

## 550 Unemployment Compensation

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### 551 Overview

#### 551.1 Legal Guidelines

##### 551.11 Administration

The Unemployment Compensation for Federal Employees Program (UCFE) is administered by the states under separate agreements with the U.S. Secretary of Labor. Under these agreements, the states are agents of the United States and take, adjust, pay, or deny claims for unemployment compensation. Based on wage and separation information supplied by the Postal Service, the state agency determines under its state employment security law the postal employee's entitlement to unemployment compensation.

##### 551.12 Liability

Benefit payments are made to former postal employees by the states under the agreements between the states and the U.S. Department of Labor. The Postal Service then reimburses the states through the Department of Labor.

##### 551.13 Illegal Claims

Federal law provides criminal penalties for anyone who knowingly makes a false statement or representation of a material fact, or knowingly fails to disclose a material fact, to obtain or increase for self or for any other individual unemployment compensation benefits for federal employees.

#### 551.2 Qualification Factors

Requirements for unemployment compensation benefits vary from state to state in accordance with each state's employment security law. However, each state law requires that a claimant:

- a. Be unemployed or be employed less than full-time as defined by the state employment security law with earnings less than an amount specified in the state law.
- b. Register for work and file an unemployment compensation claim at a local state employment security office.
- c. Have worked a specified amount of time or have earned a specified amount of wages, or both, within a certain period.
- d. Be able to work.
- e. Be available for work.
- f. Be actively seeking work.
- g. Report periodically to the local state employment security office.

**551.3 Disqualification Factors**

Disqualification provisions vary from state to state. In the majority of states, employment security laws provide for a period of total disqualification or for a penalty period of temporary disqualification for certain types of separations. A former postal employee is not disqualified if the separation was an involuntary termination of employment for other than misconduct, or if the separation was a voluntary termination or resignation based on good cause. The most common reasons for disqualification are:

- a. The claimant was discharged for misconduct.
- b. The claimant quit the job voluntarily without good cause.
- c. The claimant refused a suitable job without good cause.

**551.4 Information to State Employment Security Agencies****551.41 Information Required**

The Postal Service furnishes state employment security agencies certain salary and separation information concerning claimants who are or have been employed by the Postal Service. This information is processed and returned to the state agency by the Eagan ASC within 4 workdays after receipt of the request. The information includes:

- a. Periods of Postal Service employment.
- b. Amount of remuneration for service.
- c. Amount of lump sum terminal leave payments and periods of time for which the lump sum payment was made.
- d. Reason(s) for separation.

**551.42 Privacy Act Requirements****551.421 Authority to Disclose**

Release of wage and separation information to a state employment security agency can be made without written authorization from the former Postal Service employee.

**551.422 Accountability of Disclosure**

To meet the Privacy Act disclosure accounting requirements, the state coordinators described in 552.3 receive from the Eagan ASC copies of Unemployment Compensation for Federal Employees Form ES 931, *Request for Wage Separation Information*; Form ES 934, *Request for Information or Reconsideration of Federal Findings*; Form ES 936, *Request for Verification of UCFE Wage and Separation Information Furnished on Form ES 931*; and PS Form 2342, *Request: Unemployment Compensation Data*, and PS Form 6803, *Wage and Separation Information (ES 931) (3-part continuous)*. These forms are to be retained by the state coordinator for a period of 3 years. The Eagan ASC maintains the Form 6803 Issue Report (Program No. PHE100) on microfiche for a period of 5 years. State coordinators are to maintain hearings and appeals case files for 5 years. Official Postal Service records control schedules should be consulted to determine retention requirements by state coordinators and installation heads.

**552 Responsibilities****552.1 Headquarters****552.11 Functional Administration**

The functional responsibility for the development, implementation, and control of the national Postal Service Unemployment Compensation Program is assigned to the vice president of Employee Resource Management.

**552.12 Daily Administration**

The administration of the unemployment compensation program for Headquarters units, Headquarters-related units, and in field organizations, is assigned to the Postal Service state coordinators (see 552.3) in which these units are physically located.

**552.2 Areas**

The area Human Resources managers have oversight responsibility for the unemployment compensation program for the states in their geographic area. They coordinate as necessary when state lines overlap with a contiguous area. The managing field counsel in the area:

- a. Participates in hearings before the state referees and prepares appeals to state courts.
- b. Assists Postal Service state coordinators in interpreting legal guidelines and Privacy Act requirements.

**552.3 State Coordinators****552.31 Administration**

The area Human Resources manager designates an office in the capital city within each state to coordinate the unemployment compensation activities for all Postal Service installations in that state. The functional responsibility for the state program administration is assigned to the ranking Human Resources official in that office. This official selects one employee as state coordinator for program administration responsibility.

**552.32 Responsibilities**

The designated state coordinator:

- a. Administers Postal Service policy on unemployment compensation within the respective state or jurisdiction.
- b. Establishes a communication channel with the state employment security agency and becomes familiar with the state unemployment compensation policies, procedures, and laws.
- c. Reviews appropriate forms, correspondence, and claim determinations to establish that each unemployment compensation claim filed by a present or former postal employee is justified and that the information provided by the claimant is valid.
- d. Initiates appeals on claims determined to be unjustified.

- e. Ensures that the referees adjudicating appeals are provided with all appropriate and necessary information whether the appeal is initiated by the Postal Service or the claimant.
- f. Notifies appropriate offices to prepare material necessary for appeals.
- g. Attends unemployment compensation appeal hearings conducted by state referees or arranges for such representation by the post office in which the claimant was or is employed.
- h. Refers recommendations for final appeal cases to the managing general counsel for the state along with appropriate supporting information.
- i. Contacts the appropriate postal installation upon receipt of PS Form 6803 (ES 931), to ascertain the reason(s) for separation or the nonpay status of a claimant when the Eagan ASC cannot supply this information.
- j. Monitors the preparation of separation forms and information provided by the Eagan ASC and identifies areas where incomplete or inaccurate information could generate unjustified unemployment compensation claims and subsequent payment.
- k. Provides the Eagan ASC with required information in order to resolve problems concerning individual employees.
- l. Maintains program records in accordance with official Postal Service records control schedules.
- m. Serves as liaison for Headquarters in dealing with state employment security agencies.

#### 552.4 **Installation Heads**

##### 552.41 **Completion of Form 50, Notification of Personnel Action**

Installation heads:

- a. Ensure the accurate and timely completion of PS Form 50 and SF 8, *Notice to Federal Employees About Unemployment Insurance*, when initiating separation actions (see 553.11 and 553.12).
- b. Submit PS Form 50 as expeditiously as possible for processing.

##### 552.42 **Cooperation With Postal and State Authorities**

Installation heads:

- a. Provide full cooperation to Postal Service state coordinators when supplemental information is required.
- b. Cooperate with Postal Service state coordinator requests for witnesses to appear before state appeal hearings to testify about the reason(s) a former employee was separated.
- c. Give direct responses to state employment security agency requests for additional separation information (Form ES 934) (see 553.22).

552.5 **Eagan Accounting Service Center**552.51 **Initial Response**

The Eagan ASC:

- a. Completes PS Form 6803 (see 553.13) in response to state agency requests for wage and separation information (Form ES 931) within 4 working days after receipt of the request.
- b. Retains a copy of each Form 6803 submitted to state agencies (Privacy Act accounting requirements) on microfiche and distributes a copy of PS Form 6803 to the appropriate Postal Service state coordinator.
- c. If separation or wage information is unavailable at the Eagan ASC, forwards PS Form 6803 (and Form ES 931) to the appropriate Postal Service state coordinator requesting that Form 6803 be completed and returned to the state agency.

552.52 **Additional Information**

The Eagan ASC responds to state agency requests for additional information on Form ES 934 and verifies Form ES 931 on Form ES 936 within 4 working days after receipt (see 553.22 and 553.23).

553 **Explanation of Forms and Procedures**553.1 **Postal Service Procedures**553.11 **Form 50**

Personnel offices:

- a. Complete PS Form 50 in an accurate and timely manner when separating an employee.
- b. Enter the three-digit unemployment compensation code that most accurately describes what the Postal Service believes to be the reason(s) that the employee was separated in the appropriate block on PS Form 50.
- c. Ensure that all additional information relating to the reason(s) for separation is incorporated into the remarks section of Form 50. (In those instances when the employee's reason(s) for separation differ from the Postal Service's reason(s), personnel offices enter the standard remarks message (Standard Code 542) on Form 50.) This standard remark states that a difference in separation reason(s) does exist and will be furnished upon request.
- d. State the fact of the issuance of SF 8 in the remarks section of PS Form 50.

553.12 **SF 8, Notice to Former Employee About Unemployment Insurance**

SF 8 explains an employee's eligibility for unemployment compensation and describes the steps to be taken in filing a claim. Personnel offices complete SF 8 by entering at top of form the employee's name, Social Security number,

and pay location. In item 3 personnel offices enter #732 on the extreme right side and then enter the address of the Eagan ASC:

PAYROLL PROCESSING/UNEMPLOYMENT  
USPS EAGAN ASC  
2825 LONE OAK PKWY  
EAGAN MN 55121-9635

SF 8 is issued promptly to the employee by the separating personnel office so that he or she does not lose unemployment compensation benefits to which he or she may be entitled. An individual whose work or tours of duty are on an intermittent basis is issued an SF 8 only the first time in each calendar year that he or she is placed in a nonpay status. However, a completed SF 8 is issued to an employee each time the employee:

- a. Separates from the Postal Service for any reason.
- b. Transfers to another federal agency.
- c. Is (or will be) placed in a nonpay status for 7 or more consecutive calendar days.

SF 8 is issued on the employee's last workday. The date is to be noted in the remarks section of PS Form 50.

### 553.13 **Form 6803, Wage and Separation Information (ES 931)**

#### 553.131 **Completion**

The Eagan ASC:

- a. Completes Form 6803 in response to a state agency's request for wage and separation information (Form ES 931, see 553.21).
- b. Extracts wage and separation information from the Automated ES 931 System and enters it on PS Form 6803.
- c. Attaches two copies of PS Form 6803 to Form ES 931 and returns them to the state agency within 4 workdays after receipt of the request.
- d. Forwards one copy of PS Form 6803 to the appropriate Postal Service state coordinator and retains a copy for Privacy Act accounting requirements (see 551.422).

#### 553.132 **Incomplete Information**

When a PS Form 50 has not been processed, the separation information is not entered into the automated ES 931 system. In such circumstances, the Eagan ASC immediately forwards all three copies of PS Form 6803 (and Form ES 931), with the wage portion completed, to the appropriate Postal Service state coordinator, requesting that the separation portion of Form 6803 be completed.

Upon completion of PS Form 6803, the state coordinator attaches two copies of PS Form 6803 to Form ES 931 and forwards them to the state agency, retaining copies.

The same control and processing of PS Forms 6803 are used when the automated ES 931 system fails to complete wage and separation information except that the Postal Service state coordinator sees that both the information and separation information are provided .

**553.133 Erroneous Findings**

If the Eagan ASC ascertains at any time within 1 year after it has returned a completed PS Form 6803 (Form ES 931) to a state agency that any of its findings were erroneous, it must promptly correct the error and forward corrected findings to the appropriate state agency.

**553.2 State Agency Forms and Procedures****553.21 Form ES 931**

When a former Postal Service employee (or an employee who works less than full-time as defined in the state employment security law with earnings less than an amount specified in the state law) applies for unemployment compensation at a state employment security office, the state agency sends Form ES 931 to the Eagan ASC (see 553.13) as indicated on the claimant's SF 8.

The Eagan ASC responds to the state agency by extracting the requested wage and separation information from the automated ES 931 system on Form 6803 (see 553.13).

**553.22 Form ES 934****553.221 Reason for Form ES 934**

If the Eagan ASC provides inadequate data on PS Form 6803, the state agency may request additional information on Form ES 934. If Form 934 cannot be processed within the 4-workday time period, the Eagan ASC or separating installation must immediately notify the state agency when it can expect to receive a completed Form ES 934.

**553.222 Request for Wage Information**

The Eagan ASC completes the form and returns it directly to the state agency within 4 workdays after receipt. A copy of Form ES 934 is sent to the respective Postal Service state coordinator by the stage agency. The Eagan ASC retains a copy of the completed Form ES 934 for Privacy Act accounting requirements.

**553.223 Request for Separation Information**

If the state agency sends Form ES 934 directly to the employee's separating installation, the installation completes the form and returns it to the state agency within 4 workdays after receipt of the request. A copy of Form ES 934 is sent to the appropriate Postal Service state coordinator by the state agency. A copy of Form ES 934 is retained by the postal installation and one copy is forwarded to the Eagan ASC for Privacy Act accounting requirements.

**553.224 Request for Wage and Separation Information**

The state agency sends Form ES 934 to the Eagan ASC, which inserts the requested wage information and forwards the form to the separating installation.

The postal installation:

- a. Inserts the requested separation information and returns the form directly to the state agency within 4 workdays after receipt.

- b. Returns a copy of Form ES 934 to the Eagan ASC for Privacy Act accounting requirements and retains one copy.

The state agency sends a copy of Form ES 934 to the appropriate Postal Service state coordinator.

#### 553.23 **Form ES 936, Verification of ES 931 (Form 6803)**

State agencies request the Eagan ASC to verify a sampling of Forms 6803 completed by the Eagan ASC semiannually on Form ES 936.

A Form ES 936 shows the name of the claimant, Social Security number, payroll account number (if available), and the date that the Form 6803 was requested.

Form ES 936 is completed, when possible, by a person other than the one who prepared the related Form 6803. If the verification is made by the same person, Form ES 936 is reviewed by an authorized certifying officer.

Form ES 936 must be completed and returned to the requesting state agency within 4 workdays after receipt of the request.

### 554 **Appeals**

#### 554.1 **State Law Requirements**

State employment security laws provide for (a) administrative appeals at two levels in state agency proceedings and (b) appeals to state courts. Appeals may be initiated by the claimant or by the Postal Service.

The state agency's notice of determination of a claimant's benefit rights includes (a) the determination and the basis for it and (b) information concerning appeal rights and the time within which an appeal may be filed.

#### 554.2 **Initial Level Appeals by Claimants**

All claimants, including former probationary employees, have the right to request additional information (see 553.22) for clarification of Postal Service findings or to correct errors and omissions in their records. If a claimant is not satisfied with a state agency's determination, the claimant has the right to appeal the determination. Notices of such appeals received by postal managers are referred to their respective Postal Service state coordinators (see 554.414).

#### 554.3 **Initial Level Appeals by the Postal Service**

##### 554.31 **Cause to Appeal**

If the Postal Service believes that a state agency's determination in awarding unemployment compensation is incorrect, the Postal Service may appeal the determination under the applicable state employment security law.

**554.32 Initiation of Appeal**

The Postal Service state coordinator files an appeal whenever:

- a. The state agency appears to have misinterpreted or disregarded the Postal Service's findings.
- b. The Postal Service believes the determination is not in accordance with the provisions of the state employment security law.

**554.4 Postal Service Participation in Appeals****554.41 Representation****554.411 Preparation for Appeal**

The Postal Service state coordinator:

- a. Ensures that the Postal Service is represented at state unemployment compensation appeal hearings (representation should include Postal Service employee(s) with first-hand knowledge of the case).
- b. Ensures that all documented evidence that supports the Postal Service's position is submitted.

**554.412 Appearance As a Witness**

A postal representative with first-hand knowledge of the case in question who appears before a state appeal hearing as a witness on behalf of the Postal Service provides evidence concerning the facts that support Postal Service findings. Evidence provided at state appeal hearings may be in the form of oral testimony or written documentation. (For sources of information to be used as evidence, see 554.43.)

**554.413 Appearance As an Appellant**

When the Postal Service initiates an appeal against a state agency's determination (see 554.31), the Postal Service state coordinator ensures the presence of a postal representative at the state appeal hearing. The postal representative is an individual who has first-hand knowledge of the facts in the appeal case. The representative offers oral testimony or written documentation as argument in support of the Postal Service findings. (For sources of information to be used as evidence, see 554.43.)

**554.414 Appearance As an Appellee**

When the Postal Service receives a notice of an appeal hearing in which it is an appellee, the Postal Service state coordinator reviews the facts of the case and notifies a postal representative having first-hand knowledge of the case to appear on its behalf. The representative presents oral testimony or written documentation (see 554.43) in support of Postal Service findings.

**554.42 New Evidence by Claimant**

In those appeal hearings in which a claimant introduces new evidence, the Postal Service representative either replies with Postal Service evidence and arguments or requests a continuation of the case in order to prepare a response to the new evidence.

**554.43 Disclosure of Information****554.431 Routine**

During a state unemployment compensation appeal hearing, the Postal Service has the legal authority to disclose all relevant information from any of the systems of records appearing in the list in Chapter 3 of the *Administrative Support Manual (ASM)*. All postal records presented as evidence during state appeal hearings are excised of all irrelevant information not pertaining to the claimant's reason(s) for separation and for the appeal or the Postal Service's reason(s) for separation of the claimant and for the appeal.

**554.432 Medical Records**

Only medical information that directly relates to the reason(s) the claimant was separated can be presented as evidence during a state appeal hearing. However, in those instances in which the relevant information contains a reference to a malignancy or mental condition, a medical officer is contacted for the purpose of determining whether the claimant previously has been made aware of its existence. If the claimant has not been made aware of the condition, the information is not to be disclosed. If such evidence is essential to the Postal Service case, a cautionary statement is sent to the state referee prior to the hearing, indicating the importance of such evidence and the possible psychological effect it may have on the claimant if released during the hearing.

**554.433 Inspection Service Records**

Whenever documents originated by the Inspection Service are involved in an appeal hearing, the appropriate inspector in charge is notified by the Postal Service state coordinator. The material in question is referred to the chief postal inspector for review and approval prior to release.

**554.434 Managing Field Counsel**

The managing field counsel for the area is consulted when any questions or problems arise in interpreting Postal Service Privacy Act regulations or interpreting implementation instructions. The chief field counsel is consulted if:

- a. Disclosure of certain relevant information contained in Personnel Investigation Records may reveal the identity of a source who has requested confidentiality.
- b. Disclosure of certain relevant information contained in either Personnel Research and Test Validation Records, or Recruiting, Examining, Training, and Placement Records might jeopardize the fairness or objectivity of an examination process.

**554.5 Appeals (Second Level) to State Appellate Board**

Either the claimant or the Postal Service may appeal a determination made by the initial level state appeal authority to the second level state appellate authority, which is usually the State Appeals Board. The initial level appeal determination indicates the basis for such a determination, as well as the time frame in which an appeal can be filed. When a Postal Service state coordinator receives an initial level appeal determination that continues to

contradict the Postal Service findings based on either of the reasons outlined in 554.32, the Postal Service state coordinator files an appeal based on such arguments. Participation by the Postal Service in second level state appeals are conducted in the same manner as in the initial level appeal process (see 554.4).

#### 554.6 **Postal Service Appeals to State Courts**

When a determination has been rendered by a State Appellate Board that continues to contradict Postal Service findings, the Postal Service state coordinator immediately contacts the managing field counsel, who initiates appeals to state courts.

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