

ET HANDBOOK NO. 399
INTERSTATE ARRANGEMENT FOR COMBINING EMPLOYMENT AND WAGES
SECTION I - ADMINISTRATION

SECTION I - GENERAL ADMINISTRATION

1. Introduction. The Interstate Arrangement for Combining Employment and Wages (CWC Arrangement), published in the Code of Federal Regulations at 20 CFR Part 616 (reprinted as Appendix A of this Handbook), implements the requirements of Section 3304(a)(9)(B) of the Internal Revenue Code (IRC) of 1986.

This arrangement became effective with all claims (to establish a benefit year) filed after December 31, 1971, establishing a system whereby an unemployed worker with covered employment and wages in more than one State could elect to combine wages from all such States to satisfy the wage qualification requirements of the paying State, or as a means of increasing the weekly or maximum benefit amount.

As a condition of State law approval under Section 3304(c), IRC, after 1971, all States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands (beginning in 1978) are required to participate in this arrangement as prescribed by the Secretary of Labor in consultation with the State unemployment compensation agencies.

Periodically, the Secretary reviews the operation of this arrangement and proposes such amendments to the arrangement as deemed necessary or appropriate. Any State unemployment compensation agency or the Interstate Conference of Employment Security Agencies (ICESA) may propose amendments to the arrangement. Any proposal shall constitute an amendment to the arrangement upon approval by the Secretary in consultation with the ICESA and publication in the Federal Register.

2. Roles of States in Wage Combining. When a claim is filed under this arrangement, a State may play one or more of three different roles: filing State, paying State, or transferring State, although usually the filing State and paying State will be the same. Each role carries its distinctive obligations, which are discussed later in this Handbook. When the Combined-Wage Claim is filed under or transferred to the Interstate Program, a State may play the additional role of agent or liable State (See ET Handbook No. 392).

Canada does not participate in the CWC Arrangement and therefore is never a paying, transferring or liable State under this arrangement. When a Combined-Wage Claim is filed in Canada (acting as an agent State), the paying (liable) State is the State in which the claimant last worked in covered employment and qualifies on the basis of combining.

3. Adoption of Rules, Regulations, Procedures and Forms. State agencies must operate in accordance with the rules and regulations as prescribed by the Secretary of Labor in 20 CFR Part 616, and follow all procedures and use forms as prescribed pursuant to 20 CFR 616.4.

Forms and procedures specific to this arrangement may not be altered without the prior written approval of the U.S. Department of Labor.

All rules, regulations, and standards prescribed by the Secretary with respect to intrastate and interstate claims, as appropriate, will apply to claims filed under this arrangement unless they are clearly inconsistent with the CWC Arrangement.

4. The Relationship of Wage-Combining to Other UI Claims and Specified Allowances. The Combined-Wage Claimant may participate in all regular unemployment insurance (UI) benefit and allowance programs to the same

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extent as any other claimant subject to the law of the paying State. A Combined-Wage Claimant has the same rights to Federal-State extended benefits, State-financed additional benefits, Federally financed supplemental benefit extensions, TRA, DUA, etc., as any other claimant under paying State's law. The Combined-Wage Claimant also has the same right to benefits while in State approved training programs as any other claimant under the paying State's law.

State agencies must take all precautions to avoid duplication of unemployment compensation payments under this arrangement with benefits or allowances under other programs.

5. Resolution of Disagreements. The Secretary will resolve any disagreements among States concerning the operation of the CWC Arrangement with the advice of the duly designated representatives of the State unemployment compensation agencies. For this purpose, the ICESA is the designated representative.

6. Measurement of Benefit Payment Promptness. For purposes of compliance with the promptness requirements of Section 303(a)(1) of the Social Security Act (SSA), as set forth in the Benefit Payment Promptness Standard published at 20 CFR Part 640, promptness of payments issued under this program is measured as follows:

a. Intrastate Combined-Wage Claim. When the filing State is the paying State, promptness of first payments is measured under the intrastate criteria, specified at 20 CFR 640.5 as follows:

87 percent in 14 days - waiting week States
87 percent in 21 days - non-waiting week States
93 percent in 35 days - all States

b. Interstate Combined-Wage Claim. When the claim is filed under the Interstate Benefit Payment Plan, promptness of first payments is measured under the interstate criteria specified at 20 CFR 640.5 as follows:

70 percent in 14 days - waiting week States
70 percent in 21 days - non-waiting week States
78 percent in 35 days - all States

7. Record Retention and Disposition. Records of Combined-Wage Claims should be retained and disposed of in accordance with State law and practices for the disposition of records of intrastate claims and interstate liable claims (State laws and practices must agree with 41 CFR 29-70.203 through September 30, 1988 and with 29 CFR 97.42 thereafter (53 FR 8034, 8069)).