

To: State UI Directors

From: Suzanne S. Simonetta, Acting Deputy Administrator, Office of Unemployment Insurance

Subject: Spirit Airlines: Reminder to States to Review Localization of Work Guidance to Determine the State Where Individuals May Be Eligible for Unemployment Insurance Benefits

State UI Directors,

The workforce system is moving rapidly to assist workers impacted by the closure of Spirit Airlines. As this occurs, I'm writing to remind states that the Employment and Training Administration's localization of work guidance for reporting wages determines the state where individuals may be eligible for unemployment insurance (UI) benefits. See [Unemployment Insurance Program Letter \(UIPL\) No. 20-04](#). This is of particular importance for airline workers who may have had a base of operations in a state but worked in more than one state (e.g., individuals who worked on airplanes during flights) or who lived in a state different than the state(s) where they worked.

The information below explains the proper way to determine where wages should be reported when work is performed entirely in one state, or in a number of states. It also helps determine the state that should make UI benefit payments to unemployed workers.

The objective of localization of work provisions in state UI laws is to cover under one state law all of the service (i.e., work) performed by an individual for one employer, wherever it is performed.

The definition of the term "employment" in state law is the legal basis for wage reporting. "Employment" includes an individual's entire service, performed within, or both within and without, a state if the service is localized in a state.

Service is localized within a state if:

- the service is performed entirely within such state; or
- the service is performed both within and without such state but the service performed without such state is incidental to the individual's service within the state; for example, is temporary or transitory in nature or consists of isolated transactions.

The term "employment" in state law also includes an individual's entire service, performed within, or both within and without this state if the service is not localized in any state but some of the service is performed in a state and;

- the individual's base of operations is in the state; or

- if there is no base of operations, the place from which such service is directed or controlled is in this state; or
- the individual's base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

The above localization of work provisions of state law are ordinarily applied in the following sequence:

- (1) Is the individual's service localized in this state or some other state?
- (2) If his/her service is not localized in any state, does he/she perform some service in the state in which his/her base of operations is located?
- (3) If the individual does not perform any service in the state in which his/her base of operations is located, does he/she perform any service in the state from which the service is directed and controlled?
- (4) If the individual does not perform any service in the state from which his/her service is directed and controlled, does the individual perform any service in the state in which he/she lives?

Additionally, we remind states of the valuable services provided via the state's American Job Centers to assist unemployed individuals in becoming reemployed. For additional information, please go to [DOL.gov/Spirit](https://www.dol.gov/Spirit).

If you have any questions, please share them with me, Michelle Beebe (beebe.michelle.e@dol.gov), Daniel Hays (hays.daniel@dol.gov), and your regional office.

Thank you,

Suzanne

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