

TRAINING AND EMPLOYMENT NOTICE	NO. 11-22
	DATE December 6, 2022

TO: STATE WORKFORCE AGENCIES

FROM: BRENT PARTON /s/
Acting Assistant Secretary

SUBJECT: Notification of the Online Federal-State UC Legislative Seminar

1. **Purpose.** To remind states of the continuing availability of the self-paced, online Federal-State UC Legislative Seminar, in partnership with the National Association of State Workforce Agencies (NASWA).
2. **Action Requested.** The Department's Employment and Training Administration (ETA) requests that State Administrators provide the information in this Training and Employment Notice (TEN) to appropriate program and other staff in state workforce agencies and consider incorporating these offerings into staff training for the Unemployment Compensation (UC) program.
3. **Summary and Background.**
 - a. Summary – As states are hiring new staff and retaining existing staff in the UC program, ETA is identifying opportunities to support staff training efforts. This TEN highlights the content and value of staff participation in the Federal-State UC Legislative Seminar (Legislative Seminar). The Legislative Seminar is an online, self-paced course that provides an overview of specific federal law requirements for tax credit and administrative grant certification, as well as other specific federal law provisions that affect state UC programs. We strongly encourage states to incorporate all or some of the modules from the Federal-State UC Legislative Seminar into their training programs for UI staff.

State and federal UC staff may access this content at any time online. Additionally, ETA has periodically provided a series of virtual discussions to accompany the online Legislative Seminar and plans to continue this practice in the future, with new dates being announced as they become available.
 - b. Background – ETA partners with NASWA to operate NASWA Learning. NASWA Learning provides courses and certifications custom designed for busy workforce development professionals. Learning opportunities are available on-demand and through scheduled virtual and in-person instructor-led training events. For a full catalogue of training courses and certifications, please visit <https://www.naswa.org/learning>.

As described in ETA's publication of *Unemployment Compensation: Federal-State Partnership* (available at <https://oui.doleta.gov/unemploy/laws.asp>), the federal-state UC program offers an economic line of defense against the ripple effects of unemployment. The UC program provides a temporary partial wage replacement for unemployed workers that have been attached to the labor force while they seek their next job. It maintains their purchasing power which also acts as an economic stabilizer in times of economic downturn. This occurs through payments made directly to eligible unemployed workers, which ensures that a significant proportion of the necessities of life can be met on a week-to-week basis while a search for work takes place. Federal law defines certain requirements for the program and provides money to states for proper and efficient administration of the UC program. Each state (defined as the 50 states, the District of Columbia, Puerto Rico, and the US Virgin Islands) designs its own UC program within the framework of the federal requirements. The state statutes set forth the benefit structure (e.g., eligibility/disqualification provisions, benefit amount) and the state tax structure (e.g., state taxable wage base and tax rates).

Below are some of the additional resources that ETA provides for states.

- The *Unemployment Insurance Directors' Guide: Essential Information for Unemployment Insurance (UI) Directors* outlines the principles establishing the UI program, including information about the Social Security Act (SSA) and the Federal Unemployment Tax Act (FUTA)—the foundations upon which states have built their UI systems. It provides information on the requirements states must meet to be in conformity and compliance with Federal law. Other topics covered in this guide include the administrative funding process; the requirements a state must meet to be eligible to receive grants for the costs of administration; and information about the Resource Justification Model (RJM), base and above-base funding, Supplemental Budget Requests (SBR), and Reed Act funds. Additional fiscal-related topics include the methods of financing UI benefits, UI tax provisions, trust fund composition and management, trust fund advances (loans) during high-unemployment periods, administrative funding for program operations and employer tax account types and related tax calculation methodologies. It is available at https://oui.doleta.gov/unemploy/docs/ui_directors_Mar2020.pdf.
- The *Comparison of State Unemployment Insurance Laws* (Comparison) provides state-by-state information on workers covered, benefit eligibility, methods of financing and other areas of interest in the UI program. It also includes information on the temporary disability programs operated in six states. The Comparison is published annually and is available at <https://oui.doleta.gov/unemploy/statelaws.asp#RecentStatelaw>.
- The *Significant Provisions of State UI Laws* provides information on each state's wage requirements for unemployment insurance benefit eligibility, computation and amount of the weekly benefit, number of allowable benefit weeks and benefit week calculation, and the amount of earnings that will be disregarded for those individuals who are working part-time. It also provides information on the size of employer

payroll required to pay unemployment taxes, the amount of wages subject to unemployment taxes, and the tax rates specific to each state's program. This publication is issued twice per year and is available at <https://oui.doleta.gov/unemploy/statelaws.asp#RecentStatelaw>.

4. **Federal-State UC Legislative Seminar.**

- a. **Content of Legislative Seminar.** The online seminar has 11 lessons: Introduction to UC, History of the Federal-State UC Program, Federal Conformity and Compliance Process, Coverage and the Federal Unemployment Tax Act (FUTA) Tax, Experience Rating, Benefit Standards, Immediate Deposit and Withdrawal Standards, Title XII Advances, Administration and Payment When Due, Appeals, and Confidentiality and Disclosure. The lessons are self-paced and will take approximately 25 hours to complete. The online seminar is most meaningful in totality, but there is value in reviewing individual modules if the entire seminar cannot be completed sequentially. Below is a table, with descriptions and estimated completion times, that State and federal UC staff may reference if they prefer to focus their learning to a particular topic. For example, a UC employee involved in confidentiality may wish to complete the Confidentiality and Disclosure module first.

Training Course/Completion Time	Course Description
<u>Introduction to Unemployment Compensation (UC)</u> (.25 hours)	This legislative seminar lesson describes the basic coverage and financing provisions of the federal-state UC system; explains how states determine employers' tax rates and workers' benefit rights; and identifies other benefit programs potentially available to certain unemployed workers.
<u>History of the Federal-State UC Program</u> (.75 hours)	This legislative seminar lesson discusses early European social insurance programs; explains the impetus for the development of a federal-state UC program in the United States; and summarizes the development of early Federal UC laws.
<u>Federal Conformity and Compliance Process</u> (.5 hours)	This legislative seminar lesson explains how the Federal Unemployment Tax Act (FUTA) and other Federal laws form the legislative foundation of the UC system; explains the Secretary of Labor's authority for interpreting laws; and explains the difference between conformity and compliance.

Training Course/Completion Time	Course Description
<u>Coverage and FUTA Payroll Tax</u> (.75 hours)	This legislative seminar lesson identifies when Federal law requires that certain services may, or must, be covered under a state UC law; explains how coverage is determined; and defines the nature of an employee/employer relationship.
<u>Experience Rating</u> (1 hours)	This legislative seminar lesson explains the purpose of experience rating and the related requirements in Federal UC law; describes how transfers of experience work; and describes the fundamentals of the reimbursement option.
<u>Benefit Standards</u> (1.75 hours)	This legislative seminar lesson identifies and explains certain Federal law requirements related to the payment of benefits.
<u>Immediate Deposit and Withdrawal Standards</u> (1.2 hours)	This legislative seminar lesson describes the immediate deposit and withdrawal standards in Federal law; describes the specific exceptions in Federal law to the withdrawal standard; explains the structure of the Unemployment Trust Fund and how funds flow within it; and describes what causes a Reed Act distribution to occur and summarizes how the funds can be used.
<u>Title XII Advances</u> (.75 hours)	This legislative seminar lesson discusses the process for applying for and receiving a Title XII advance; describes the process for voluntarily repaying advances; identifies the provisions of Federal law related to interest payments and how interest is calculated; discusses the Federal tax impact of a state having outstanding advances; and discusses the use of alternative financing.
<u>Administration and Payment When Due</u> (1 hours)	This legislative seminar lesson describes the Federal law requirements related to the proper administration of a state's UC law; explains the claim filing, claim determination, fraud and overpayment detection, and liability to the fund standards; describes merit staffing and worker profiling requirements; and discusses what costs may be charged to the administrative grant.
<u>Appeals</u> (.75 hours)	This legislative seminar lesson discusses what constitutes a fair hearing and describes the Federal requirements regarding unemployment appeals.

Training Course/Completion Time	Course Description
<u>Confidentiality and Disclosure</u> (.75 hours)	This legislative seminar lesson explains the purpose of the confidentiality requirements; identifies what confidential UC information may be disclosed under Federal and state law; and identifies what confidential UC information must be disclosed under Federal law.

- b. Intended Audience for the Legislative Seminar.** This training is available to state and federal UC staff. The lessons are intended to improve staff understanding of the federal legislative review process and the connection between benefit and tax operations within the UC program. The lessons are also intended to foster more informed dialogue between state and federal partners in administering the UC program.

Staff that are involved in creating or reviewing UC legislation or in assuring conformity and compliance with federal law would particularly benefit from participation, though staff at all levels may find value in one or more of the modules.

- c. Accessing the Legislative Seminar.** The Legislative Training resides on the NASWA Learning website (<https://www.naswa.org/learning>). To access the NASWA Learning website, new users must first create login credentials at <https://www.naswa.org/account/register> and create a NASWA Learning account. Users with existing credentials may simply log in to the NASWA Learning website. A streamlined registration process is available for states that wish to enroll several individuals at once.

5. Inquiries. Please direct inquiries to the appropriate ETA Regional Office.

6. References. N/A.

7. Attachment(s). N/A.