

U. S. Department of Labor Employment and Training Administration Advisory System Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OWS/Division Symbol
	DATE April 10, 2007

ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 03-95, CHANGE 4

TO: STATE WORKFORCE AGENCIES

FROM: EMILY STOVER DeROCCO /s/ Assistant Secretary

SUBJECT: Acceptable Narrative Reasons for Separation for the Unemployment Compensation for Ex-service members (UCX) Program

1. Purpose. To amend the consolidated list of "acceptable" narrative reasons for separation transmitted in Unemployment Insurance Program Letter (UIPL) No. 3-95 and UIPL No. 3-95, Changes 1, 2, and 3 to include Force Shaping-Voluntary Separation Payment (VSP) as an acceptable narrative reason for separation.
2. References. ET Handbook 384; UIPL No. 3-95, Changes 1, 2, and 3; 5 U.S.C. 8521; 20 CFR Part 614; and 10 U.S.C. 1175 (a).
3. Background. Since the issuance of UIPL No. 3-95 on December 6, 1994, several changes have been made to the list of acceptable narrative reasons for separation used by State Workforce Agencies (SWAs) in the UCX eligibility determination process (refer to UIPL No. 3-95, changes 1, 2, and 3). The list of acceptable narrative reasons is only used for ex-service members who did not complete their first full term of service. Effective October 1, 2006, upon receipt of information from the Department of Defense concerning Force Shaping-VSP, an addition was made by the U.S. Department of Labor to the list of UCX acceptable narrative reasons for separation.
4. New Acceptable Narrative Reason. The new acceptable narrative reason is Force Shaping—VSP. This narrative reason is used solely for officers discharged from military service for the convenience of the government under an early release program. This new acceptable narrative reason was created because some former military officers believed the narrative reason of “reduction in force” had a negative influence on potential employers. This new reason is another way of stating the discharge was due to a “reduction in force.”

Some of the discharged officers may receive a VSP after discharge. The VSP program is authorized by Title 10, U.S.C. section 1175a. A VSP may also be listed as Separation Pay Incentive or as Voluntary Separation Incentive on the service member’s DD-214 form.

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These forms of payments are considered to be bonuses by the Department of Defense and generally should not affect eligibility to receive UCX benefits unless state law dictates otherwise. SWAs must use the new acceptable narrative reason, when appropriate, in making UCX eligibility determinations.

5. Action Required. SWAs are requested to distribute this directive and the attachment to appropriate staff members.
6. Inquiries. Direct inquiries to the appropriate Regional Office.
7. Attachment. Revised List of Acceptable Narrative Reasons for Separation Meeting the Requirements of 5 U.S.C. 8521 (a) (1) (B) (ii) (I)-(IV)