

ET HANDBOOK NO. 399  
INTERSTATE ARRANGEMENT FOR COMBINING EMPLOYMENT AND WAGES

SECTION IV - RIGHTS AND RESPONSIBILITIES  
OF THE PAYING STATE

1. Establishing an Intrastate Combined-Wage Claim. A claim may be established as a combined-wage claim by a paying State either initially or after that State issues a monetary determination for less than maximum benefits with respect to a claim filed against that State separately.

Because of the complexities of wage-combining and the difficulty of estimating benefit entitlement, the claimant is allowed a second chance to elect a combined-wage claim after the receipt of the monetary determination, which is the first factual information upon which to base the decision.

2. Establishing an Interstate Combined-Wage Claim. Unlike a claim filed in the paying State, where the claim may be established as a combined-wage claim after the original monetary determination is issued, an interstate combined-wage claim is filed as such initially. Generally, interstate combined-wage claims are filed as backdated claims. In such case, the interstate combined-wage claim must be effective as of the same date as the original combined-wage claim.

A State other than the filing State should not establish a combined-wage claim unless the filing State has certified that the claimant is ineligible on the basis of combining in the filing State.

When the potential paying State is other than the filing State, that State will determine if the claimant qualifies for unemployment benefits under its law on the basis of combining wages and employment. If it determines that the claimant cannot qualify under its law, it will so notify the claimant and the agent State. This notification will be made in the form of an appealable determination.

The State will immediately return all employment and wages to the transferring State(s). It will also send copies of the claimant's previously completed certification forms or duplicate IB-2s, based on the claimant's records, to cover the weeks for which the claimant filed to the claimant for use in filing a substitute claim.

3. Requesting Wages From Transferring States. The first step in processing a combined-wage claim by a potential paying State is to request the transfer of wages from all States in which the claimant's work history indicates wages in the base period of the paying State.

All weeks and/or wages in all States that are available in the base period of the paying State must be requested and used on the CWC claim even though not all are needed for maximum benefit entitlement.

a. Form IB-4, Request for Transfer of Wages  
(OMB Approval no. 1205-0170)

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b. Purpose and Use. Form IB-4 should be used by the paying State to request the transfer of all available weeks/wages from a transferring State. This form should be sent by the paying State to each State in which the claimant has employment or wages at any time during the base period of the paying State. The transferring State will provide the information requested and return it to the paying State.

c. Preparation of Form IB-4 by Paying State. The paying State should prepare sufficient copies of Form IB-4 to meet the requirements of its control procedures and send an original to the appropriate office of each transferring State.

When the paying State is also the filing State, Form IB-4 should be prepared when the initial claim is filed and sent to the transferring State on the same day. If the paying State receives the initial claim on an interstate basis, procedures should ensure the prompt preparation and sending of IB-4s to all potential transferring States. Each item must be completed accurately and legibly to prevent delays in processing. Following are instructions for completing some items on Form IB-4.

(1) Item 7 () UCFE () UCX - Check the appropriate box(es) to indicate that transfer of Federal civilian and military service and wages is being requested. These boxes are not intended to indicate the type of claim being filed.

When either of these boxes is checked, complete item 13 or 14, as appropriate.

(2) Item 7, Effective Date of Claim. This item must be completed on all requests. The paying State's procedure for dating claims should be followed in determining the effective date of the claim. Backdating is allowed in accordance with the policy of the paying State. If an interstate combined-wage claim is received, backdating to the effective date of the original combined-wage claim must be honored.

(3) Item 9, Work History in Transferring State. This section need not be completed except when requesting wages that are not required to be on file in the transferring State (i.e., request reporting States, lag quarter wages, Federal, State, etc.).

When completion of this item is necessary, enter the applicable information for each employer in the transferring State if any portion of the employment falls within the paying State's base period. The claimant's work history for the entire base period of transferring State must also be provided if that State must request employment and wage information upon receipt of the transfer request, even though all or part of such employment is not within the base period of the paying State. This is necessary in order for the State to determine whether the claimant would be separately monetarily eligible in the transferring State.

(a) Employer Name. Enter the business name of the claimant's place of employment.

(b) Payroll Address. Obtain an exact street or other mailing address from the claimant. For Federal civilian employment, this information for the Federal agency is entered on the reverse side of Form IB-4 in item 13.

(c) Where Work Performed. The location at which the work was performed is important in obtaining wage reports,

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especially if the employer has several locations in the transferring State. This space may also be used to furnish any additional information to identify the claimant and the employer, such as, the worker's time clock or badge number, department, or other identifying data. If the claimant was in maritime employment, show the name of the vessel on which the claimant worked. If additional space is needed, use the "Remarks" section on the reverse side of the form.

(d) Type of Work Performed. Enter the title of the job description of the work performed by the claimant for the employer listed.

(e) Work Period, from - to. Enter the exact dates of employment including the month, day, and year, for the beginning and ending dates of employment with each employer. If the claimant had more than one period of employment, enter each period of employment in separate boxes.

If more space is needed for claimant's work history, use an additional form IB-4, completing the identifying data at the top of the form.

(4) Items 13 and 14. When requesting the transfer of Federal civilian or military service and wages, the paying State should obtain necessary information from the claimant to complete the items under the applicable heading, UCFE or UCX, on the reverse side of Form IB-4.

4. Federal Civilian and Military Employment and Wages. The Federal rules, regulations and procedures governing the assignment and definition of Federal civilian or military service and wages apply to such wages when used under the combined-wage arrangement. In determining whether a claimant is qualified for benefits, Federal service and wages, as defined by Federal law, must be included if they are available during the base period of the paying State. Such service and wages must be transferred and used for combined-wage purposes in the same manner as State-covered employment (see ET Handbook 384, Chapters XVII and XVIII and ET Handbook 391, Chapter XV).

a. Use of UCFE Wages. When an individual has UCFE wages during the base period, care must be taken to assure that wages are assigned to the appropriate State. All wages prior to the effective date of the first claim filed are assignable at the time the first valid claim is established. Subsequent State covered employment in the State of residence changes the State of assignment to the State of residence. Subsequent employment in the filing State does not change the State of assignment unless the filing State is also the State of claimant's residence. Refer to ET Handbook No. 384 for additional information pertaining to State of assignment.

b. Use of UCX Wages. When an individual has UCX wages during the base period, care must be taken to assure that they are used only to the extent allowed. Whether the CWC claim is for a first or subsequent benefit year(s), benefits are payable on the basis of UCX wages for a maximum of thirteen times the weekly benefit amount (13 X WBA) per benefit year.

When requesting a transfer of UCX wages, prepare a Form IB-4 in the usual manner and complete the information in Item 14, as appropriate. It is not necessary to attach a copy of the DD 214. The transferring State will request a copy from the claimant, if necessary.

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(1) Redetermination to Delete UCX Wages. When an individual has UCX employment and wages during the base period of the combined-wage claim, such wages are subject to the 13 X WBA per benefit year limitation on duration of benefits. When benefits based on such wages are exhausted, a redetermination of the individual's entitlement must be issued (including a Form IB-5 to the transferring State) deleting the UCX wages from the monetary entitlement.

Redetermination of a CWC claim may result in irregular charges with respect to benefits paid. Suspension of the use of military wages after 13 X WBA may result in a participating State bearing 100% of the cost of benefits paid after the UCX exhaustion if all remaining wages are from a single State. Therefore, total charges to a State may exceed the "maximum chargeable amount" shown on the original Report of Determination of Combined-Wage Claim, Form IB-5.

5. Employment and Wages Earned by an Alien. Under Section 3304(a)(14), FUTA, the wage credits used to establish monetary entitlement must be earned while the alien is legally authorized to work in the United States.

Effective November 6, 1986, under Section 245A of the Immigration and Nationality Act, as added by the Immigration Reform and Control Act (IRCA) of 1986, , the Immigration and Naturalization Service (INS) may confer the status of "lawfully admitted for temporary residence" upon aliens who entered the United States before January 1, 1982, and applied for an adjustment of status during the application period.

Effective December 22, 1987, Section 902 of the Foreign Relations Authorization Act (FRAA) established another class of alien who is eligible for adjustment of status to that of "lawfully admitted for temporary residence" if the alien satisfies the criteria as outlined in Section 902, FRAA, and applied for an adjustment of status by December 22, 1989.

The status of "lawfully admitted for temporary residence" provides for the alien to receive work authorization upon application for amnesty. Therefore, for purposes of Section 3304(a)(14), FUTA, this status granted under IRCA or FRAA confers retroactive lawful presence effective November 6, 1986, and December 22, 1987, respectively, as aliens would have been eligible for amnesty if INS' application process had been operational on the effective dates of the provisions. SESAs should use all wages earned on and after November 6, 1986, or December 22, 1987, as appropriate, in the determination of entitlement for aliens that applied for and have been granted lawful temporary residence status.

a. Determining if Wages can be Used. The paying State must examine the alien's legal status during the base period to determine whether the wages, including wages from a transferring State, may be used for computing entitlement. If it is determined that the claimant was not legally authorized to work in the United States at the time the base period wages were earned, including the test of retroactive lawful status, the affected wages are not used in the determination of entitlement under this arrangement. The paying State must issue an appealable determination denying the use of such wages. Wages determined to have been illegally earned are not returned to the transferring State.

b. Redetermination of Legal Status. An alien previously granted lawful temporary residence status but subsequently denied amnesty and work authorization terminated, is not available for work in the United States effective with the date of the denial. The denial of amnesty does not invalidate the prior legal status retroactively. Therefore, any benefits paid for weeks prior to such denial and the termination of authorization to work are not

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overpaid. Any benefits paid for weeks after the denial of the amnesty are overpayments and are subject to the recovery and waiver provisions of the State law. The reason for the overpayment is that the claimant is no longer legally available for work after the denial of legal residence status in the United States.

6. Use of Wages From an Educational Institution. When an individual has employment and wages from an educational institution during the base period of the combined-wage claim, such wages are subject to the between terms denial provisions of the paying State's law.

If the wages have been transferred from another State and benefits based on such wages are suspended or denied, the wages are not returned to the transferring State unless no benefit year is established under this arrangement or the benefit year is invalidated upon the withdrawal of the combined-wage claim.

Combined-wage claims which include wages subject to a between terms denial and additional wage credits, which when separately determined result in monetary eligibility, may result in irregular charges to participating States with respect to benefits paid. Suspension of the use of such wages during prescribed periods may result in a participating State bearing 100% of the cost of benefits paid during the suspension period if all remaining wages are from a single State. Therefore, total charges to a State during a benefit year may exceed the "maximum chargeable amount" shown on the original determination.

7. Use of Wages Earned as a Professional Athlete. When an individual has employment and wages from participation in professional sports activities, including training and preparation, during the base period of the combined-wage claim, such wages are subject to the between seasons denial provisions of the paying State's law. If the wages have been transferred from another State and benefits based on such wages are denied, the wages are not returned to the transferring State unless no benefit year is established or the claimant withdraws the request for a combined-wage claim.

Combined-wage claims which include wages subject to a between seasons denial and other employment and wage, which when separately determined result in monetary eligibility, may result in irregular charges with respect to benefits paid. Suspension of the use of wages earned in employment such as a professional athlete, during prescribed periods, may result in a participating State bearing 100% of the cost of benefits paid during the suspension period if all remaining wages are from a single State. Therefore, charges to a State may exceed the "maximum chargeable amount" shown on the original determination.

8. Use of Wages Subject to Seasonal Restrictions. When wages that are subject to a seasonal restriction in the transferring State are transferred for use on a combined-wage claim, such wages are transferred without restriction as to their use. The paying State's law will apply to the use of such wages and the payment of benefits based on such wages. Charges to the transferring State are based on its pro rata share of the wages used in the determination.

When "seasonal" wages earned in a State are combined with non-seasonal wages from another State and benefits based on such monetary determination are paid during the period of the

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seasonal restriction, charges to a participating State must be based on its pro rata share of the wages used in the determination regardless of the period for which benefits are paid.

When "seasonal" wages are deleted from the combined-wage monetary determination during prescribed periods and the claimant remains entitled on the basis of the remaining employment and wages, this determination may result in a change in the charges to a participating State. A participating State may bear 100% of the cost of benefits paid during the suspension period if all remaining wages are from a single State.

Due to the variations in cost sharing that can occur when certain types of wages are used to establish a combined-wage claim, total charges to a State during the benefit year may exceed the "maximum chargeable amount" shown on the original determination and any redetermination.

9. Review of Transferring State's Reply. Upon receipt of the completed Form IB-4, the paying State should examine the reply to determine what action to take as a result of the information received. The first consideration in reviewing a reply from a transferring State is to determine whether the claimant has a right to file a combined-wage claim. An existing benefit year with available unused benefits in any State precludes the filing of a combined-wage claim. If the transferring State responds that the claimant has an existing benefit year with a balance and benefits have been postponed subject to the claimant meeting specific requalifying requirements, the paying State must determine if the claimant has met the requirements in the transferring State before establishing a combined-wage claim.

When an erroneous combined-wage claim has been taken because of insufficient or incorrect information at the time of filing, such as, where the claimant has an existing benefit year on file in a transferring State with benefits available, the claimant must be advised by the paying State that claims must be filed against that State until benefits are no longer available. The paying State will cancel the combined-wage claim and return as unused any wages and employment which were transferred from any transferring State. If the claimant insists on filing under the combined-wage arrangement, the paying State must issue an appealable determination denying benefits under the requirements of 20 CFR 616.7(a).

10. Monetary and Nonmonetary Determinations. When a State has determined that the claimant is eligible to file a combined-wage claim under its law, all base period employment and wages in that State and all other States must be the basis of the monetary and nonmonetary determinations.

Information pertaining to weeks of work at a specified minimum earnings rate may not be available at times and, even though the paying State requires this figure in its computation, it may not be able to obtain such information from each transferring State. The claimant may have sufficient weeks or hours of work in other States to qualify or the individual's gross wages may be prima facie evidence that the individual has worked at least the minimum number of weeks or hours. If necessary, the paying State should adjust the employment and wage data as best it can to provide an equitable computation.

a. Monetary Determination. The claimant must be given a notice of monetary determination with the right to request reconsideration or appeal as provided in the law of the paying State. The claimant has the right to appeal any aspect of the monetary entitlement.

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b. Nonmonetary Determination. The paying State must make nonmonetary determinations under its law and issue appealable notices to the claimant. The issue may stem from employment in the paying State or any transferring State. With regard to nonmonetary issues connected with employment in a transferring State, the limitations specified in 20 CFR 616.8 (see Appendix A, Item 8) apply.

c. Combined-Wage Claimant's Right of Appeal. The claimant may exercise appeal rights against either the paying State or a transferring State depending on which agency issued the determination which the claimant considers adverse to his/her interest (20 CFR 616.8(d)). In either case the appeal should be filed within the protest period allowed by the State that issued the determination.

When a claimant appeals a determination after the protest period has expired, include a statement as to the reason the appeal is late.

11. Notice of Determination of Combined-Wage Claim. In addition to the monetary determination issued to the claimant, the paying State must furnish a notice to each transferring State when a combined-wage claim is determined or redetermined. This applies to Regular, Extended and Additional Benefit determinations and redeterminations or such determinations pertaining to any other benefits, resulting from the combined-wage claim, payable under the paying State's law.

Generally, transferred wages that are not used in the combined-wage determination result in a return of such wages to the transferring State. However, in some cases, under paying State provisions, some base period weeks and/or wages from a participating State are not used in the calculation of entitlement. Such wages, although not used in the calculation, are considered used in the determination and cannot be returned to a transferring State or used to establish a future benefit year. When such wages are from a transferring State, an explanation including the dollar amount should be provided in the "Other Relevant Information" section of the IB-5.

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- a. Report On Determination Of Combined-Wage Claim, Form IB-5 (OMB approval no. 1205-0170)

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(1) Purpose and Use. The Form IB-5 is used by the paying State to notify a transferring State when there is an eligible or ineligible determination of a claim filed under the wage combining arrangement. It advises the transferring State of the disposition of the wages transferred and its potential charges for benefits paid.

(2) Preparation. The paying State prepares a Form IB-5 for each State which transferred wages for use in the combined-wage claim. If the paying State does not have an automated file which stores the data as transmitted on the IB-5, a duplicate copy of the notice should be prepared for the paying State's records.

The paying State must prepare and distribute an amended Form IB-5 whenever it issues a redetermination on a combined-wage claim. Complete the IB-5 as follows:

- (a) Complete all identifying information for the claimant and the claim, as appropriate.
- (b) Item 1 - Check the appropriate box to indicate disposition of the transferred wages.
- (c) Item 2 - Enter the weekly benefit amount and the maximum benefit amount for which the claimant is eligible.
- (d) Item 3 - Participating States. List all States, including the paying State, whose wages were included in the calculation of monetary entitlement.

Wages Used. List separately the amount of wages from each participating State that were included in the calculation of monetary entitlement.

% Total Wages Used. Compute and enter the percentage that the participating State's wages included in the calculation of entitlement bear to the total wages included in the determination. Each percentage must be computed to three or more decimal places. If the total of the percentages does not equal 100%, the paying State should adjust the percentage to equal 100 by adding any fraction to the percentage of the State contributing the greatest portion of the base period wages, including UCFE and UCX. The total of the percentages entered in this column must equal 100 percent.

When Federal civilian or military services and wages are used in the combined-wage determination, the percentages are calculated in the same manner as for State wages (see ET Handbooks 384 and 391 for additional information).

Maximum Chargeable. Apply the prorated percentage figure for the participating State to the maximum benefit amount payable to derive the amount of benefits chargeable to the State. The total of the amounts entered in this column must equal the maximum benefit amount shown in Item 2.

(e) Other Relevant Information. Enter any information about the claim which would be useful to the transferring State.

(f) Enter in the appropriate space the name and address of the paying State. Complete the form by entry of the signature and title of the authorized paying State employee.

b. Issuing an Eligible Report on Determination of Combined-Wage Claim, Form IB-5. The paying State

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must send the transferring State a Form IB-5 showing: the weekly and total benefit amounts to which the claimant is entitled; the total wages used in the computation; the percentage of the total wages contributed by each transferring State; and, the maximum amount chargeable to each transferring State.

The maximum benefit amount for which a transferring State is potentially liable is derived by proration of benefit costs in the following manner:

- 1) Determine what percentage of the total wages used in the calculation of the claimant's benefit award was contributed by each participating State;
- 2) Calculate such percentage(s) to no less than three decimal places; and,
- 3) Apply such percentage(s) to the maximum benefit amount.

When some wages are not used in the calculation of entitlement (such as: earnings for weeks that are required to be omitted because of an earnings requirement or that are allowed to be omitted because of low earnings), enter that additional amount of wages in the "other relevant information" section of the Form IB-5 (or the comments section of the automated IB-5). Such wages are not returned to the transferring State and they are unavailable for future use.

c. Issuing an Ineligible Report on Determination of Combined-Wage Claim, Form IB-5. When a combined-wage claimant is issued an ineligible monetary determination, a Form IB-5 must be issued to each transferring State returning all transferred wages.

When an ineligible monetary determination is issued by the filing (paying) State, and a substitute interstate claim, combined-wage or regular, is being filed, the IB-5 returning the wages should be transmitted immediately. When no substitute claim is being processed, transferred wages should be returned when the determination is final.

When an ineligible monetary determination is issued as a result of an interstate combined-wage claim and there is an additional potential paying State(s) against which a claim can be filed, all wages should be returned on the date of the ineligible monetary determination.

d. Returning Unused Wages. The paying State must return all unused wages to the transferring State. Transferred wages may be returned unused by the paying State for various reasons: insufficient wages to establish a combined-wage claim, no increased entitlement due to combining, improper paying State, or combined-wage claim withdrawn by claimant.

The date that wages are returned is determined by the detail of the specific claim. When the claimant indicates that no appeal or request for reconsideration will be filed, the wages should be returned immediately. When the wages are necessary for a claim filed against another State, they should be returned immediately. When there does not appear to be a need for the transferring State to have access to the wages, they should be returned when the determination is final.

12. Redetermination of Combined-Wage Claim. When a redetermination is issued on a combined-wage claim, the paying State must notify the transferring State(s) by preparing an amended Form IB-5. When the paying State receives corrected wage information from a transferring State and no redetermination is issued, a written explanation should be provided to the transferring State.

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13. Notice of Determination of Extended or Additional Benefits. When an Extended Benefit, Additional Benefit or any other benefit extension claim is established, the paying State must notify the transferring State(s) of its liability with a Report on Determination of Combined-Wage Claim, Form IB-5 identified with "EB", "AB" or as appropriate. ("Additional Benefits" as used in this section is "Additional Compensation" defined at 20 CFR 615.2.)

14. Withdrawal of Combined-Wage Claim. Before the paying State's monetary determination becomes final, a claimant may withdraw a combined-wage claim. The claimant need not provide any reason for the withdrawal. There are many factors, not known until after the monetary determination, that would induce a prudent person to withdraw a request that wages be combined:

- a. The claimant may receive greater benefits by filing a claim against a State other than the paying State;
- b. Additional wage credits may become available in the near future which will substantially increase benefit entitlement; or,
- c. The use of wages from a transferring State may jeopardize a future claim against wages earned in that State.

To withdraw a combined-wage claim, a claimant must sign a written request to the paying State which includes a reimbursement agreement if any payments have been issued. If benefits have been paid, the claimant is required, as a condition of withdrawal under 20 CFR 616.7(d) (Refer to Appendix A), to make arrangements to repay such benefits. This may be done by cash payments or by offset. If a claim is being filed against another State and the benefits have not been repaid by cash, the claimant must sign an authorization to that State to reimburse the combined-wage paying State. The withdrawal memorandum must include the agreement to reimburse the paying State by one method or the other.

If the agreement is an authorization for another State to reimburse the paying State from benefits payable to the claimant, a copy of the memorandum must be sent to that State and the paying State's records annotated to indicate this action.

15. Continuing Eligibility of Combined-Wage Claimant. Once the monetary determination becomes final, the claimant becomes subject to the law of the paying State. The claimant's rights and obligations should be fully explained. Any eligibility issues should be acted upon in the same manner as for other claimants of the paying State, except that the paying State may not adjudicate an issue which has previously been adjudicated by the transferring State. Such exception does not apply, however, if the transferring State's determination of the issue resulted in making the combined-wage claim possible by postponing or denying the claimants unused benefit rights for an indefinite period, or for the entire period in which benefits would otherwise be payable.

16. Determination of Overpayment - Credit to Transferring State. When a recoverable overpayment determination is issued to a combined-wage claimant, transferring States should be relieved of charges associated with such benefits. If charges have been billed to the transferring State, credits for such charges should be shown on the Form IB-6 issued at the end of the quarter in which the overpayment determination is issued.

17. Collecting Overpayments for Other States. Benefits payable under this arrangement must, upon the transferring State's request, be withheld to recover an overpayment in a transferring State unless the law of the paying State

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prohibits such recovery. CWC benefits may also be withheld to recover benefit overpayments to the claimant made under any State or Federal law. If Federal benefits are withheld to recover an overpayment of State benefits, the requesting and recovering State must have a Cross-Program Offset Agreement with the Secretary of Labor. Refer to ET Handbook 392, Section IX for procedural requirements.

a. Recovery of Outstanding Overpayment in Transferring State. Except as provided in (d) below, the paying State must honor any transferring State's overpayment recovery request, unless its law prohibits such recovery, if the transferring State certifies: (1) that the determination of overpayment was issued not more than 3 years prior to the effective date of the combined-wage claim; (2) that such determination has become final; and, (3) repayment by the claimant is legally required and enforceable under the law of the transferring State.

If there are two or more transferring States requesting recovery of an overpayment, the amount recovered shall be divided in proportion to the wages each contributed to the monetary determination. The amount offset each week should be the same as would be offset for such overpayments (fraud or non-fraud) under the paying State's law and should not be limited to that portion of the combined-wage benefits attributable to wages transferred from the State(s) for which the overpayment is being offset.

The paying State may honor any request for recovery from a transferring State without regard to the date of the original overpayment determination, if the requesting State certifies that the determination is final and recoverable under its law. Refer to ET Handbook 392, Section IX for procedural requirements.

The paying State must offset any outstanding overpayment in a transferring State(s) prior to honoring a request from any other State under any interstate or cross-program agreement; except, authorized reimbursement of an overpayment resulting from cancellation of a prior combined claim takes precedent over both (refer to (b) below). Benefits withheld during a quarter should be forwarded to the transferring State no later than 30 days following the end of the quarter or credited against the Statement of Benefits Paid to Combined Wage Claimants, Form IB-6, for the quarter in which the benefits were withheld.

b. Recovery of Overpayment Resulting From Cancellation of Combined-Wage Claim. If any benefits have been paid on a combined-wage claim, a condition for withdrawal is the claimant's agreement to reimburse the paying State. The claimant can either immediately reimburse the benefits to the paying State or authorize the State against which a substitute claim is filed to deduct the amount due from benefit payments to which he/she is entitled and forward the amount to the paying State. In this situation, the States may or may not have a paying-transferring State relationship. If they do, such recoveries may be included on the quarterly statement of benefit charges, Form IB-6. If not, paying State must, unless prohibited by law, honor this recovery request prior to one from any other State, including transferring States.

c. Recovery of Overpayments under the Interstate Reciprocal Overpayment Recovery Arrangement (IRORA). Any overpayment offset under the IRORA shall be made only in accordance with the same procedures relating to notice and opportunity for a hearing as apply to the recovery of regular unemployment compensation paid by such State. Therefore, the paying State receiving an Interstate Request for Overpayment Recovery must follow procedures relating to notice to the claimant and opportunity for a hearing as apply to any determination under its law.

d. Order of Priority for Overpayment Offset. The paying State should recover overpayments in the following order:

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(1) Overpayment of benefits resulting from the cancellation of a combined wage claim for which reimbursement authorization has been received;

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- (2) Overpayment of benefits, State or Federal, under the paying State's law;
- (3) Overpayment of benefits under a transferring State's law;
- (4) Overpayment of benefits paid by another State under any State or Federal law.

18. Charging of Benefits Paid. All benefits paid, including additional and extended benefits, and dependency allowances, as a result of a combined-wage claim are charged to the participating States. Charges to a transferring State should reflect the same percentage of benefits paid as the transferred wages used in the determination bear to the total wages used in the determination.

a. Obtaining Reimbursement for Federal Share of Benefits Paid. The paying State should request reimbursement from the Federal account for sharable compensation, as defined at 20 CFR 615.2(i), based only on the amount of benefits attributable to the paying State's wages. Sharable compensation attributable to a transferring State's wages are reimbursable to the transferring State. The determination of sharable compensation for the first payment of extended (or regular sharable) benefits will be made under the law of the State requesting reimbursement.

19. Notice to Transferring State of Benefits Paid. At the end of each calendar quarter, the paying State must send a Statement of Benefit Charges, Form IB-6, to each transferring State showing the charges to such State for benefits paid on all combined-wage claims in the preceding calendar quarter.

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- a. Statement of Benefits Paid to Combined-Wage Claimants, Form IB-6. (OMB approval no. 1205-0170)

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b. Purpose and Use

(1) Benefit Charges. Form IB-6 will be used to notify each transferring State of the charges to that State for benefits paid to claimants under the wage-combining arrangement.

(2) Overpayment Recovery. Form IB-6 is also used by the paying State to notify the transferring State of a credit toward its reimbursement for overpayments recovered or established during the calendar quarter.

(a) Overpayments Recovered for Transferring State. The Form IB-6 should reflect credit for all amounts offset during the quarter as a result of a recoverable overpayment in a transferring State if payment of the amount collected has not previously been forwarded to the transferring State.

(b) Recoverable Overpayments Established in Paying State. The Form IB-6 should reflect credit for any benefits previously charged to the transferring State, when such benefits have been determined overpaid and recoverable and the determination is final during the quarter.

(3) Adjustments to Charges. Form IB-6 is also used to notify the transferring State of any credits toward its reimbursement for adjustments to charges previously reimbursed. Such as, when a redetermination decreases the transferring State's pro rata share of benefit cost or the paying State's determination of a recoverable overpayment becomes final during the quarter.

c. Completing Form IB-6. The paying State must prepare a separate statement for each transferring State being charged for benefits paid or credited with overpayments recovered in the calendar quarter involved. Prepare three (3) copies of the Statement. Send the original and one (1) copy to the transferring State and retain one (1) copy for the paying State's records.

The name and address of the paying State should be shown in the space provided. The Statement is to be signed and dated by the authorized employee of the paying State whose title will be shown below the signature. If there are any special instructions which the paying State wishes to have followed (e.g., if the reimbursement check is to be made payable to another department of the paying State), such instructions should be included on the Statement or stated in an accompanying memorandum.

(1) Column A, Social Security Account Number. Enter the claimant's social security account number. This column should be listed in numerical order according to the last four digits of the number.

(2) Column B, Name. Self-explanatory.

(3) Column C, Benefit Year Ending Date. Enter the appropriate benefit year ending date relative to the benefit charges shown.

(4) Column D, Amount Paid Including Offset. Enter the total amount of benefits actually paid to the claimant and the amount withheld to recover an overpayment (columns E, F, and G).

(5) Column E, Amount Charged - Regular Claim. Enter the amount of chargeable regular benefits paid or used for overpayment offset.

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(6) Column F, Amount Charged - Regular Sharable. When the paying State is in an Extended Benefit Period, after the individual had received payments or offset credits totalling twenty-six times the weekly benefit amount and the payment or offset was for a week of unemployment occurring during the benefit year, enter the amount of chargeable regular benefits paid or used for overpayment offset for such weeks, including the amount shown in column H. The amount shown in this column should be the total amount of benefits attributable to the transferred wages. Any reimbursement from the Federal account will be requested by the transferring State.

(7) Column G, Amount Charged - Extended Benefits. Enter the amount of chargeable extended benefits paid or used or overpayment offset, including the amount shown in column H. The amount shown in this column should be the total amount of benefits attributable to the transferred wages. Any reimbursement from the Federal account will be requested by the transferring State.

(8) Column H, Amount Charged - Extended Benefits (Regular Sharable) First Payment. Enter the amount charged in column F or G that represents the first payment of regular sharable or extended benefits. If both regular sharable and extended benefits are paid during the quarter, enter the amount charged for the first week of regular sharable only. The first payment amount means the amount paid for the first payable week regardless of whether it is a partial or full payment.

(9) Column I, Amount of Overpayment Recovered. Enter the amount of benefits withheld to recover an outstanding overpayment in the transferring State that was not previously remitted and is being credited toward the amount to be reimbursed.

(10) Totals. All totals. Self-explanatory.

(11) Net Amount to be Reimbursed. Enter the amount of the total of Columns E, F, and G minus the total of Column I.

(12) Net Amount of Credit. Enter the amount by which Column I exceeds the total of Columns E, F, and G. Attach a check made payable to the transferring State in this amount.

20. Settlement of Disagreements. A State with an unresolved disagreement should notify its Employment and Training Administration Regional Office, by memorandum which details the issue. Copies of all prior correspondence concerning the issue should accompany the memorandum to the Regional Office.

The Employment and Training Administration will attempt to resolve the issue. In the event that mediation fails, the Employment and Training Administration will consult with the ICESA, and will thereafter issue a decision.