EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
	CORRESPONDENCE SYMBOL OUI/DUIO
	DATE June 25, 2014

ADVISORY: **UNEMPLOYMENT INSURANCE PROGRAM LETTER NO.** 16-14

TO: STATE WORKFORCE AGENCIES

FROM: PORTIA WU
Assistant Secretary

SUBJECT: Unemployment Compensation for Employees of the United States Public Health Service Commissioned Corps (PHSCC)

1. **Purpose.** To ensure that states are aware that PHSCC employees are covered under the Unemployment Compensation for Federal Employees (UCFE) program.

2. **References.**
   - Public Health Service Act, Pub. L. 78-410, 42 U.S.C. Chapter 6A;
   - 20 CFR Part 609, *Unemployment Compensation for Federal Civilian Employees*;
   - 20 CFR Part 614, *Unemployment Compensation for Ex-Servicemembers*; and
   - ET Handbook No. 391, Unemployment Compensation for Federal Employees Instructions for State Agencies for State Agencies, Chapter II, section 2, subsection d.

3. **Background.** The U.S. Department of Labor has received several inquiries from state unemployment compensation (UC) agencies about whether PHSCC employees are covered under the UCFE program or the Unemployment Compensation for Ex-Servicemembers (UCX) program. The UCFE program provides benefits for eligible unemployed former civilian Federal employees. The UCX program provides benefits for eligible ex-military personnel and also former members of the National Oceanographic and Atmospheric Administration Commissioned Corps. Both programs are administered by the states acting as agents of the Federal government. The UCFE and UCX programs are generally operated under the same terms and conditions that apply to regular state UC programs. There is no payroll deduction from a Federal employee's wages for either UCFE or UCX. Benefits are charged to the appropriate Federal agency or branch of service.

The United States Public Health Service Commissioned Corps

The PHSCC was originally established in the Department of the Treasury as the Marine Hospital Service in 1798, authorizing marine hospitals for the care of American merchant seamen. It was renamed the Public Health and Marine Hospital Service in 1902 to reflect enhanced public health responsibilities in areas of research, disease prevention and education. In 1912, it was renamed again as the United States Public Health Service, which is its current designation. The Public Health Service Act was amended to state that the President might

RESCISSIONS	EXPIRATION DATE
None	Continuing

declare the PHSCC to be a military service not only in a time of threatened or actual war, but also in "an emergency involving the national defense proclaimed by the President." See 42 U.S.C. 217.

Since 1979, the PHSCC has been under the direction of the U.S. Surgeon General within the U.S. Department of Health and Human Services (HHS), a Federal agency. The PHSCC is a uniformed service whose commissioned officers are in the employ of HHS and may be assigned to other Federal agencies. Although some military benefits are available to commissioned officers of PHSCC, they are not defined as a "Federal military service." The definition of "Federal military service" for UCX purposes is found at 20 CFR 614.2(g); this definition does not include commissioned officers of the PHSCC.

Federal Civilian Service for UCFE Purposes

The definition of "Federal civilian service" is found at 20 CFR 609.2(f). This definition includes certain exceptions to "service performed in the employ of any Federal agency"; however, these exceptions do not apply to commissioned officers of the PHSCC. Therefore, the service of commissioned officers of the PHSCC falls under the definition of Federal civilian service for UCFE purposes. The requirement for assignment of Federal civilian service and Federal wages are found at 20 CFR 609.8(b). Federal civilian service and Federal wages used to establish a UCFE benefit year are assigned to the state in which the individual had his or her last "official station" (as defined in 20 CFR 609.2(k)) before filing a first claim. Therefore, for UCFE purposes, the state in which the last official duty station in Federal civilian service was performed by commissioned officers of the PHSCC will be the state that determines their eligibility for benefits under the state UC law.

4. **UCFE Program Guidance Related to PHSCC Federal Service.** Commissioned officers of the PHSCC are covered under the UCFE program. All their Federal civilian service and wages must be assigned in accordance with the interpretation of 20 CFR 609.8(b) and as outlined in ET Handbook 391 Chapter II, Section 2, subsection d.

5. **Action Requested.** State Administrators are requested to provide this information to appropriate staff.

6. **Inquiries.** Questions should be directed to the appropriate Regional Office.