1. History of Unemployment Compensation for Ex-Servicemembers (UCX) Program. The Ex-Servicemen’s Unemployment Compensation Act of 1958, Public Law 85-848, added Section 1511, which is now known as Unemployment Compensation for Ex-Servicemembers (UCX), Title XV of the Social Security Act. In 1966, Public Law 89-554 repealed Title XV, including Public Law 85-848, codifying the UCX requirements in Chapter 85, Title 5, and Section 1919, Chapter 93, Title 18, U.S. Code (These may be cited as 5 U.S.C. Chapter 85 and 18 U.S.C. 1919). In 1982, Public Law 97-362 amended 5 U.S.C. 8521 to increase the amount of active duty 90 continuous days to be considered "Federal Service" for UCX purposes, to require a 4-week waiting period before UCX benefits were payable, and to limit the duration of benefits to 13 times the weekly benefit amount (WBA).

In 1991, Public Law 102-164 amended 5 U.S.C. 8521(a) by reducing the amount of active duty in a reserve from 180 continuous days to 90 continuous days necessary to be considered "Federal service" for UCX purposes. The Act also repealed provisions of 5 U.S.C. 8521(c) which required a 4-week waiting period and a 13 times WBA maximum benefit amount.

References to Veterans’ Reemployment Rights (VRR) are drawn from 38 U.S.C. 2021-2026.

2. General Legal Provisions of 5 U.S.C. Chapter 85. Under the provisions of 5 U.S.C. Chapter 85, the U.S. Secretary of Labor is authorized to issue rules and regulations as may be necessary to carry out the provisions of the Act. The implementing regulations are published at 20 CFR Part 614.

To be entitled to UCX benefits, the ex-servicemember must have performed active Federal military service. The period of active military service must have terminated under honorable conditions and meet requirements of Federal law (5 U.S.C. 8521 et seq.). Federal findings with respect to military service are final and not subject to adjudication under State law.

To establish entitlement and eligibility for UCX benefits, Federal military service and wages will be assigned to the State, including either the District of Columbia, the Commonwealth of Puerto Rico, or the Virgin Islands, as the case may be, in which the first intrastate or interstate claim for unemployment compensation (whether State unemployment insurance (UI), unemployment compensation for Federal employees (UCFE), UCX, or

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some combination thereof) that establishes a benefit year is filed after the most recent separation from Federal military service. When the first claim filed is an interstate claim, the wages are assignable to the agent State. **NOTE:** The benefit year established does not have to be in the State where the claim is filed. (Refer to Chapter II, page II-9 and Chapter III, page III-5.)

An ex-servicemember filing a claim for UCX benefits is subject to the same entitlement and eligibility provisions as an individual claiming benefits based on State-covered employment and wages. Except that, a State shall not apply eligibility provisions of the State UI law to UCX claimants with respect to reasons for separation from (1) active military service; or (2) a failure to seek or accept employment with a pre-service employer.

3. **State’s Agreement with Secretary.** Under 5 U.S.C. 8502, the Secretary is authorized to enter into an agreement with each State to administer the UCX program. Except as required by the Act, Regulations and Secretary’s opinions, the State is required to determine entitlement and eligibility and make unemployment compensation payments to ex-servicemembers under the same terms and conditions as it would have had their Federal military service and wages been included as employment and wages covered under the UI law of the State to which such military service and wages are assigned.

4. **UCX Benefit Payments in Absence of a State Agreement.** The Federal UCX law (5 U.S.C. 8503) provides that if Federal military service and wages are assignable to a State which has no administrative agreement with the Secretary, the Secretary shall administer the UCX program for ex-servicemembers filing against such service and wages and shall make determinations and payments under the same terms and conditions as would have applied under the State’s law if the State had an agreement with the Secretary.

If the ex-servicemember has sufficient State covered employment and wages to establish a benefit year, the UCX payment by the Secretary shall represent only the amount by which a joint UI-UCX benefit amount exceeds the actual or potential UI benefit amount whether or not the individual has filed a claim for UI benefits.

If the claimant needs both State and Federal employment and wages to qualify, the Secretary will determine and pay the individual’s entitlement based on the combined total of all base period employment and wages.

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5. **State Administration of the UCX Program.**

   a. **Coordination of UCX Activities.** In order to assure that UCX operations are coordinated within the organizational framework of the State's UI program, it is recommended that an individual within the agency's central office be designated, with sufficient authority and staff assistance, to carry out the following responsibilities:

   - Ensuring that appropriate UCX procedural instructions are promptly prepared and distributed both in the central and local (or area) offices.
   - Making on-site appraisals on the effectiveness of, and adherence to, procedures, with particular emphasis on claims determination and payment operations.
   - Developing methods to ensure the use of Federal military service and wages, when applicable.
   - Making recommendations for the training of claims taking, interviewing, processing, adjudication, and appeals personnel.
   - Ensuring uniform interpretation of the UCX requirements within the State agency, including the requirement to determine UCX claimants entitlement and eligibility under the same terms and conditions as apply to State UI claimants.
   - Ensuring that UCX control data is transmitted via the appropriate interstate network to the LCCC immediately upon the filing of a new claim.
   - Coordinating visits to military installations responsible for the separation of active military servicemembers, when considered necessary.

   b. **Administrative Procedures and Forms.** In carrying out its responsibility to administer the UCX program, the State agency should use the same procedures and forms as apply to individuals filing under the State program, except in situations where there are Federally prescribed procedures or forms.

The following forms are Federally prescribed:

   (1) ETA 841 (formerly ES 970), Request for Determination of Federal Military Service and Wages; and

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(2) ETA 843, Request for Military Document/Information for Unemployment Compensation Purposes - UCX.

State agencies are responsible for reproducing the ETA 841 and ETA 843, with the appropriate State agency organizational designation on each form. Refer to Chapter IV, Item 4.e. for authorized adaptations of these forms. NOTE: The Office of Management and Budget (OMB) approval numbers are no longer required on UCX program forms.

6. Finality of Federal Findings. In accordance with 5 U.S.C. 8523(b), State agencies and the Secretary must accept as final and conclusive information contained in military documents, including the DD Form(s) 214/215, or decisions furnished by the appropriate branch of the service concerning: (1) whether the person performed active military service; (2) the beginning and ending dates of each period of such service; (3) number of days lost, if any, during periods of active duty; (4) the type of discharge or release from the latest period of Federal military service, including the, "Upgraded Character of Discharge;" and (5) the narrative reason for separation. Such decisions of the military services are not subject to modification or reversal by the Secretary or a State's appellate authority.

7. Re-employment Rights of Ex-servicemembers Under Federal Statute. Federal statutes (38 U.S.C. Chapter 43) provide certain legal rights to re-employment with pre-service employers for individuals who leave employment to enter U.S. military service for extended active duty, active duty for training, and inactive duty training. These rights apply whether the individual enlisted, was inducted, or entered active duty from a reservist, voluntarily or involuntarily. Re-employment rights apply to all private employers; the executive, legislative, and judicial branches of the Federal government; all branches of the government of the District of Columbia; and the U.S. Postal Service. Such rights also may be afforded by State governments and their political subdivisions pursuant to the requirements contained in 38 U.S.C. 2021(c).

State agency employees are not expected to advise persons of their re-employment rights, but claims interviewers need to know whether ex-servicemembers have taken the steps available to them to obtain re-employment.

However, to exercise re-employment rights under Federal law, an ex-servicemember generally must apply for re-employment with the pre-service employer within 90 days after discharge or release.
from active military service or from hospitalization "continuing after discharge for a period of not more than one year" (38 U.S.C. 2021(a)). In some cases, a shorter period is provided to exercise re-employment rights. A member of a reserve component who is ordered to an initial period of active duty for training of not less than 12 consecutive weeks must exercise re-employment rights within 31 days after release from active duty or discharge from hospitalization incident to that active duty, provided hospitalization is not for more that 1 year after scheduled release from duty (38 U.S.C. 2024(c)).

Under the Federal law, the pre-service employer is required to place the ex-servicemember requesting re-employment in the job he/she would have attained had he/she not been absent in military service or a job of like seniority, status and pay. Re-employment rights in the job to which the returning ex-servicemember is entitled include the right to the seniority status which would have accrued with his/her pre-service employer, but for military service, and to promotions and pay increases and certain other advantages he/she would have received if military service had not intervened (38 U.S.C. 2021(a)(2)(B)(b)).

The above paragraphs describe some of the highlights of Federally mandated re-employment rights. However, an ex-servicemember’s specific rights under Federal law must be determined in each case. If an ex-servicemember request information concerning re-employment rights or help in safeguarding such rights, the person should be referred to the nearest Local Veterans’ Employment Representative (LVER). The LVER will refer the individual to the proper authorities in the State offices of the Veterans Employment and Training Service, U.S. Department of Labor.

8. Other Cooperative Arrangements With Departments or Agencies.
In addition to the agreement between the Secretary and each State agency to operate the UCX program, other cooperative arrangements with respect to the program have been entered into as follows:

a. Department of Defense (DOD). The DOD has agreed that each branch of the service will provide an individual being separated, from active U.S. military service, with general information pertaining to the UCX program at the time it issues a DD Form 214, Certificate of Release or Discharge From Active Duty. For UCX determination purposes, each branch of service also includes information pertaining to the number of days of military accrued leave for which a lump-sum payment was made and the dates of "days lost", etc., on the DD Form 214. The DOD also maintains the DOL’s Federal schedule of remuneration for use in

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d. **Department of Justice (DOJ).** The DOJ and the Federal Bureau of Investigation (FBI) have agreed with the DOL that the authority to investigate criminal fraud matters arising from and pertaining to the UCX program shall be vested in the U.S. Department of Labor’s Office of the Inspector General (OIG). When fraud is detected, if prosecution is warranted, the case will be referred to the appropriate U.S. Attorney’s office.

e. **Louisiana Claims Control Center (LCCC).** The Louisiana Department of Labor (LADOL) and the Dallas Regional Office have an agreement with the DOL National Office for the operation of the LCCC by the LADOL, on a fiscal year basis, beginning October 1 and ending September 30 of each year. The purpose of the agreement is to define the roles of the State, and the Regional and National Offices of the Employment and Training Administration, essential to the operation and maintenance of the UCX claims control function.

9. **Visit to the Military Separation Installation.** The purpose of a visit to a military separation installation is to ensure that the staff understands the requirements to provide correct and complete UCX program information to servicemembers at the time of their separation.

If possible, arrangement should be made to attend an exit orientation for military personnel being separated to ensure that accurate UCX information is provided.
ET HANDBOOK NO. 384
UNEMPLOYMENT COMPENSATION FOR EX-SERVICEMEMBERS (UCX)

CHAPTER 1 - ADMINISTRATION

a. Authorizing Memorandum from Asst. Secretary of DOD.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

JAN 10 1980

MANPOWER,
RESERVE AFFAIRS
AND LOGISTICS
(Military Personnel Policy)

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (MCRDA)
ASSISTANT SECRETARY OF THE NAVY (HNALL)
ASSISTANT SECRETARY OF THE AIR FORCE (HRAFI)

SUBJECT: Visits to Military Separation Activities for Review of DD Forms 214 Operations

Representatives of the U.S. Department of Labor and/or State Employment Security Agencies are authorized to make on-site visits to ensure for unemployment insurance purposes that military separation activities are performing the several requirements, listed below, related to issuance of DD Form 214 required by DoD Instruction 1336.1, "Certificate of Release or Discharge from Active Duty (DD Form 214/5 Series)."

1. Promptly mailing Copy No. 5 of DD Form 214 to the U.S. Department of Labor Design Center, Baton Rouge, Louisiana, within one day of the individual's separation date.

2. Emphasizing to individuals being processed for separation, the importance of Copy No. 4 of DD Forms 214 and 215 in obtaining veterans' benefits, including unemployment insurance; and

3. Completing appropriate items on Copy No. 5 of DD Form 214, including character of service, and dates of time lost, which are used by State Employment Security Agencies to determine a separate's entitlement to unemployment compensation for ex-servicemen (UCX) under the Federal law, Subchapter II of 5 U.S.C. 8551, et seq. Valid DD Forms 214 must be presented in person in a local unemployment insurance office of a State Employment Insurance Office of a State Employment Security Agency in order to establish entitlement to UCX benefits.

On-site visits will be conducted as follows:

1. Representatives of the Department of Labor and/or State Employment Security Agency will make a formal written request to the separation activity for permission to make the visit. The individual(s) who will make the visit will be identified in the request which will also specify the proposed date and time for the visit.
2. The appropriate administrative authority for the military separation activity will make a prompt written reply to the above request. If the visit is authorized, the visitors will be informed specifically, as to the time and place of the visit and military personnel to contact. Also, the visitors will be informed as to what identification they will be expected to provide or obtain in order to be admitted to the separation activity.

3. At the completion of the visit, military personnel at the separation activity will be furnished a copy of the report prepared by the representative making the visit.

R. Dean Site
Major General, USA
Deputy Assistant Secretary of Defense

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b. **Frequency of Visits.** The UCX program coordinator should visit each military separation installation (Air Force, Army, Coast Guard, Marine Corps, and Navy) at least once in each 2-year period. More frequent visits may be made if the State agency determines that a military separation facility does not properly complete the information on the DD Form 214 necessary to the determination of military service and wages under the UCX program. Such a facility may be identified from Item 8 of the incomplete DD Form 214s.

c. **Request for Visit.** To request a visit, the Officer in charge of the separation installation should be contacted. In scheduling a visit, the purpose of the visit should be thoroughly explained and a firm commitment should be obtained including the name(s) of personnel to contact.

If a military separation installation refuses to permit a State agency representative to make a UCX visit, or does not allow the representative to review pertinent military documents, the State agency should notify the appropriate ETA Regional Office, providing details of the refusal with reference the requirements of this Handbook. The problem will be resolved by the ETA Regional or National Office.

d. **Preparation for Visit.** The State representative should prepare and carry a copy of the memorandum, from the Office of the Assistant Secretary of Defense to all Assistant Secretaries of the branches of military service, provided in "a" above. The representative should also prepare a review outline to record the information necessary to complete a summary of the visit in accordance with "f" below.

The State representative should be prepared to present proper State agency issued identification, and should arrange to obtain military installation vehicle permits, as required.

e. **Review to be Conducted.** Review at least 10 copies of DD Form 214 or, if unavailable, the DD Form 214 worksheet. Some branches of service will not have a copy of the actual DD Form 214 on file at the military installation, but will have a DD Form 214 worksheet. Do not include in the review DD Form 214s issued to re-enlistees.

f. **Report of Visit.** The State agency representative should complete a "Summary of UCX Military Visit", and send it to the National Office, via the appropriate ETA Regional Office within 15 days after the visit. A copy of the report is also to be sent to the military installation visited.
(1) Facsimile.

SUMMARY OF UCX MILITARY VISIT

State of ___________________ Date of Visit: ___________________

Name of Military Installation: ___________________
Location: ___________________

Name and Title of Military Personnel Contacted: ___________________

Name and Title of RO/SESA Persons Who Made the Visit: ___________________

1. After review of DD Forms 214 and discussion with military separation installation's personnel, answer the following questions, "Yes" or "No".

   a. Separatess informed at the time of release from active military service of their UCX rights and responsibilities? ...............................................................

   b. If exit orientation was attended, was the UCX information given the separatess adequate and accurate? . ___

   c. Were they informed that Copy No. 4 of DD Form 214 is needed, if separatess apply for UCX benefits? .............. ___

   d. Is DD Form 214 issued to each individual separated from any period of active military service, including active duty for training (ACDUTRA) or full-time training duty (FTTD), for 90 days, and for less than 90 days if separated due to a service-incurred injury or disability, as provided by DOD Instruction 1336.1? .....................................................

   e. Were individuals who "...served under special active duty for training programs..." of 90 days or more for the National Guard or Reserves issued DD Forms 214 as required by DOD Instruction 1336.1, (1/6/89)? ......................... ___

2. How many cases were the following items not completed?
Total Number Reviewed: ............................................. ___

   a. Character of Service............................................ ___

   b. SSA Number.................................................... ___

   c. E, W, or O grade............................................. ___

   d. Entry and separation dates................................ ___

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e. Dates of days lost..............................

f. Number of days accrued leave.................

g. Narrative Reason for Separation..............

3. Was Copy No. 5 of each DD Form 214 mailed within one work day, after effective date of separation, to Louisiana Department of Labor, UCX/UCFE Claims Control Center (LCCC), P.O. Box 94246, Baton Rouge, Louisiana 70804-9246?......

   a. If not mailed within one workday to the LCCC, what is the average time lapse? ........................................

4. TA provided on site:

5. Comments

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10. **UCX Program Funding.** Public Law 97-362, the Miscellaneous Revenue Act of 1982, amended the UCX law (5 U.S.C. 8509) and requires military departments to reimburse the cost of UCX benefit expenditures. The primary reason for this change was to encourage military departments to assume responsibility for managing UC expenditures. P.L. 96-499 also established within the Unemployment Trust Fund the "Federal Employees Compensation (FEC) Account."

The FEC Account operates as a revolving Account. State agencies are required to requisition funds from the FEC Account to cover anticipated benefit payment needs for all UCX claimants and report such payments for subsequent billing to Federal military agencies. Quarterly, UIS requests reimbursement from military agencies based on the expenditure information reported and certified by the States. On a quarterly basis, each military agency reimburses the FEC Account the amount of benefits that have been paid to their employees or former employees.

a. **Requisitioning Funds from the FEC Account.** States are required to requisition funds via electronic requests to the Financial Management Services, Trust Funds Branch, U.S. Department of the Treasury. To prevent the build up of excessive balances in local banks, requisitions and transfers of funds should be made on a daily basis.

11. **Quarterly Billing of Benefits Paid.** To maintain the FEC Account and ensure that there are adequate funds available for the States to drawdown, Federal agencies must reimburse benefits paid to former employees to the FEC Account in a timely manner. The State agency, in turn, is responsible for paying UCPE and UCX benefits to the claimant and for reporting these quarterly benefit payments to the National Office in a timely manner. The ETA 191, Statement of Expenditures of Federal Funds for Unemployment Compensation for Federal Employees and Ex-service-members (UCPE/UCX) (Refer to ET Handbook No. 401 for reporting instructions.), is used by each State to report to the National Office the quarterly summary of UCX expenditures and adjustments and the detail of benefit charges and adjustments by specific Federal agencies. This report is the source document of the Unemployment Insurance Service's (UIS's) bill to military agencies for UCX benefits paid.

Upon receipt of the quarterly ETA 191 reports, UIS aggregates by Federal agencies the reported benefit charges and adjustments from all States and bills accordingly. The NO also certifies to the U.S. Department of the Treasury the total amounts due from each department and agency. Each military agency reimburses quarterly benefit charges by depositing the amount billed into the FEC Account.
12. Providing Information to Military Agencies. Pursuant to the Secretary's authority under 5 U.S.C. 8509(f), State agencies will continue to provide appropriate payroll offices of military agencies with a copy of all determinations, consistent with the requirements of Sections 6662 and 8692, Part V of the ES Manual, including appeal decisions, that are now provided to a private employer. State agencies will provide detailed benefit payment data, which supports the charges/credits contained in Section B of the ETA 191, to the military agencies listed in the Unemployment Insurance Program Letter entitled, "Directory of Federal (Civilian and Military Agencies Requesting Quarterly UCFE and UCX Detailed Benefit Payment Data."

13. Record Maintenance.

a. UCX Records - Contents, Identification, and Availability. State agency record(s) should contain sufficient information to substantiate all entitlement and eligibility determinations. Accounting records should be detailed enough to properly account for UCX funds requisitioned and to provide the necessary information for preparing fiscal reports to the U.S. Department of Labor.

Records for the UCX program should be clearly identifiable from records of other compensations programs (i.e. UI, UCFE, etc.) and must be available for examination and audit by such Federal officials as the Department of Labor may designate, or as may be required by law. This includes officials of the Department of Labor, the Inspector General for the Department, and the General Accounting Office.

b. Checks and Records of Payment.

(1) Documentation Supporting Payment. A payment from UCX funds must be supported by a copy of the check, by a register, or similar document clearly identifying the UCX claimant by name, social security number, and by the amount charged to UCX funds. Checks need not be identified as UCX payments.
(2) Undelivered and Unclaimed Checks. Controls and records of undelivered and unclaimed UCX checks returned to the State agency should identify checks for UCX separately from other checks issued by the agency. Such controls and records should be detailed enough to properly account for funds by the State agency.

The State agency will cancel any UCX benefit checks which are not presented for payment within 1 year after the issue date. The amount of the canceled check will be credited to the State agency’s account for UCX funds and reported on the ETA 191 as a credit. If a check replacement request is subsequently received, the State agency will reissue the check and charge the payment appropriately.

14. Statistical Reporting. The Unemployment Insurance Service (UIS) of the ETA National Office requires the SESAs to submit many of its reports electronically.

It is the policy of the UIS to assure accuracy, uniformity, and comparability in the reporting of statistical data derived from State unemployment insurance operations through State adherence to Federal definitions of reporting items, use of specific formats, observance of reporting due dates, and regular verification of reporting items.

UCX claimant activity is submitted by SESAs in the following reports:

a. ETA 539 Report, Weekly Claims and Extended Benefits Trigger Data;

b. ETA 5159, Claims and Payment Activities.

c. ETA 5130, Benefit Appeals Report.

d. ETA 207, Nonmonetary Determinations Report.

e. ETA 218, Benefit Rights and Experience.

f. ETA 227, Overpayment Detection/Recovery Activities.

Reporting requirements pertaining to UCX electronic submittals of the ETA 539, ETA 5159, ETA 5130, ETA 207 and ETA 218 are contained in ETA Handbook No. 401. Reporting instructions for preparing Form ETA-227 may be found in ES Manual, Part III, Chapters 5600-5799 and Chapters 12400-12402.
15. **Disposal of UCX Records.** The U.S. Department of Labor has the authority to transfer accountability for UCX program records to the State agency upon request. Once authorized, unless revoked, the accountability transfer applies to each UCX record 3 years after final action on the claim. Accordingly, each hardcopy UCX record will be transferred to State agency accountability 3 years after final action, including appeals or court actions, on the claim. Accountability for such documents may be transferred in less than 3 years after final action, if the State microfilms the records in accordance with the microfilming standards provided in Item 16 below. The date of final action on overpayment records, fraudulent or nonfraudulent, is the date the overpayment is written off, according to requirements published in Chapter V of the Handbook.

After the transfer of accountability, the State agency will follow its State law for disposing of all wage and benefit records and related documents.

16. **Standards for Microphotographing Records.** The following Standards to apply microfilming UCX records.

   a. **Standards.** To dispose of originals when reproducing permanently valuable records:

      (1) The integrity of the records will be preserved on the copies. This implies that copies will adequately substitute for original records in serving the purpose for which they were created or maintained. The term "integrity of the records" means—

          (a) Copies will be so arranged, identified, and indexed that a document or component of a record series can be located with reasonable facility; and

          (b) Copies will contain all significant record detail needed for probable future reference.

      (2) The film stock used in making photographic or microphotographic copies, and their processing, will comply with the appropriate specifications for permanent records.

      (3) Provisions for preserving, examining, and using copies of original records will be adequate.

      (4) Whenever the agency deems that the original photographic or microphotographic negative or master reproducing copy of permanently valuable records is deteriorating or will deteriorate through use or other causes, the agency will duplicate a copy for its own use.
b. Safeguards. The U.S. General Services Administration has stated that positive microfilm remains preserved without defects occasionally found on negative microfilm. Therefore, State agencies are urged to examine their stored microfilm, especially negatives, on a sample basis to determine if defects have developed. Defects include small red or yellow spots, concentric light and dark rings, and lightening or darkening of individual letters or lines of print.