract Staff Costs:** Use the table format provided in this attachment to request contract staff to support project implementation.
- **Hardware, Software, and Telecommunications Equipment:** Provide an itemized list of hardware, software, and telecommunications equipment including the cost per item and the number of each item requested. A description of each item must provide any information needed to identify the specific item and a description of the size and capacity of each item if applicable.
- **Other Costs:** Identify each item of cost not covered elsewhere and provide the expected cost per item. The need for each item must be explained.

Instructions Completing the SF-424 and SF-424A

I. Application for Federal Assistance (SF-424)

Use the current version of the form for submission. Expired forms will not be accepted. SF-424, Expiration Date 12/31/2022, Office of Management and Budget (OMB) Control No. 4040-0004 (Grants.gov).

<https://www.grants.gov/web/grants/forms/sf-424-family.html>.

Section # 8, APPLICANT INFORMATION:

- Legal Name: The legal name must match the name submitted with the System for Award Management (SAM). Please refer to instructions at <https://www.sam.gov>
- Employer/Tax Identification Number (EIN/TIN) : Input your correct 9-digit EIN and ensure that it is recorded within SAM
- Organizational DUNS: All applicants for Federal grant and funding opportunities are required to have a 9-digit Data Universal Numbering System (D-U-N-S®) number, and must supply their D-U-N-S® number on the SF-424. Please ensure that your state is registered with the SAM. Instructions for registering with SAM can be found at <https://www.sam.gov>. Additionally, the state must maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration. To remain registered in the SAM database after the initial registration, there is a requirement to review and update the registration at least every 12 months from the date of initial registration or subsequently update the information in the SAM database to ensure it is current, accurate, and complete. Failure to register with SAM and maintain an active account will result in a rejection of your submission.
- Address: Input your complete address including Zipcode+4; Example: 20110-831. For lookup, use link at <https://tools.usps.com/go/ZipLookupAction!input.action>
- Organizational Unit: Input appropriate Department Name and Division Name, if applicable
- Name and contact information of person to be contacted on matters involving this application. Provide complete and accurate contact information including telephone number and email address for the point of contact

Section # 9, Type of Applicant 1: Select Applicant Type: Input “State Government”

Section # 10, Name of the Federal Agency: Input “Employment and Training Administration”

Section # 11, Catalog of Federal Domestic Assistance Number: Input “17.225”; **CFDA Title:** Input “Unemployment Insurance”

Section # 12, Funding Opportunity Number and Title: Input “UIPL No. 17-20, Pandemic Emergency Unemployment Compensation Implementation Grants”

Section # 13, Competition Identification Number: Leave Blank

Section # 14, Areas Affected by Project: Input the place of performance for the project implementation; Example “NY” for New York

Section # 15, Descriptive Title of Applicant’s Project: Input “Pandemic Emergency Unemployment Compensation Implementation Grants”

Section # 16, Congressional Districts of:

a. Applicant: Input the Congressional District of your home office. For lookup, use link at www.house.gov with Zipcode + 4

b. Program/Project: Input the Congressional District where the project work is performed. If it’s the same place as your home office, input the congressional district for your home office. For lookup, use link at www.house.gov with Zipcode+4

Section # 17, Proposed Project

a. Start Date: Input a valid start date for the project (earliest start date will be March 27, 2020)

b. End Date: Input a valid end date for the project

Section # 18, Estimated Funding (\$): Input the estimated funding requested. Ensure that the funding requested matches the TOTALS in Section B – Budget Categories of the SF424A

Section #s 19 – 20: Complete as per instructions for Form SF-424

Section # 21, Authorized Representative: Please select the “I AGREE” check box and provide complete information for your authorized signatory including contact information such as telephone number and email address. If your Authorized Representative has changed from your previous application submission for this program, please include a letter from a higher level leadership authorizing the new signatory for the application submission

Remember to get the SF-424 signed and dated by the Authorized representative

II. Budget Information -Non-Construction Programs (SF-424A)

Use the current version of the form for the submission. Expired forms will not be accepted. SF 424A, Expiration Date 02/28/2022, OMB Control No. 4040-0006 <https://apply07.grants.gov/apply/forms/readonly/SF424A-V1.0.pdf>

Section B – Budget Categories: Ensure that TOTALS in Section 6, Object Class Categories matches the Estimated Funding requested in the SF-424.