ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 15-20, Change 3

TO: STATE WORKFORCE AGENCIES

FROM: JOHN PALLASCH /s/
Assistant Secretary


1. **Purpose.** The purpose of this Unemployment Insurance Program Letter (UIPL) is to provide guidance about the reauthorization and modification of the FPUC program and guidance about the new MEUC program authorized in sections 203 and 261 of the Continued Assistance Act, Public Law (Pub. L.) 116-260, respectively.

2. **Action Requested.** The U.S. Department of Labor’s (Department) Employment and Training Administration (ETA) requests that State Workforce Administrators provide the information in this UIPL and all attachments to appropriate program and other staff in state workforce systems as they implement the Unemployment Insurance (UI)-related provisions in the Continued Assistance Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. 116-136, that respond to the economic effects of the Coronavirus Disease 2019 (COVID-19) pandemic.

3. **Summary and Background.**

   a. **Summary —** On December 27, 2020, the President signed into law the Consolidated Appropriations Act, 2021, which includes Division N, Title II, Subtitle A, the Continued Assistance Act. This Change 3 to UIPL No. 15-20 provides guidance about section 203, which reauthorizes the FPUC program for weeks of unemployment beginning after December 26, 2020, and ending on or before March 14, 2021, and modifies the FPUC weekly supplement to $300. States **do not** need to enter into new agreements to operate the FPUC program.

   This UIPL also provides guidance about section 261 of the Continued Assistance Act, which amends section 2104 of the CARES Act to create the MEUC program that provides a $100 supplemental benefit amount to certain individuals with self-employment
income until March 14, 2021. Individuals receiving Pandemic Unemployment Assistance (PUA) payments may not receive MEUC payments. The MEUC program is optional and states may elect to not administer it. States that do not make the nonparticipation election and decide to operate the program must enter into amended FPUC agreements with the Secretary of Labor to operate the MEUC program since the Continued Assistance Act requires, for states that administer the MEUC program, that the FPUC agreement include a requirement for the substantiation of self-employment income. The Department advised states that if a state decided not to implement the MEUC program on or immediately following the date of enactment, it was required to communicate its decision to the Department by no later than January 2, 2021. States may decide to implement the MEUC program at a later date. However, if states elect not to implement the program initially, but later elect to implement the program, MEUC would become payable only after the week of unemployment beginning on or after the date of the election.

b. Background – On March 27, 2020, the President signed into law the CARES Act, which includes the Relief for Workers Affected by Coronavirus Act set out in Title II, Subtitle A. Section 2104 of the CARES Act created the FPUC program, which was a new temporary federal supplemental payment that provided an additional $600 per week to individuals receiving UI benefits through weeks of unemployment that ended on or before July 31, 2020. On April 4, 2020, ETA issued UIPL No. 15-20 to provide FPUC program implementation instructions to states. ETA issued Change 1 to UIPL No. 15-20 on May 9, 2020, to provide states with reporting instructions and Questions and Answers about the FPUC program. On June 15, 2020, ETA issued Change 2 to UIPL No. 15-20 to provide states additional reporting instructions.

Section 2102 of the CARES Act created the PUA program which provides benefits to individuals with no entitlement to regular unemployment compensation (UC), Pandemic Emergency Unemployment Compensation (PEUC), or Extended Benefits (EB), though the Continued Assistance Act implements a narrow exception to this rule for certain individuals. Thus, individuals with self-employment income who have sufficient earnings as a covered employee to establish entitlement to regular UC are not eligible for PUA until they have exhausted all entitlement to other UI benefits. Self-employment earnings are not taken into consideration when determining the regular UC weekly benefit amount (WBA) payable; only the wages from covered employment are factored in. As a result, individuals with a substantial amount of self-employment income who might otherwise have been eligible for a higher WBA under the PUA program based on their self-employment income and wages from covered employment, would receive a lower WBA under the regular UC program based on their earnings only as a covered employee. Refer to UIPL Nos. 16-20 and its Changes for additional detail. The MEUC program is intended to provide such individuals with a $100 supplemental payment in addition to the $300 FPUC supplemental payment and their underlying UI benefit payment with respect to a week of unemployment.

Importance of Program Integrity. Addressing improper payments and fraud is a top priority for the Department and the entire UI system. It is critical that states implement
UI programs and provisions to ensure that payments are being made to eligible individuals and that states have aggressive strategies and tools in place to prevent, detect, and recover fraudulent payments, with a particular emphasis on imposter fraud by claimants using false identities.

The programs and provisions within the Continued Assistance Act, the Emergency Unemployment Insurance Stabilization and Access Act of 2020, and the CARES Act operate in tandem with the fundamental eligibility requirements of the Federal-State UI program. These requirements include that an individual file certifications with respect to each week of unemployment that is paid and that an individual be able to work and available for work except as specifically provided for in statute. In addition, the Continued Assistance Act includes new program integrity requirements for the PUA and PEUC programs with which states must comply.

Some states remain in the midst of managing extraordinary workloads due to the effects of the spread of COVID-19. During this time, there is a heightened need for states to maintain a steadfast focus on UI functions and activities that ensure program integrity and the prevention and detection of improper payments and fraud across all programs operated within the UI system.

UIPL No. 23-20, published on May 11, 2020, discusses program integrity for the UI system. UIPL No. 28-20, published on August 31, 2020, provides states with funding to assist with efforts to prevent and detect fraud and identity theft and recover fraud overpayments in the PUA and PEUC programs.

States play a fundamental role in ensuring the integrity of the UI system. While states have been provided some flexibilities as a result of the COVID-19 pandemic, those flexibilities are generally limited to emergency temporary actions as needed to respond to the spread of COVID-19. States must ensure that individuals only receive benefits in accordance with federal and state law.

ETA strongly encourages states to utilize the tools, resources, and services of the UI Integrity Center, funded by the Department and operated in partnership with the National Association of State Workforce Agencies. One of the key assets to support addressing fraud is the Integrity Data Hub (IDH), which includes a variety of data sets to prevent and detect fraud based on identity theft at the time of application, including an identity verification solution. ETA also encourages states to consult with the UI Integrity Center on data analytics and to prioritize IDH hits, as well as on other tools and solutions available through the private sector that complement the IDH. In UIPL No. 28-20, the Department explained its expectation that states connect to the IDH no later than March 31, 2021 and encouraged states to use their share of the funding provided through that UIPL to support IDH connection as soon as possible. There is also a range of other tools on the market that states should consider when combating fraud and ensuring program integrity.
4. **Guidance.**

a. **FPUC reauthorization, modification, and technical amendment.** The FPUC program expired on July 31, 2020. The Continued Assistance Act reauthorizes and modifies FPUC to provide $300 per week in supplemental benefits for weeks of unemployment beginning after December 26, 2020 and ending on or before March 14, 2021. FPUC is not payable with respect to any week not specified in the CARES Act as amended, so is not payable for weeks of unemployment ending after July 31, 2020, through weeks of unemployment ending on or before December 26, 2020.

In states with an agreement to administer the FPUC program where the week of unemployment ends on a Saturday, the first week for which FPUC becomes payable at the $300 amount is the week ending January 2, 2021. The last week of unemployment for which FPUC may be paid is the week ending March 13, 2021. In states where the week of unemployment ends on a Sunday, the first week for which FPUC becomes payable at the $300 amount is the week ending January 3, 2021. The last week of unemployment for which FPUC may be paid is the week ending March 14, 2021. Note that although the PUA and PEUC programs now have a phase-out period after they expire on March 14, 2021, permitting certain individuals to continue to receive those benefits until April 5, 2021, FPUC is not payable with respect to weeks of unemployment during such phase-out period.

All other FPUC program parameters, as provided in Section 2104 of the CARES Act, FPUC agreements, and UIPL Nos. 15-20; 15-20, Change 1; and 15-20, Change 2 remain the same.

*Technical Change.* Section 203(b)(2) of the Continued Assistance Act explicitly adds STC under the definition of “unemployment benefits” for purposes of determining programs under which an individual will also be eligible to receive FPUC. This statutory change is consistent with prior Department guidance that included STC among the UI programs for which an individual’s WBA is supplemented by FPUC. Thus, this statutory change does not affect FPUC administration operationally.

b. **MEUC in general.** MEUC provides an additional $100 per week in supplemental benefits to individuals receiving certain UI benefits who received at least $5,000 of self-employment income (as defined in section 1402(b) of the Internal Revenue Code of 1986) in the most recent taxable year ending prior to the individual’s application for regular UC. Individuals receiving PUA may not receive MEUC benefits.

Unless otherwise specified in the guidance below, FPUC guidance applies to the MEUC program. This includes:

- States will be reimbursed for 100 percent of MEUC benefits and any additional administrative expenses. These costs are funded from the general fund of the U.S. Treasury. States may not charge employers for any MEUC benefits paid.
- States may pay MEUC either as an amount that is paid at the same time and in the same manner as regular UC or, at the option of the state, by payments that are made separately from, but on the same weekly basis as, regular UC. Refer to Section D.3. of Attachment I to UIPL No. 15-20.
- In addition to meeting the self-employment income threshold prescribed for MEUC, an individual must be eligible to receive at least one dollar ($1) of underlying unemployment benefits for the claimed week to receive the full $100 MEUC. Refer to Section D.4. of Attachment I to UIPL No. 15-20.
- MEUC is taxable income and payments are subject to child support deductions. Refer to Sections D.5. and D.6. of Attachment I to UIPL No. 15-20.
- Fraud and overpayment requirements that apply to the FPUC program also apply to the MEUC program. Refer to Section F of Attachment I to UIPL No. 15-20 for additional detail, adding in “and MEUC” for each reference to FPUC.

Note that section 2104(h) of the CARES Act was not amended to add reference to MEUC. As a result, there is no statutory exception providing that MEUC payments will be disregarded for purposes of determining income for Medicaid and the Children’s Health Insurance Program (CHIP). Therefore, MEUC payments may affect an individual’s eligibility for these programs.

c. **MEUC Important Program Dates**. MEUC payments may be made to eligible individuals starting with the week of unemployment beginning on December 27, 2020. In states that elect to implement the MEUC program on or immediately following the date of enactment, where the week of unemployment ends on a Saturday, the first week available for which MEUC may be paid is the week ending January 2, 2021 (or week ending January 3, 2021 for states with a Sunday week ending date). Authority to make MEUC payments continues through weeks of unemployment ending on or before March 14, 2021. In most states, a week of unemployment ends on a Saturday. Thus, the last compensable week before the MEUC program expires is the week ending March 13, 2021. In states where a week of unemployment ends on a Sunday, the last compensable week before the MEUC program expires is the week ending March 14, 2021.

Note that although the PUA and PEUC programs now have a phase-out period after they expire on March 14, 2021, permitting certain individuals to continue to receive those benefits until April 5, 2021, this phase-out period is not applicable to the MEUC program.

d. **Programs that may entitle an individual to receive MEUC**. Similar to FPUC, MEUC applies to certain individuals who are eligible to receive regular UC (including Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Servicemembers (UCX)), PEUC, EB, Short-Time Compensation (STC), Trade Readjustment Allowances (TRA), Disaster Unemployment Assistance (DUA), and payments under the Self Employment Assistance (SEA) program. However, individuals receiving PUA may not receive MEUC.
e. **Self-employment income for MEUC eligibility determination.** MEUC is only payable to certain individuals who received at least $5,000 of self-employment income in the most recent taxable year ending prior to the individual’s application for regular UC. Thus, any individual with sufficient self-employment income earned, regardless of industry or occupation, may be eligible for MEUC.

This date is based on the individual’s application for regular UC. If an individual is currently receiving PEUC, EB, or TRA, the state must consider the date of the original regular UC claim preceding these extension programs (i.e., the parent claim). If an individual filed an initial claim for regular UC during calendar year 2020, the most recent taxable year is 2019. Thus, such individuals must have received at least $5,000 in self-employment income during taxable year 2019 to be eligible for MEUC. If an individual filed an initial claim for regular UC during calendar year 2021, the most recent taxable year is 2020 and such individuals must have received at least $5,000 in self-employment income during taxable year 2020 to be eligible for MEUC.

Section 261 of the Continued Assistance Act defines self-employment income by reference to Section 1402(b) of the Internal Revenue Code of 1986 (IRC) (26 U.S.C. 1402(b)), which generally provides:

> The term “self-employment income” means the net earnings from self-employment derived by an individual during any taxable year.

For the definition of “net earnings from self-employment,” refer to Section 1402(a), IRC, which provides that this includes “the gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by this subtitle which are attributable to such trade or business, plus his distributive share (whether or not distributed) of income or loss described in section 702(a)(8) from any trade or business carried on by a partnership of which he is a member.” The statutory reference also provides certain exclusions and deductions to be considered in calculating the net earnings.

For the definition of “trade or business”, refer to Section 1402(c), IRC, which provides that such activity does not include performance of certain activities, such as functions of a public office or the performance of service by an individual as an employee (with specified exceptions).

If, when making a determination regarding an individual’s eligibility for MEUC, there is a question about whether the documentation the individual provides substantiates self-employment or whether there is an employer/employee relationship (e.g., the income was included in the individual’s wage records), state UC law and policy will be the basis for making this determination.

f. **MEUC documentation requirement.** Individuals who apply for MEUC are required to submit documentation substantiating their self-employment income for purposes of the state determining their eligibility for MEUC.
If available, individuals must provide a copy of the income tax return for the most recent taxable year ending prior to the individual’s application for regular UC to substantiate their self-employment income for purposes of establishing eligibility for MEUC. If the tax return is not available (e.g., because the individual has not yet filed the income tax return yet), acceptable documentation of self-employment income include, but is not limited to, pay check stubs, bank receipts, business records, ledgers, contracts, invoices, and billing statements that substantiate self-employment income of at least $5,000 during the most recent taxable year ending prior to the individual’s application for regular UC.

Individuals may submit this documentation at any time while the MEUC program is in effect. States may wait to make an eligibility determination for an MEUC application until documentation is provided. Or, states may provide individuals a reasonable amount of time, as provided under state law, to submit this documentation after they apply for MEUC. However, until the individual provides the documentation and the state can determine that it substantiates that the amount of self-employment income meets MEUC eligibility requirements, MEUC payments may not begin.

Unlike the FPUC program, the MEUC program has its own eligibility requirements; individuals are not automatically eligible for MEUC if they are eligible for the underlying UI program. For this reason, until a state can establish that an individual is eligible for MEUC, the state may not make MEUC payments. However, if an individual is determined eligible, states will make MEUC payments with respect to prior weeks of unemployment for which the individual had a qualifying underlying benefit and MEUC was payable in the state.

g. MEUC application, notification of individuals, and claim taking requirements. Unlike FPUC, individuals must apply for MEUC in order for a state to determine their eligibility for benefits. Specifically, an individual must provide documentation of self-employment income that meets or exceeds $5,000 in order to receive MEUC. Such documentation is only needed one time during the claim. States will decide ongoing eligibility for MEUC based on the underlying program eligibility; individuals do not have to separately apply each week for MEUC. This further emphasizes the importance of weekly certifications to prevent fraud and ensure program integrity.

States must notify individuals who may be potentially eligible for MEUC about the program. States have flexibility concerning the methods of notifying individuals receiving underlying program benefits of the availability of MEUC. For example, states may communicate with claimants individually via email. Or, for individuals filing a new application for benefits, states could include a question regarding self-employment income on the initial claim application, such as: “During the most recent completed taxable year, did you earn at least $5,000 in self-employment income?” If the individual responds affirmatively, then the state would provide notice about the MEUC program, as described below. In short, states have flexibility concerning the extent to which the notification will be integrated into the underlying benefit programs. States are also
strongly encouraged to provide mass communication regarding the MEUC program on their websites, via social media, or other methods.

For individuals with an existing claim with one of the applicable underlying UI programs listed above, states must send a notice to each individual who has remaining entitlement to benefits under one of the applicable underlying UI programs for the week of unemployment in which the state elects to operate the MEUC program. This notice must inform the individual about the MEUC program and how to apply for the MEUC benefit if they believe they qualify and wish to do so (e.g., including a link to online applications and/or including an application form).

The notice about the MEUC program to all potentially eligible individuals must include:

- Amount of supplemental MEUC payment available each week ($100);
- Beginning and ending dates for the MEUC program;
- Information about the possible consequences of MEUC receipt for purposes of Medicaid and CHIP eligibility;
- Instructions on how to apply for MEUC, which includes information on how and when to submit documentation to verify that he or she meets the self-employment threshold;
- Information about the consequences of committing fraud in connection with an application for MEUC; and
- Information that, if the individual is found eligible, this will be paid automatically (with no extra action required of the individual) if the individual is eligible to receive the underlying unemployment benefit for the week in question.

When a state makes a determination regarding an individual’s eligibility for MEUC (e.g., whether or not the documentation submitted substantiates that the individual had at least $5,000 in self-employment income), the state must send the individual a notice of the determination. This determination must provide information about the right to file an appeal, including how to file an appeal and the deadline.

h. MEUC and FPUC nonreduction rule. Section 2104(c) of the CARES Act establishes a nonreduction rule that specifies that a state’s agreement to administer FPUC does not apply if the state modifies its computation of regular UC under state law in such a way that reduces the number of weeks of benefits (i.e., the maximum benefit amount) or the average WBA for the state. See Section C.5. of Attachment I to UIPL No. 15-20 for additional information. Section 261 of the Continued Assistance Act amends section 2104(c) of the CARES Act to specify that the agreement to administer MEUC also does not apply if this nonreduction rule is violated.

i. State’s right of non-participation in MEUC. Any State that entered into an agreement to operate the FPUC program, may elect to continue to pay FPUC to eligible individuals without operating the MEUC program. If a state decides to administer the MEUC program, the state will need to enter into an addendum to the FPUC agreement with the Department to operate the MEUC program. The Department advised states that if a state
initially decided not to administer the MEUC program, it must have communicated its decision to the Department by no later than January 2, 2021. A state may communicate its decision to not participate in the MEUC program by transmitting an email with such message (election of non-participation) to the Department at COVID-19@dol.gov. States choosing to administer MEUC on or immediately following the date of enactment will have the ability to pay weeks of unemployment beginning on or after December 27, 2020 and will continue to be payable for weeks of unemployment unless the state chooses to terminate its agreement with the Department with 30 days’ notice or through the expiration of the program. States may decide to operate the MEUC program at a later date. However, if states elect to implement the program after January 2, 2021, MEUC would become payable after the week of unemployment beginning on or after the date of the election to implement the program.

j. **MEUC agreements.** States that decide to administer the MEUC program must enter into an amended FPUC agreement with the Secretary of Labor.

k. **Applicability to Emergency Relief for Governmental Entities and Nonprofit Organizations.** As noted in UIPL No. 18-20, Change 1, relief under Section 903(i) of the Social Security Act (SSA) is not applicable to FPUC. Similarly, relief under Section 903(i), SSA is not applicable to MEUC. These programs do not result in assessments of payments due in lieu of contributions from employers, and, thus, payments under these programs are not subject to emergency relief under Section 903(i), SSA.

l. **Additional Administrative Costs for MEUC Implementation.**

Section 4.d. of UIPL No. 9-21 provides $150,000 to cover startup costs for states implementing the MEUC program. States that need additional funding to cover implementation costs must submit a Supplemental Budget Request (SBR) detailing such costs. Please note that the $150,000 startup costs and these SBRs are limited to one-time costs that are attributable to the implementation of MEUC.

Permissible implementation costs include:

- Computer programming and other technology costs;
- Implementation of necessary business processes required for program implementation;
- Training and travel;
- Notices to beneficiaries; and
- Overhead related only to the above.

The basis for these estimated costs must be included in the SBR application. Calculations for costs for state staff and contractors should be shown in accordance with the SBR instructions in ET Handbook No. 336, *Unemployment Insurance State Quality Service Plan Planning and Reporting Guidelines*. States must submit the SBR application for implementation of MEUC, along with required SF-424 form, by **February 1, 2021**. This may be electronically submitted to the National Office at
m. MEUC reporting instructions.

i. ETA 2112. (OMB No. 1205-0154). Transactions involving MEUC must be reported in the aggregate on the electronic ETA 2112 report. Information reflecting MEUC transactions must be reported as follows:

- **Deposits: Line 23d.** Mixed Earner Unemployment Compensation. Report on line 23d column C and column F the amount of MEUC funds transferred from the general fund account to the state benefit payment account.


- Transactions should not be reported in column E.

ii. ETA 5159. (OMB No. 1205-0010). Payment amounts reported by states on the ETA 5159 report should not include the supplemental FPUC payments.

- **Line 302 on all ETA 5159 reports.** Amounts Paid. Report amounts of UC paid but do not include the supplemental MEUC payments.

- **Line 402 on all ETA 5159 reports.** Amounts Paid. Report amounts of UC paid but do not include the supplemental MEUC payments.

iii. ETA 902M. A new ETA 902M report has been created for states to report MEUC claims, payment, and appeals activity. This report will also calculate the ongoing administrative funding for this program based on the reported initial claims and appeals dispositions workloads. Administrative funding will be automatically computed when the report is saved in the UIR system based on the values reported in Sections A and B of the report. The new ETA 902M report and reporting instructions are contained in Attachment II of this UIPL.

The new ETA 902M report will be available on the UI Required Reports electronic reporting system by February 2021 for monthly submission of this report to ETA.

iv. ETA 227. The $100 MEUC amount is considered a separate and distinct payment from the WBA (underlying benefit). The existing ETA 227 report does not provide for states to report on overpayment activities specific to MEUC. To address this, the Department has developed a new data collection instrument, the ETA 227 MEUC report, which the Department is transmitting to states via this UIPL.
The ETA 227 MEUC report allows states to report all MEUC overpayments in one place, regardless of the underlying benefit program that qualifies the individual to receive MEUC. The new ETA 227 MEUC report and reporting instructions are contained in Attachment II of this UIPL. In implementing reporting on the ETA 227 MEUC, states must:

- Report MEUC overpayment information only on the ETA 227 MEUC report;
- Follow the ETA 227 MEUC reporting instructions, attached to this UIPL;
- Begin submission of ETA 227 MEUC reports for the quarter ending March 31, 2021, which are due by May 1, 2021; and
- Continue to report overpayment information on the ETA 227 MEUC report until there is no longer any MEUC-related overpayment activity.

Information on overpayments for the underlying benefit program must be provided on a separate report (e.g., regular UC, UCX, and EB on the regular ETA 227 report, PEUC on the new PEUC ETA 227 report). Information on FPUC supplemental payments must be reported on the ETA 227 FPUC report. See UIPL 15-20, Change 2 for information.

The new ETA 227 MEUC report will be available on the UI Required Reports electronic reporting system by April 2021 for quarterly submission of this report to ETA.

v. Benefit Accuracy Measurement (BAM). For state that have implemented MEUC, consistent with reporting instructions in UIPL No. 25-20, BAM investigators must include the $300 FPUC payment and $100 MEUC payment into element (d7) if the claimant meets the eligibility condition and received MEUC. The claimant’s monetary eligibility elements [(e1) through (e19)] should also reflect the MEUC self-employment income. If the paid claimant does not meet the eligibility condition to receive MEUC and only receives an additional $300 FPUC payment, then the investigator must record that amount into element (d7). Key Weeks after March 13/14th should not include either the additional $400 or $300 supplement payment. BAM program units will follow the other coding guidance in Attachment 4 of UIPL No. 25-20.

5. Inquiries. States should direct inquiries to the email account covid-19@dol.gov and copy the appropriate ETA Regional Office.

6. References.

- Consolidated Appropriations Act, 2021, Pub. L. 116-260, including Division N, Title II, Subtitle A, the Continued Assistance for Unemployed Workers Act of 2020;
- Coronavirus Aid, Relief, and Economic Security Act, 2020, Pub. L. 116-136, including Title II Subtitle A Relief for Workers Affected by Coronavirus Act;
• Section 903, Social Security Act (SSA), 42 U.S.C. § 1103;
• Section 1402 of the Internal Revenue Code of 1986, 26 U.S.C. § 1402;
• 20 C.F.R. Part 615;


7. **Attachment(s).**

- Attachment I: Text of Section 203 and Section 261 of the Continued Assistance for Unemployed Workers Act of 2020
- Attachment II: Reporting Instructions: ETA 227 - OVERPAYMENT DETECTION AND RECOVERY ACTIVITIES (MEUC)
- Attachment III: Reporting Instructions: ETA 902 M – CLAIMS, PAYMENT AND APPEALS ACTIVITIES (MEUC)
SEC. 203. EXTENSION OF FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Section 2104(e) of the CARES Act (15 U.S.C. 9023(e)) is amended to read as follows:

"(e) APPLICABILITY.—An agreement entered into under this section shall apply-
(1) to weeks of unemployment beginning after the date on which such agreement is
entered into and ending on or before July 31, 2020; and

"(2) to weeks of unemployment beginning after December 26, 2020 (or, if later, the date
on which such agreement is entered into), and ending on or before March 14, 2021.".

(b) AMOUNT.—

(1) IN GENERAL.—Section 2104(b) of the CARES Act (15 U.S.C. 9023(b)) is amended-
(A) in paragraph (1)(B), by striking "of $600" and inserting "equal to the amount
specified in paragraph (3)"; and

(B) by adding at the end the following new paragraph:

"(3) AMOUNT OF FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.—
"(A) IN GENERAL.—The amount specified in this paragraph is the following amount:
"(i) For weeks of unemployment beginning after the date on which an
agreement is entered into under this section and ending on or before July 31, 2020, $600.

"(ii) For weeks of unemployment beginning after December 26, 2020 (or, if later,
the date on which such agreement is entered into), and ending on or before March
14, 2021, $300.".

(2) TECHNICAL AMENDMENT REGARDING APPLICATION TO SHORT-TIME
COMPENSATION PROGRAMS AND AGREEMENTS.—Section 2104(i)(2) of the CARES Act
(15 U.S.C. 9023(i)(2)) is amended—
(A) in subparagraph (C), by striking "and" at the end;

(B) in subparagraph (D), by striking the period at the end and inserting","; and

(C) by adding at the end the following:

"(E) short-time compensation under a short-time compensation program (as defined in
section 3306(v) of the Internal Revenue Code of 1986).".

SECTION 261. MIXED EARNER UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Section 2104(b) of the CARES Act (15 U.S.C. 9023(b)(1)), as amended by section
1103, is further amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking the period at the end and inserting ", plus"; and

(B) by adding at the end the following:

" (C) an additional amount of $100 (in this section referred to as ‘Mixed Earner
Unemployment Compensation’) in any case in which the individual received at least
$5,000 of self-employment income (as defined in section 1402(b) of the Internal Revenue Code of 1986) in the most recent taxable year ending prior to the individual’s application for regular compensation. "; and

(2) by adding at the end the following:

" (4) CERTAIN DOCUMENTATION REQUIRED.—An agreement under this section shall include a requirement, similar to the requirement under section 2102(a)(3)(A)(iii), for the substantiation of self employment income with respect to each applicant for Mixed Earner Unemployment Compensation under paragraph (1)(C). ".

(b) CONFORMING AMENDMENTS.—

(1) FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.—

Section 2104 of such Act is amended—

(A) by inserting "or Mixed Earner Unemployment Compensation" after "Federal Pandemic Unemployment Compensation" each place such term appears in subsection (b)(2), (c), or (f) of such section;

(B) in subsection (d), by inserting "and Mixed Earner Unemployment Compensation" after "Federal Pandemic Unemployment Compensation"; and

(C) in subsection (g), by striking "provide that" and all that follows through the end and inserting "provide that—"

" (1) the purposes of the preceding provisions of this section, as such provisions apply with respect to Federal Pandemic Unemployment Compensation, shall be applied with respect to unemployment benefits described in subsection (i)(2) to the same extent and in the same manner as if those benefits were regular compensation; and

" (2) the purposes of the preceding provisions of this section, as such provisions apply with respect to Mixed Earner Unemployment Compensation, shall be applied with respect to unemployment benefits described in subparagraph (A), (B), (D), or (E) of subsection (i)(2) to the same extent and in the same manner as if those benefits were regular compensation. ".

(2) PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.—

Section 2107(a)(4)(A) of such Act is amended—

(A) in clause (i), by striking "and";

(B) in clause (ii), by striking "section 2104;" and inserting "section 2104(b)(1)(B); and";

and

(C) by adding at the end the following:

" (iii) the amount (if any) of Mixed Earner Unemployment Compensation under section 104(b)(1)(C); ".

(c) STATE’S RIGHT OF NON-PARTICIPATION.—Any State participating in an agreement under section 2104 of the CARES Act may elect to continue paying Federal Pandemic Unemployment Compensation under such agreement without providing Mixed Earner Unemployment Compensation pursuant to the amendments made by this section. Such amendments shall apply with respect to such a State only if the State so elects, in which case such amendments shall apply with respect to weeks of unemployment beginning on or after the later of the date of such election or the date of enactment of this section.
ETA 227 - OVERPAYMENT DETECTION AND RECOVERY ACTIVITIES (MEUC)

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B. Purpose  4
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## A. Facsimile of Form

**ETA 227 – OVERPAYMENT DETECTION AND RECOVERY (MEUC)**

<table>
<thead>
<tr>
<th>STATE</th>
<th>REGION</th>
<th>REPORT FOR PERIOD ENDING</th>
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</thead>
<tbody>
<tr>
<td>st</td>
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### SECTION A. OVERPAYMENTS ESTABLISHED – CAUSES

<table>
<thead>
<tr>
<th>Cause</th>
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<th>Number of Cases</th>
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<tr>
<td></td>
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<td>UI (1)</td>
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<tr>
<td>Nonfraud – Total</td>
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<tr>
<td>Total – Fraud and Nonfraud</td>
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</table>

### SECTION B. RECOVERY/RECONCILIATION

<table>
<thead>
<tr>
<th>Item</th>
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<th>Dollar Amounts</th>
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<tr>
<td></td>
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<td>Fraud</td>
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<tr>
<td></td>
<td></td>
<td>UI (13)</td>
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<td>Outstanding Beginning Period</td>
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<tr>
<td>Waived</td>
<td>203</td>
<td></td>
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<tr>
<td>Written Off</td>
<td>204</td>
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<tr>
<td>Additions</td>
<td>205</td>
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</tr>
<tr>
<td>Subtractions</td>
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<tr>
<td>Recovered for Other States</td>
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</table>
Section 2116(a), Division B, Title II of the CARES Act states that “Chapter 35 of Title 44, United States Code, (commonly referred to as the “Paperwork Reduction Act of 1995”) shall not apply to the amendments made under this subtitle.” As the OMB approval process is waived for these reporting instructions, these instructions should be considered final.
B. Purpose

The Mixed Earner Unemployment Compensation (MEUC) Program, ETA 227 Overpayment Detection and Recovery Activities report (referred to as the “ETA 227 MEUC report” in this Attachment) provides information on MEUC overpayments.

As stated in the accompanying Unemployment Insurance Program Letter, if an individual received at least $5,000 of self-employment income (as defined in Section 1402(b) of the Internal Revenue Code of 1986), in the most recent tax year ending prior to the individual’s application for unemployment compensation (underlying benefits) and is receiving benefits from an applicable unemployment insurance (UI) program, the individual qualifies for the additional $100 MEUC payment. The applicable UI programs are:

- The regular state unemployment compensation (UC) program;
- Unemployment Compensation for Federal Employees (UCFE);
- Unemployment Compensation for Ex-Servicemembers (UCX);
- Pandemic Emergency Unemployment Compensation (PEUC);
- Permanent federal-state Extended Benefits (EB) program;
- Short-Time Compensation (STC);
- Trade Readjustment Allowances (TRA);
- Disaster Unemployment Assistance (DUA); and
- Payments under the Self-Employment Assistance (SEA) program.

- Overpayments from the underlying benefit must be reported on a separate report from the MEUC overpayments. On the ETA 227 MEUC report, state agencies must only report overpayments of MEUC.

- Other UC program overpayments, concerning the underlying benefit, must be reported on the appropriate forms, as listed below:
  1. ETA 227, Overpayment Detection and Recovery Activities Report (OMB 1205-0173) for the UI, UCFE, UCX and EB programs;
  2. ETA PEUC 227 Overpayment Detection and Recovery Report for the PEUC program; and

State agencies must follow existing reporting instructions for overpayments of the TRA (ETA 9172 Participant Individual Record Layout (PIRL) (OMB 1205-0521)) and DUA (ETA 902 Disaster Unemployment Assistance Activities Report (OMB 1205-0268)) program benefits.

ETA 227 reports show state agency accomplishments in principal detection areas of benefit payment control. The Employment and Training Administration (ETA) and state agencies need such information to monitor the integrity of the benefit payment.
processes in the UI system. On the ETA 227 MEUC report, data are provided regarding the establishment of MEUC overpayments and recoveries of MEUC overpayments.

C. Due Date and Transmittal

The ETA 227 MEUC report is due quarterly on the first day of the second month after the quarter of reference.

<table>
<thead>
<tr>
<th>Report for Quarter Ending</th>
<th>Due the Following</th>
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<tbody>
<tr>
<td>March 31</td>
<td>May 1</td>
</tr>
<tr>
<td>June 30</td>
<td>August 1</td>
</tr>
<tr>
<td>September 30</td>
<td>November 1</td>
</tr>
<tr>
<td>December 31</td>
<td>February 1</td>
</tr>
</tbody>
</table>

The ETA 227 MEUC report does not include an aging schedule, (i.e., overpayments established on the report are not removed after a period of time) like what is shown in Section E of the ETA 227 report. State agencies must continue to report MEUC overpayment information on the ETA 227 MEUC report until there is no longer any activity.

D. General Reporting Instructions

All applicable data on the ETA 227 MEUC report must be traceable to the data regarding MEUC overpayments and MEUC recoveries in the state's financial accounting system.

1. Amended Reports. If the information changes from that sent on the initial ETA 227 MEUC report covering the report period, the state agency will send an amended ETA 227 MEUC report electronically.

2. Coverage. Reported activity pertains to all overpayments created for the MEUC program. MEUC overpayments and MEUC recoveries occurring under the STC and SEA programs must be reported under the regular state UI program sections of the ETA 227 MEUC report.

3. Audits. Dollar figures must be traceable to data regarding MEUC overpayments and MEUC recoveries in the state agency's financial accounting system.

4. Checking the Report. Entries must be made for all items. If no activity corresponding to the items occurred during the report period, a zero must be entered. A report containing missing data cannot be sent to the National Office but can be stored on the state’s system.

E. Definitions

1. Cases of Agency Employee Benefit Fraud (Line 102). This line concerns fraudulent activity by agency personnel. Examples include when an agency employee:
a. Continues to file weekly certifications and fails to report earnings on the employee’s UI claim after being hired/rehired with the state UI agency or later reactivates the employee’s claim while still working and fails to report earnings.

b. Diverts benefits from another’s claim(s) that may be inactive, and which may involve changing the address and name on the claim to the employee’s own address or issuing checks to a “drop address.”

c. Establishes a claim(s) with fictitious wages and issues benefits to themselves or others.

d. Processes a claim(s) for another or others knowing they do not meet eligibility requirements.

e. Extorts money from a claimant(s) for authorizing benefits to which the claimant(s) may or may not be entitled.

f. Participates in other activities, which leads to the employee receiving UI benefits to which he or she is not entitled.

2. Cases Established. Any single issue that results in a determination that MEUC was overpaid to a claimant within a single calendar quarter and for which a formal notice of determination has been issued is a case established. An MEUC overpayment that covers one or more weeks (or partial weeks) of benefits shall be counted as one case if all weeks of MEUC overpayments are included in the same notice of determination. An MEUC overpayment covering consecutive weeks of benefits that span two calendar quarters must be reported for the calendar quarter in which the notice of decision is issued.

3. Fraud Overpayment. Section 2104(f)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) defines fraud as occurring when an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of MEUC to which such individual was not entitled.

4. Non-fraud Overpayment. An MEUC overpayment that the state agency determines is not due to fraud. Non-fraud MEUC overpayments may include MEUC overpayments resulting from reversals, state agency errors, employer errors, and claimant errors.

5. Overpayment. Benefits paid to an individual who is not legally entitled to these benefits, whether or not the amount is later recovered or waived. Losses through embezzlement or by theft may not be counted as overpayments, unless the embezzlement or theft was conducted through the benefit payment process.

6. Recovered for Other States (Line 208). MEUC overpayments recovered for and transferred to another state.

7. Waived (Line 203). A non-fraud MEUC overpayment for which the state agency, in accordance with section 2104 of the CARES Act, officially relinquishes the obligation of the claimant to repay. Section 2104(f)(2) authorizes states to waive an overpayment when the overpayment was not the fault of the claimant and requiring repayment would be against equity and good conscience.
8. **Written-Off** (Line 204). An amount of a MEUC overpayment not subject to further recovery because of a state law provision authorizing cancellation of the overpayment may be written off. Usually, write-offs are applied after the statute of limitations expires, bankruptcy has been approved by a court, or the claimant has died.

**F. Item by Item Instructions**

Reporting instructions for specific items are given only as necessary to supplement headings on the form and the definitions provided in Section E of these instructions.

1. **Section A. Overpayments Established – Causes.** MEUC overpayments established are classified into two main categories – fraud and non-fraud.

   a. **Line 101. Fraud – Total.** Enter the total number of cases and dollar amounts for all MEUC overpayments classified as fraud, including and in addition to those reported on line 102.

   b. **Line 102. Cases of Agency Employee Benefit Fraud.** Report those MEUC fraud cases and MEUC dollar amounts that included agency staff as a recipient of the UI benefits, and those where an agency staff member acted in collusion with others to set up fraudulent claims and benefit payments and/or schemes.

   c. **Line 103. Non-fraud – Total.** Enter the total number of cases and dollar amounts for all MEUC overpayments classified as non-fraud.

   d. **Line 104. Total – Fraud and Non-fraud.** Sum the totals for lines 101 and 103.

2. **Section B. Recovery/Reconciliation.** For recoveries, waivers, and write-offs, enter the amounts applicable during the quarter, regardless of when MEUC overpayments were established. Any repayment received from a claimant that is refunded during the quarter because of a redetermination, etc., must be subtracted from the amount shown if the original amount had already been entered.

   a. **Line 201. Outstanding at the Beginning of Period.** Enter amounts of MEUC overpayments outstanding at the beginning of this report period. The amounts entered will always be the same as the amounts outstanding at the end of the preceding report period (line 207 of the preceding period’s report).

   b. **Line 202. Recovered – Total.** Enter the amounts of all MEUC overpayments recovered for the reporting period.

   c. **Line 203. Waived.** Enter the MEUC overpayment recoveries waived under federal law during the report period. Include only MEUC overpayments reported in Section A, either for the current quarter or a previous quarter. Do not include MEUC overpayments that the state agency no longer has the authority to recover because of expired statute of limitations (write-offs).

   d. **Line 204. Written-Off.** Enter the dollar amounts of all MEUC overpayments written-off under the state law during the report period.

   e. **Line 205. Additions.** Enter the dollar amounts of MEUC overpayments adjusted upward which have been included in Section A for this report or any prior report
period. Such adjustments may be the result of redeterminations or appeal decisions that increase the amount of MEUC overpayments previously reported.

f. Line 206. Subtractions. Enter the dollar amounts of MEUC overpayments adjusted downward which have been included in Section A for this report or any prior report period. Such adjustments may be the result of redeterminations or appeals decisions that decrease the amount in part or in total of MEUC overpayments previously reported.

g. Line 207. Outstanding at the End of Period. Calculate the dollars outstanding as follows:

1) UI Fraud Column 13.
   i. Add lines 201 and 205 to line 101, Column 7.
   ii. Add lines 202, 204, and 206.
   iii. Subtract (ii) from (i).

2) UI Non Fraud Column 19.
   i. Add lines 201 and 205 to line 103, Column 7.
   ii. Add lines 202, 203, 204, and 206.
   iii. Subtract (ii) from (i).

3) UCFE/UCX Fraud Column 14.
   i. Add lines 201 and 205 to line 101, Column 8.
   ii. Add lines 202, 204, and 206.
   iii. Subtract (ii) from (i).

4) UCFE/UCX Non Fraud Column 20.
   i. Add lines 201 and 205 to line 103, Column 8.
   ii. Add lines 202, 203, 204, and 206.
   iii. Subtract (ii) from (i).

5) EB Fraud Column 15.
   i. Add lines 201 and 205 to line 101, Column 9.
   ii. Add lines 202, 204, and 206.
   iii. Subtract (ii) from (i).
6) **EB Non Fraud Column 21.**
   i. Add lines 201 and 205 to line 103, Column 9.
   ii. Add lines 202, 203, 204, and 206.
   iii. Subtract (ii) from (i).

7) **PEUC Fraud Column 16.**
   i. Add lines 201 and 205 to line 101, Column 10.
   ii. Add lines 202, 204, and 206.
   iii. Subtract (ii) from (i).

8) **PEUC Non Fraud Column 22.**
   i. Add lines 201 and 205 to line 103, Column 10.
   ii. Add lines 202, 203, 204, and 206.
   iii. Subtract (ii) and (i).

9) **TRA Fraud Column 17.**
   i. Add lines 201 and 205 to line 101, Column 11.
   ii. Add lines 202, 204, and 206.
   iii. Subtract (ii) from (i).

10) **TRA Non Fraud Column 23.**
    i. Add lines 201 and 205 to line 103, Column 11.
    ii. Add lines 202, 203, 204, and 206.
    iii. Subtract (ii) from (i).

11) **DUA Fraud Column 18.**
    i. Add lines 201 and 205 to line 101, Column 12.
    ii. Add lines 202, 204, and 206.
    iii. Subtract (ii) from (i).

12) **DUA Non Fraud Column 24.**
    i. Add lines 201 and 205 to line 103, Column 12.
ii. Add lines 202, 203, 204, and 206.

iii. Subtract (ii) from (i).

h. Line 208, Recovered for Other States. Enter the MEUC amounts recovered by the state for other state agencies under the Combined Wage Claims (CWC) requirements or the Interstate Reciprocal Offset Recovery Arrangement (IRORA) requirements and transferred out during the quarter. MEUC payments must be reduced to recover UC overpayments for other states if the state has signed the IRORA agreement. However, a state may not offset more than 50 percent from the MEUC payment to recover overpayments for other unemployment benefit programs. Note: figures on this line are not included in the calculations for line 207.

Comments. Explain significant variations from the norm.
ETA 902M – MIXED EARNERS UNEMPLOYMENT COMPENSATION ACTIVITIES REPORT

Section IV-4

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## A. Facsimile of Form

**ETA 902M – MIXED EARNERS UNEMPLOYMENT COMPENSATION (MEUC) ACTIVITIES**

### SECTION A. CLAIMS AND PAYMENT ACTIVITY

<table>
<thead>
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<th>CATEGORY</th>
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<th>WEEKS COMPENSATED</th>
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### SECTION B. APPEALS ACTIVITY

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<th>CATEGORY</th>
<th>LINE NO.</th>
<th>APPEALS FILED</th>
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### CATEGORY | LINE NO. | ADMINISTRATIVE COST
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<td>10</td>
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<tr>
<td>Total</td>
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<td>c50</td>
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</table>
OMB No.: NA  OMB Expiration Date: NA  OMB Burden Minutes: NA

OMB Burden Statement: Section 2116(a), Division B, Title II of the CARES Act states that “Chapter 35 of Title 44, United States Code, (commonly referred to as the “Paperwork Reduction Act of 1995”) shall not apply to the amendments made by this subtitle.” Therefore these reporting instructions do not require additional OMB approval and the submission of this information is required to obtain or retain benefits under the SSA 303(a)(6).

B. **Purpose**

The ETA 902M report contains monthly data on activities for the Mixed Earners Unemployment Compensation (MEUC) program enacted under the Continued Assistance Act on December 27, 2020. MEUC is a temporary Federal program that provides additional relief to workers affected by the coronavirus through the provision of a $100 supplemental benefit amount to certain individuals with at least $5,000 in self-employment income (as defined in section 1402(b) of the Internal Revenue Code of 1986) in the most recent taxable year ending prior to the individual’s application for regular Unemployment Compensation. MEUC is potentially available to claimants in all programs until March 14, 2021 except for the temporary Pandemic Unemployment Assistance (PUA) program.

C. **Scope and Duration of the Report**

1. The first report shall be sent in the month following the date of the state agreement to participate in the MEUC program, and later reports shall be sent each month that MEUC activity continues to occur, such as for payments made for weeks in the pandemic assistance period (PAP) issued as a result of appeals.

2. Reports should be submitted monthly through the end of the PAP and until all payment and appeals activity is complete. For periods after the PAP has ended, only non-zero reports need to be submitted.

D. **Due Date and Transmittal**

Reports shall be submitted electronically each month providing MEUC activities performed during the preceding calendar month. Reports are due in the National Office on the 30th of the month following the month to which data relate.

The email subject line should include the report name, (ETA 902M), and the name of the submitting jurisdiction.

One copy should also be sent via email to the San Francisco ETA Regional Office.
E. **General Reporting Instructions**

1. MEUC activity reflecting primary workload items associated with operation of the MEUC program should be reflected in the ETA 902M report. In particular, this should include the MEUC initial claims or applications, number of the individuals determined eligible, first payments, weeks compensated, and the number of appeals disposed by the state unemployment office.

2. Administrative funding for MEUC activity is computed automatically in the ETA 902M report once it has been saved to the data entry screen of the Unemployment Insurance Reporting (UIR) system.

3. Activity related to Federal Pandemic Unemployment Compensation (FPUC) should not be included in this report. Monetary activity related to FPUC payments are reported in the ETA 2112 report and FPUC overpayments and recoveries are reported in the ETA 227 FPUC report. MEUC overpayments are reported in the ETA 227 MEUC report.

4. Appeals activity based on underlying program eligibility issues should be reported under the relevant underlying program report and should not be reflected in the ETA 902M report appeals activity. Only appeals of MEUC eligibility should be counted in this report.

F. **Definitions**

1. **Effective Date of an Initial Application.** The effective day is the first day of the first week of unemployment for which MEUC is payable in the state. MEUC payments may be made to eligible individuals starting with the week of unemployment beginning on or after December 27, 2020, and the state executes an addendum to the FPUC agreement.

2. **Eligible.** Meets qualifications for receiving MEUC, as specified in Section 261 of the Continued Assistance Act. If an individual is eligible for PUA, such individual is not eligible for MEUC and should not be counted in any MEUC Activities report.

G. **Item by Item Instructions**

1. **Report Period Ended.** Enter the month, last day of the month, and four digit year to which the data relate; e.g., 01/31/2021.

3. **Section A. Claims and Payment Activities.** Row 101 should reflect total claims and payments for all MEUC activities. Rows 102 to 107 should reflect the subset of activity associated with claimants of the relevant program only. Counts in rows 102 to 107 of each column should add to the respective total in row 101.

   a. **Column 1, Initial Applications.** Enter the number of initial applications/claims for MEUC taken during the report period. This will equal the number of initial applications that were completed and/or number of applications entered into an automated system through an electronic/telephone claims taking system during the report period.

   b. **Column 2, Number Determined Eligible.** Enter the number of individuals determined eligible for MEUC during the report period.

   c. **Column 3, First Payments.** Enter the number of payments made which represent, for any individual, the first week for which MEUC is paid.

   d. **Column 4, Weeks Compensated.** Enter the number of weeks of unemployment for which MEUC was paid during the report period. A week of unemployment compensated is any week of unemployment for which MEUC funds are paid during the report month, regardless of when the week of unemployment occurred.

4. **Section B. Appeals Activity.**

   a. **Column 5, Appeals Filed.** Enter the number of appeal cases or requests for review received during the month.

      **NOTE:** For columns 5 through 7, the entries refer to the number of cases received or disposed of during the report period. Definitions of appeals filed, disposal, etc., are those used in the state UI program. Appeals activity should be broken out by the program in which the claimant is also filing.

   b. **Column 6, Appeals Disposed.** Enter in column 6 the total number of cases disposed during the month regardless of the appeal authority.

   c. **Columns 7, Favor of Appellant.** Enter in column 7 the number of appeal decisions included in column 6, which were in favor of the appellant regardless of the appeal authority.

5. **Section C. Administrative Costs.**

   **Column 10, Administrative Costs.** This data cell will be automatically self-populated and reflect computed administrative costs upon entry of the
workload items reported in Section A and Section B above. Minute per unit factors reflected in the annual UIPL advisory communicating target allocations for base administrative grants and staff year usage, information from the UI-1 report will be used to compute staffing levels needed to process the initial claims (line 101 column 1) and appeals disposed (line 201 column 30) workload. Staff salary rates will reflect the rates used for quarterly above base computations. Staffing costs will be increased by the applicable factor to account for leave, and resulting costs will be increased by 19% to account for overhead.

H. Checking the Report

1. **General Checks.** Entries should be made for all required items. If the item is inapplicable, or if applicable but no activity corresponding to the items occurred during the report period, a zero should be entered. A report containing missing data cannot be sent to the National Office, but can be stored on the state’s system.

2. **Arithmetic Checks.**

   a. For columns 1 through 4 and columns 5 through 7, the entries in lines 102 through 107 and 202 through 207 respectively, should be equal to the entries in line 101 and 201.

   b. The entries in column 7 should be less than or equal to the respective entries in column 6.

**Signature.** Signature is only required if reports are sent manually to the National Office.