

TRAINING AND EMPLOYMENT NOTICE	NO. 16-20
	DATE January 15, 2021

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH 
Assistance Secretary

SUBJECT: Submission of a Congressionally required report on the Unemployment Compensation (UC) Reciprocity Rate by states receiving Allotment I of the emergency administrative grants under Section 4102(a) of the Families First Coronavirus Response Act, Division D, Emergency Unemployment Insurance Stabilization Access Act of 2020 (EUISAA).

1. **Purpose.** The purpose of this Training and Employment Notice (TEN) is to remind states of the requirement to submit a report to certain congressional committees that includes an analysis of the UC reciprocity rate in the state, which is a condition of receiving Allotment I of emergency administrative grant funding under Section 4102(a), EUISAA, within one year of the date of enactment for EUISAA.
2. **Action Requested.** The U.S. Department of Labor’s (Department’s) Employment and Training Administration (ETA) requests that State Workforce Administrators provide a copy of this TEN to appropriate program and other staff in the state’s workforce system, including the Labor Market Information program, so that they can submit the statutorily-required report on the state’s UC reciprocity rate.
3. **Summary and Background.**
 - a. Summary – This TEN serves as a reminder to states that received Allotment I of emergency administrative grant funding under Section 4102(a), EUISAA, that they are required to submit a report to the Secretary of Labor and certain congressional committees on the UC reciprocity rate.

States are reminded that their reports are due to the congressional committees by March 18, 2021.

- b. Background – On March 18, 2020, the President signed the Families First Coronavirus Response Act (Public Law (Pub. L.) 116-127), which includes Division D of EUISAA. This law includes an amendment to Section 903 of the Social Security Act (SSA) adding a new subsection (h), Emergency Transfers in Fiscal Year 2020 for Administration. The Department published Unemployment Insurance Program Letter (UIPL) No. 13-20 on March 22, 2020 to advise states of the requirements for receiving Allotment I of the emergency administrative grants under Section 903(h), SSA, including the requirement

that states prepare a UC reciprocity report and send it to the designated congressional committees and the Secretary of Labor.

4. **State report requirements.** Section 903(h)(5), SSA, requires each state receiving Allotment I of emergency administrative grant funding to provide a report to two named congressional committees (identified in Section 5. of this UIPL) and the Secretary of Labor not later than one year after March 18, 2020. That report must include:

- an analysis of the UC reciprocity rate in the state as that rate has changed over time; and
- a description of steps the state intends to take to increase its reciprocity rate.

- a. *Reciprocity rate.* The legislation does not define the term “reciprocity rate,” nor does it define which programs are included under “unemployment compensation.” As such, states may use their own definition of “reciprocity rate” in preparing the report.

For informational purposes, ETA defines “reciprocity rate” within the context of Federal reporting for the Unemployment Insurance (UI) program as a percentage – the numerator of which is the number of individuals receiving unemployment compensation in the state (as obtained from the ETA 5159 Report) and the denominator of which is the number of unemployed individuals in covered employment (as obtained from the Bureau of Labor Statistics). In this context, ETA defines “unemployment compensation” to include state unemployment compensation, Unemployment Compensation for Federal Employees, and Unemployment Compensation for Ex-Servicemembers. States choosing to use this definition may find historical quarterly data by state at https://oui.doleta.gov/unemploy/data_summary/DataSum.asp.

- b. *The meaning of “over time”.* The legislation does not define the phrase “over time”.

The number of individuals collecting UC during the Coronavirus Disease 19 (COVID-19) pandemic will likely skew reciprocity rates, and each state may consider including some period of time before the pandemic in its analysis.

- c. *Steps to increase the reciprocity rate.* States may wish to include narrative information on the factors that impact reciprocity rates in their states, and provide additional information as context in support of planned steps to increase reciprocity.

5. **Submission of reports.** The report is due to the Secretary of Labor, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate on or before March 18, 2021.

States may send their reports to the Secretary of Labor by submitting via email to covid-19@dol.gov or via U.S. mail to Office of Unemployment Insurance; ATTN: Division of Legislation; 200 Constitution Ave., NW, Suite S-4524; Washington, D.C. 20210. Upon request, the Department will also forward any reports received by the Department in advance of the March 18, 2021 deadline to the appropriate committees on behalf of the states.

6. **Inquiries.** Please direct inquiries to covid-19@dol.gov, with a copy to the appropriate ETA Regional Office.

7. **References.**

- Families First Coronavirus Response Act (P.L. 116-127), including Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020;
- Section 903(h)(5), Social Security Act (SSA), 42 U.S.C. §1103(h)(5); and
- UIPL No. 13-20, *Families First Coronavirus Response Act, Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020*, issued March 22, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=8634.

8. **Attachment(s).** None.