Implementing and Operating Instructions for the Pandemic Emergency Unemployment Compensation (PEUC) Program

A. Introduction

On March 27, 2020, the President signed Public Law (Pub. L.) 116-136, the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Section 2107 creates a new Federal program called Pandemic Emergency Unemployment Compensation (PEUC) and provides funding to states to administer the program.

The PEUC program allows states to enter into an agreement with the Secretary of Labor (Secretary) to pay up to 13 weeks of benefits to individuals who:

- have exhausted all rights to regular unemployment compensation (UC) under state or Federal law;
- have no rights to regular UC under any other state or Federal law;
- are not receiving compensation under the UC laws of Canada; and
- are able to work, available for work, and actively seeking work, while recognizing that states must provide flexibility in meeting the “actively seeking work” requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

For purposes of PEUC eligibility, an individual is deemed to have exhausted benefits when:

- no payments of regular UC can be made under state law because such individual has received all available regular UC based on employment or wages during such individual’s base period; or
- the individual’s right to such regular UC has been terminated by reason of the expiration of the benefit year with respect to which such rights existed (excluding any benefit year that ended before July 1, 2019).

Both the costs of the new Federal benefit and the costs of program administration are 100% federally funded. This guidance explains the eligibility requirements and the administrative functions associated with the program.

B. Definitions

This section contains the definitions of terms used throughout this document.

1. “Act” means the CARES Act, including Title II Subtitle A, The Relief for Workers Affected by Coronavirus Act.
2. “Additional compensation” means compensation fully financed by a state and payable under a state law by reason of conditions of high unemployment or by reason of other special factors, and when so payable, includes compensation payable pursuant to 5
3. “Agreement” means the agreement between a state and the Secretary under which the state agency makes payments, as the Secretary’s agent, of PEUC in accordance with Section 2107 of the CARES Act as interpreted by the Secretary as set forth in these instructions or any other instructions issued by the Secretary.

4. a. “Benefit Year” means the benefit year as defined in applicable state law.
   b. “Applicable Benefit Year” means, with respect to an individual, the current benefit year if, at the time an initial claim for PEUC is filed, the individual has an unexpired benefit year, ending on or after July 1, 2019, (this means, in general, that an individual’s benefit year must have ended on July 6, 2019, or later) only in the state in which such claim is filed; or, where the individual has more than one unexpired benefit year in one or more states, the individual’s most recent benefit year ending on or after July 1, 2019. For this purpose, the most recent benefit year, for an individual who has unexpired benefit years in more than one state when an initial claim for PEUC is filed, is the benefit year with the latest ending date, or, if such benefit years have the same ending date, the benefit year in which the latest continued claim for regular compensation was filed.

5. “Applicable State” means the state where the individual is an exhaustee for PEUC purposes, and, in the case of a combined wage claim for regular compensation, the term means the “paying state” for such claim as defined in 20 C.F.R. 616.6(e).

6. “Applicable State Law” means the state law of the applicable state for an individual.

7. “Base Period” means the base period as determined under the applicable state law for the individual’s applicable benefit year.

8. “Compensation” means cash benefits (including dependents’ allowances) payable to individuals with respect to their unemployment. “Compensation” is also referred to as “Unemployment Compensation” or “UC.”

9. “Extended compensation” means compensation payable to an individual for weeks of unemployment beginning in an extended benefit period, under those provisions of the state law which satisfy the requirements of the Federal-State Extended Unemployment Compensation Act of 1970 (Pub. L. 91-373), and when so payable includes additional compensation and compensation payable pursuant to 5 U.S.C. chapter 85. Extended compensation is referred to as Extended Benefits or EB.

10. “Pandemic Emergency Unemployment Compensation” means the compensation payable under Section 2107 of the CARES Act, and which is referred to as PEUC.

11. “Regular compensation” means compensation payable to an individual under any state law, and, when so payable, includes compensation payable under 5 U.S.C. chapter 85, but does not include extended compensation and additional compensation.

12. “Secretary” means the U.S. Secretary of Labor.


14. “State Agency” means the unemployment compensation agency of the state administering the state law.

15. “State Law” means the unemployment compensation law of a state approved by the Secretary under Section 3304(a) of the Internal Revenue Code of 1986 (26 U.S.C. §3304(a)).

16. “Week” means a week as defined in the applicable State’s UC law.

17. “Week of Unemployment” means a week of total, part-total, or partial unemployment as
defined in the applicable state law, which must be applied to claims filed under the requirements of the PEUC program in the same manner and to the same extent as if the individual filing a claim for PEUC were filing a claim for regular compensation.

C. Operating Instructions.

1. Eligibility for PEUC.

   a. Basic Eligibility Requirements. To be eligible for a week of PEUC, in addition to meeting the applicable state law provisions, an individual must:

      - have exhausted all rights to regular compensation under the applicable state or Federal law with respect to the applicable benefit year;

      - have no rights to regular compensation with respect to a week under such law or any other state or Federal UC law;

      - certify that he or she is not receiving compensation with respect to such week under the UC law of Canada; and

      - be able to work, available to work, and actively seeking work. However, States must provide flexibility in meeting the “actively seeking work” requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

   b. Determining Exhaustees. An individual is deemed to have exhausted his or her right to regular compensation under a State law when:

      - no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual’s base period; or

      - such individual’s rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed

Exhaustees cease to be exhaustees when they can establish a valid new benefit year. Therefore, at each quarter change, a State must check to see if an individual has earned enough wages to:

   - establish a new benefit year in the State;
   - establish a new benefit year in any other State; or
   - establish a new benefit year if wages from one or more states are combined (a combined wage claim (CWC)).

If the individual can establish a new benefit year in the filing State or in any other state, the individual may not continue to collect PEUC. In these cases, the individual
should be advised that he or she no longer qualifies for the PEUC claim because of eligibility for a regular or CWC claim and should be instructed: (1) to file a claim for regular UC, or (2) to contact the other state to file a regular UC claim, or CWC claim as appropriate.

Once the claimant qualifies for a new claim (regular or a CWC), payments on the PEUC claim must cease, even if the Weekly Benefit Amount (WBA) for the new UC claim is lower than what the claimant was receiving on the PEUC claim.

If the individual remains unemployed and otherwise eligible, the claimant may resume collection of the original PEUC after exhaustion of the second regular UC claim, as long as the claimant has not already received 13 weeks of PEUC on the first claim.

If a redetermination or an appeal decision results in a determination that an individual is entitled to more or less regular compensation, the individual’s status as an exhaustee must be redetermined, as appropriate.

2. **Beginning and Ending of the PEUC Program in a State.** Under Section 2107 of the CARES Act, PEUC is payable in a State beginning the first week after the date on which the State enters into an agreement with the Department. In States where the week of unemployment ends on Saturday, the first week for which PEUC may be paid is the week ending April 4, 2020, provided an agreement is in place no later than March 28, 2020. In a State where the week of unemployment ends on a Sunday, the first week for which PEUC may be paid is the week ending April 5, 2020.

PEUC is only payable for weeks of unemployment ending on or before December 31, 2020. Accordingly, in States where the week of unemployment ends on a Saturday, the last week that PEUC is payable is the week ending December 26, 2020. For States where the week of unemployment ends on a Sunday, the last week that PEUC is payable is the week ending December 27, 2020.

3. **Termination of PEUC Agreement.** Either party, upon thirty (30) days written notice, may terminate the PEUC Agreement. The Department reserves the right to terminate this Agreement if it determines that the state does not have an adequate system for administering such assistance, including because the state is not adequately ensuring that individuals receiving benefits under the PEUC Program are eligible for such benefits. In the case of termination, the PEUC period will end thirty (30) days from the date the notice of termination is given. PEUC will only be payable for weeks which end before the date the termination of the agreement is effective.

4. **PEUC Eligibility and Relation to Other Types of Benefit Payments.**

   a. Federal Pandemic Unemployment Compensation (FPUC) is available to individuals receiving PEUC for weeks of unemployment ending on or before July 31, 2020, as discussed in UIPL No. 15-20.
b. Extended Benefits (EB). Section 2107(a)(5) of the CARES Act requires that the payment of extended compensation for which an individual is otherwise eligible must be deferred until after the payment of any PEUC for which the individual is concurrently eligible. In this case, EB entitlement is deferred, not reduced. Therefore, if the State is in an EB period when a PEUC claim is exhausted, individuals may receive any remaining EB entitlement, as long as the EB eligibility provisions are met.

c. Trade Readjustment Allowances (TRA). The maximum amount of PEUC payable to an individual, who is also entitled to TRA, must not be reduced by reason of TRA entitlement.

d. Disaster Unemployment Assistance (DUA). An individual is not eligible for DUA with respect to a week of unemployment under Section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, (42 U.S.C. §5177) if the individual is eligible to receive PEUC compensation for that week.

5. PEUC Weekly Benefit Amount (WBA).

   a. Total Unemployment.

      • The WBA payable to an individual for a week of total unemployment is equal to the amount of regular compensation (including dependents’ allowances) payable to such individual during the applicable benefit year for a week of total unemployment under the applicable state law,

      and

      • The weekly amount of FPUC under section 2104 of the CARES Act, which is payable for weeks of unemployment ending on or before July 31, 2020. See UIPL 15-20.

   b. Partial and Part-Total Unemployment.

      • The WBA payable to an individual for a week of partial or part-total unemployment is equal to the amount of regular compensation (including dependents’ allowances) payable to such individual during the applicable benefit year for a week of partial or part-total unemployment under the applicable state law,

      and

      • The weekly amount of FPUC under section 2104 of the CARES Act, which is payable for weeks of unemployment ending on or before July 31, 2020. See UIPL 15-20.
6. **Establishment of PEUC Account.** Section 2107(b) of the CARES Act requires States to establish, for each eligible individual who files an application for PEUC, a PEUC account with respect to the individual’s applicable benefit year. The amount established in the PEUC account must be equal to 13 times the individual’s average weekly benefit amount (including dependent’s allowances), which includes the amount of FPUC under Section 2104.

States have flexibility in how they operationalize the payment of benefits in relationship to the PEUC account.

7. **Nonreduction Rule.** An agreement with a state under section 2107 of the CARES Act will cease to apply, if the method governing the computation of regular compensation under the state’s law has been modified in a manner such that the number of weeks (the maximum benefit entitlement), or the average weekly benefit amount, of regular compensation which will be payable during the period of the agreement will be less than the number of weeks, or the average weekly benefit amount, of the average weekly benefit amount of regular UC which would otherwise have been payable during such period under the state law, as was in effect on January 1, 2020. “Maximum benefit entitlement” means the amount of regular UC payable to an individual with respect to the individual’s benefit year.

8. **Record Maintenance and Disposal of Records.**

a. **Record Maintenance.** Each State must maintain records on the administration of the PEUC program and will make all such records available for inspection, examination, and audit by such Federal officials, employees as the Department may designate, or as otherwise required by the law. Reference ET Handbook No. 401, *UI Report Handbook, 5th Edition,* for details.

b. **Disposal of Records.** The electronic/paper records created in the administration of the PEUC program must be maintained by the State for three years after final action (including appeals or court action) on the payments, or for less than the three-year period if copied by micro photocopy or by an electronic imaging method. At the end of the three-year period, the PEUC records must be transferred to state accountability under the conditions for the disposal of records that apply to UCFE and UCX records, as explained in Chapter X of ET Handbook No. 391 (1994 Edition) (OMB No. 1205-0179) and Chapter I of ET Handbook No. 384 (1994 Edition) (OMB No. 1205-0176).

9. **Disclosure of Information.** Information in records made and maintained by the State agency while administering the PEUC program must be kept confidential, and information in such records may be disclosed only in the same manner and to the same extent as information is disclosed with respect to regular UC. This information may be disclosed under provisions of the applicable state law meeting the requirements of 20 C.F.R. Part 603. As provided under 20 C.F.R. Part 603.4(b), the confidentiality
requirements do not apply when such information is being provided in the aggregate, provided it cannot be combined with other publicly-available information to reveal any such identifying particulars about an individual or the individual’s past or present employer.

10. **Inviolate Rights to PEUC.** The individual’s rights to PEUC must be protected in the same manner and to the same extent as individual’s rights to regular UC are protected under the applicable State law. Such measures must include protection of individuals from waiver, release, assignment, pledge, encumbrance, levy, execution, attachment, and garnishment of their rights to PEUC. In the same manner and to the same extent, individuals must be protected from discrimination and obstruction in regards to seeking, applying for, and receiving PFUC.

D. **Processing claims for PEUC.**

1. **Notifications.**

   a. **Identification and Notification of Potentially Eligible Claimants.** The State must identify individuals who are potentially eligible for PEUC and provide them with appropriate written notification of their potential entitlement to PEUC, including filing instructions. This includes notifying individuals who have established a claim with a benefit year ending after July 1, 2019 and who have either exhausted their entitlement or whose benefit year has expired.

      Note that PEUC is only payable in States that have an agreement with the Secretary and that start with weeks of unemployment ending on or after April 4, 2020 (or April 5, 2020 if the state’s week of unemployment ends on a Sunday), provided the individual is otherwise eligible.

   b. **Interstate Claims.** PEUC is payable to individuals filing under the Interstate Benefit Payment Plan in the same manner and to the same extent that benefits are payable to intrastate claimants. The paying state is responsible for identifying and notifying all potentially eligible interstate claimants of their potential eligibility, including filing instructions. Refer to Handbook 392, *Handbook for Interstate Claimstaking, ET Handbook No. 392, Appendix A, 2nd Edition* for definitions and more information on the Interstate Benefit Payment Plan.

   c. **Notification of Media.** To assure public knowledge of the status of the PEUC program, the state must notify all news media with statewide coverage of the beginning of the PEUC program.

2. **Applicability of State Law Provisions.** Under Section 2107 of the CARES Act, except where inconsistent with the CARES Act or with the operating instructions promulgated to carry out the CARES Act, all terms and conditions of the state UC law applicable to claims for and payment of regular UC apply to claims for and payment of PEUC. States are reminded that they may have certain flexibilities in applying their requirements in
light of the efforts to mitigate COVID-19, in addition to the specific flexibilities for “actively seeking work” in Section 2107(a)(7). See UIPL No. 10-20.

The provisions of the applicable state law that apply to claims for PEUC include but are not limited to:

a. Claim Filing and Reporting;
b. Information and Due Process to individuals, as appropriate;
c. Notices to individuals and employers, as appropriate, including notice to each individual of each determination and redetermination of eligibility for or entitlement to PEUC;
d. Determinations, redeterminations, appeals, and hearings;
e. Disqualification, including disqualifying income provisions;
   Note: An individual is not entitled to receive PEUC for a week if the individual is ineligible for benefits for the week due to a disqualification under the applicable state law.
f. Ability to work and availability for work;
g. Actively seeking work;
h. The Interstate Benefit Payment Plan; and
i. The Interstate Arrangement for Combining Employment and Wages.

Compliance with the requirement to actively seek work for PEUC purposes means an individual:

a. is registered with employment services as required under state provisions;
b. is engaged in an active search for employment that is appropriate in light of the employment available in the labor market, the individual’s skills and capabilities, and includes a number of employer contacts that is consistent with the standards communicated to the individual by the state;
c. is maintaining a record of work search activities, including employers contacted, method of contact, and date contacted, and when requested, is able to provide such information to the state according to state provisions.

Any temporary emergency flexibility measures that states have adopted for regular UC as described in UIPL Nos. 10-20 and 13-20 are applicable to the administration of PEUC. Additionally, section 2107(a)(7)(B) of the CARES Act requires that states provide flexibility with respect to the “actively seeking work” requirements for PEUC “in case of individuals unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.”

3. Claims for PEUC. In processing claims for PEUC, states must verify that claimants have no entitlement to regular UC before processing the application for PEUC. If the applicant meets the requirements in Section C1, the state should process the PEUC application. In situations where an individual may be eligible for PEUC in another state, assessing whether an individual is eligible for regular UC in that state before establishing a PEUC claim can be complex. When coordinating with other states to assess an individual’s
eligibility, states should access the State Identification (SID) inquiry screen and/or the Interstate Benefits Inquiry (IBIQ) screen in the Interstate Connection Network (ICON) to check for claims and wages in other states. All states have access to ICON’s user guides for more detailed instructions (www.ui-icon.org).

a. Intrastate Initial Claims. An initial claim for PEUC will be filed by an individual according to the applicable state’s manual, remote, or electronic filing procedures.

b. Interstate Initial Claims. Interstate PEUC claims will be filed on the same forms and in the same manner as all other interstate initial claims against the paying state. Before accepting an initial PEUC claim, the state that is taking the claim must review the individual’s work history, examine potential entitlement and advise the individual of all filing options. If the individual has sufficient employment and wages to establish a new benefit year under any state or federal program, including the combined wage arrangement, there is no eligibility under the PEUC program. Refer to Handbook 392, Handbook for Interstate Claimstaking, ET Handbook No. 392, Appendix A, 2nd Edition.

c. Intrastate and Interstate Weeks Claimed. Claims for payments of PEUC for weeks of unemployment must be filed at the same times and in the same manner as claims for regular compensation are filed under the applicable state law, and on forms or electronic filing procedures as furnished to the individual by the state agency.

d. Administrative, entitlement, and eligibility requirements provided in these instructions also apply to claims filed under the CWC program, except where inconsistent with combined wage (and interstate, when applicable) procedures, policies and rules. Refer to Handbook 399, Interstate Arrangement for Combining Employment and Wages.

When a PEUC determination or redetermination is issued on a CWC claim, no Report of Determination of Combined-Wage Claim, TC-IB5, will be issued to the transferring state. The paying state will not bill any state that transfers in wages earned in its state (i.e., the transferring state) for PEUC. The paying state will charge all PEUC compensation paid on CWC claims directly to the Extended Unemployment Compensation Account (EUCA) in accordance with the fiscal instructions provided in these operating instructions.

4. Secretary’s Standard. The procedures for reporting and filing claims for PEUC must be consistent with these instructions and the Secretary’s “Standard for Claim Filing, Claimant Reporting, Job Finding and Employment Services” (Employment Security Manual, Part V, sections 5000 et. seq.).

5. Determination of Entitlement and Notices to Individuals.

a. Determination of Initial Claim. When an individual files an initial claim for PEUC, the State agency must determine promptly the eligibility of the individual and, if
eligible, the weekly and maximum benefit amounts of PEUC payable. If denied PEUC, the individual must be issued a determination that is appealable. For additional information about the coordination of benefits with other UI programs, refer to UIPL 14-20.

b. Determination of Weekly Claims. The state agency must promptly, upon the filing of a claim for a payment of PEUC for a week of unemployment, determine whether the individual is entitled to a payment of PEUC for such week, and, if entitled, the amount of PEUC to which the individual is entitled to and issue a prompt payment.

c. Redetermination. An individual filing a PEUC initial claim or weekly certification has the same right to request a reconsideration of a determinations or as are provided for in the applicable state law for regular compensation.

d. Notices to Individual. The state agency must give written notice to the individual of any determination or redetermination of an initial claim and all weekly claims. Each notice must include such information regarding rights to reconsideration or appeal, or both, using the same process that is used for determinations or redeterminations of regular compensation.

e. Promptness. Full payment of PEUC when due must be made with the greatest promptness that is administratively feasible.

f. Secretary’s Determination Standard. The procedures for making determinations and redeterminations and furnishing written notices of determinations, redeterminations, and rights of appeal to individuals claiming PEUC must be consistent with the Secretary’s “Standard for Claim Determinations—Separation Information” (Employment Security Manual, Part V, sections 6010 et seq.)

6. Appeal and Hearing

a. Applicable State Law. The applicable state law provisions concerning the right of appeal and fair hearing from a determination or redetermination of entitlement to regular compensation shall apply to determinations and redeterminations of eligibility for or entitlement to PEUC.

b. Rights of Appeal and Fair Hearing. The right of appeal and opportunity for a fair hearing to claims for PEUC must be consistent with these instructions and with sections 303(a)(1) and 303(a)(3) of the Social Security Act (SSA) (42 U.S.C. §§503(a)(1) and 503(a)(3)).

c. Promptness of Appeals Decisions.

- Decisions on appeals under the PEUC program must comply with the "Standard for Appeals Promptness—Unemployment compensation" in 20 C.F.R. Part 650.
Any applicable state law provision allowing the advancement or priority of unemployment compensation cases on judicial calendars, or otherwise intended to provide for the prompt payment of unemployment compensation when due, must apply to proceedings involving entitlement to PEUC.

7. **Non-Charging Employers.** The cost of PEUC benefits to eligible individuals is 100% federally funded. States may not charge employers for any PEUC benefits paid.

E. **Fraud and Overpayments.**

1. **Fraud.** Under Section 2107(e) of the CARES Act, an individual commits fraud if he or she 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 PEUC to which such individual was not entitled.

   Section 2107(e) only provides for an individual being ineligible for future PEUC benefits in accordance with the applicable provisions of state UC law. It does not permit the establishment of a penalty on PEUC that was fraudulently obtained. Therefore, States may not impose fraud penalty provisions on PEUC payments. Any individuals committing fraud under this program is subject to prosecution under 18 U.S.C §1001 and other Federal laws.

2. **Overpayments.** A PEUC overpayment occurs when an individual has received a PEUC payment to which he or she is not entitled.

3. **Opportunity for a Hearing.** Under 2107(e)(3)(B) of the CARES Act, a State may not require repayment of a PEUC overpayment until it determines that the payment was an overpayment, the individual was provided notice of the determination, the individual had an opportunity for a fair hearing, and the determination is final.

4. **Waiver of Overpayments.** The State has authority to waive repayments of PEUC if the payment was without fault on the part of the individual and such repayment would be contrary to equity and good conscience.

5. **Recovery Provisions.** If the overpayment amount is not subject to waiver, the State agency must recover the amount of PEUC to which an individual was not entitled in accordance with the same procedures as apply to recovery of overpayments of regular UC paid by the State.

   PEUC benefits may only be offset from other State and Federal UC for three years after the date such individual received the PEUC payment to which he or she was not entitled. After three years, a State may continue to recover PEUC overpayments through means other than benefit offsets, according to State law.
6. **Benefit Offsets.** Consistent with section 2107(e)(3), a state must recover PEUC overpayments from any additional PEUC payments to which the individual is entitled and from any other UC payable under state or Federal law administered by the state agency (including FPUC and PUA from the CARES Act, and any other assistance or allowance payable with respect to a week of unemployment under any other state or Federal law).

Additionally, PEUC payments must be reduced to recover overpayments from any other state and Federal unemployment benefit programs, if the state has a cross-program offset agreement in place under Section 303(g)(2), SSA (42 U.S.C. §503(g)(2)).

A state may not offset more than 50% from the PEUC payment to recover overpayments from any state or Federal unemployment benefit program.

A state has significant flexibility in the way it implements the offset requirement. While a state must attempt to recover the full amount of the overpayment, a state may limit the amount that will be deducted from each payment as noted on page 4 of UIPL No. 05-13, Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012.

F. **Financial Information and Instructions:**

1. **Payment to States.** Requesting PEUC Benefit Funds—Under Section 2107(c) of the CARES Act, each state that has entered into an agreement with the Secretary to pay PEUC will be paid an amount equal to 100% of the amount of PEUC paid to individuals by the state under the agreement and in full accordance with the CARES Act and these instructions. Pursuant to section 2107(d)(1), states will request funds from the Extended Unemployment Compensation Account (EUCA) to pay all PEUC benefits. All requests will go through the Automated Standard Application for Payments (ASAP) system. Drawdown requests must adhere to the funding mechanism stipulated in the Treasury–State Agreement executed under the Cash Management Improvement Act of 1990. Requests will be funded in the same manner as all ASAP transactions elected by the states (FEDWIRE or ACH to the state benefit payment account).

There will be a new line in the ASAP for making drawdowns to pay PEUC benefits. The line will be clearly labeled PANDEMIC EMERGENCY UC (PEUC).

PEUC benefits paid to former employees of state and local governments, former Federal employees and former service members, “501(c)(3)” nonprofit organizations and Federally-recognized Indian tribes are funded from U.S. Treasury general revenues through the EUCA. This does not affect the process for requesting funds, but does affect the reporting of those benefits on the ETA 2112. States are to report all PEUC payments, including reimbursable, UCFE/X on line 40, column C and column F. (Note that it does not matter whether these employers have elected reimbursement status.) See Reporting Instructions, Paragraph 2.f for details.
PEUC Administrative Funds. Section 2107(d)(2) of the Act appropriates funds from the Employment Security Administration Account (ESAA) in the UTF, to pay costs related to the administration of the PEUC agreement.

States will receive PEUC administrative funds through the contingency entitlement process. See Reporting Instructions, Paragraph 2.h. The supplemental budget request process will be used for states to request funds for implementation.

2. **PEUC Accounting**

   a. Obligational Authority. The Grant Officer will assign a separate line on the UI program notices of obligational authority for PEUC administrative grant funds, and a separate sub-account for PEUC will be set up in the Payment Management System for states to draw down PEUC administrative funds.

   b. Administrative Fund Accounting. Because of the separate appropriation for PEUC administrative funds and the availability of these funds until expended, states must track and report PEUC administrative expenditures and obligations separately from the regular UI program. Therefore, States must establish a separate fund ledger and must submit a separate ETA 9130 for the PEUC program. States are to include any PEUC administrative expenditures and obligations incurred in March 2020 in their June 30, 2020, PEUC ETA 9130 report.

   c. Time Distribution. To ensure that regular UI and PEUC costs are tracked separately, states need to charge time used for all PEUC activities to the appropriate UI functional activity codes as outlined in Appendix E to ET Handbook No. 401 5th Edition under the separate PEUC fund ledger; however, States should combine regular and PEUC staff year usage data in Section A of the UI-3 worksheet.

   d. Accounting for PEUC Payments (Benefits).

      - PEUC advances to the States’ UTF accounts and disbursements for PEUC benefit payments will be reported on the monthly ETA 2112. Do not use a separate form for this report. (See Reporting Instructions.) Accurate reporting of advances, reimbursements and payments is important due to the monthly reconciliation of balances with Department of Labor records.

      - Since PEUC paid to UCFE and UCX claimants will be funded out of General Revenues, the Federal Employees Compensation Account (FECA) will not be used to pay PEUC benefits. Therefore, federal agencies will not be required to reimburse the Unemployment Trust Fund for PEUC paid to ex-federal civilian and military employees. The ETA 191 report and UCFE/UCX detailed claimant data provided by states to federal agencies must exclude PEUC.
3. **Processing Refunds.** There are two scenarios for returning funds to the program line for PEUC:

   a. The most likely scenario will be when the State has funds in its State benefit payment account and needs to return those funds to the EUCA. This should be completed as a negative amount posted to the appropriate line in ASAP. To accomplish this, the total draw for the day in ASAP must be greater than the negative balance posted to the appropriate line.

   b. The second scenario is when a State actually has the funds in its Federal UI account that are required to be returned to the appropriate program line. This should be accomplished by the State processing a book transfer transaction that accomplishes a transfer from its UI account to the appropriate program under the EUCA account.

**G. Reporting Instructions**

1. **General.** The PEUC program reports, ETA 207, ETA 218, ETA 227, ETA 5130 and ETA 5159 must be submitted electronically by using separate PEUC entry screens that are available through the UI Required Reports electronic reporting system. PEUC activity should also be reported on the ETA 2112, ETA 539 and UI-3 as specified below in section 2. Unless otherwise noted, definitions of items will follow definitions in the regular program as specified in ETA Handbook 401, 5th Edition. Due dates will be the same as the regular versions of reports.

   Reporting will begin with the first reporting period in which the effective date of the PEUC program falls. Reporting for all reports will continue as long as there is activity. However, only reports with non-zero data need to be submitted.

2. **Data Items to be Reported.**

   a. ETA 207. Report column 1, Total Determinations and Redeterminations, for lines 101 through 106. Report also lines 201 and 202, columns 7 through 10; and lines 301 and 302, columns 11, 12, 14, and 17.

   b. ETA 218. Report line 100, columns 1 through 3.


   d. ETA 5130. Report all data elements.
e. ETA 5159. For Section A, Claims Activities, report initial claims information for columns 2 through 5 and column 7 for lines 101 through 103. Report eligibility reviews and continued weeks claimed activity for columns 8 through 12 for lines 201 through 203. The claims information needed for column 11 for lines 201 through 203 will be identified as entitlement type “code 2” (Federal Benefit Extension) in field number 28 on the Interstate Liable-Agent Data Transactions (LADT). For Section B, Payment Activities, report columns 14, 15, 17, 18, and 19 for lines 301 and 302, columns 21 and columns 24 through 28 for line 303.

- First Payments. Report the first payment under the PEUC program.
- Final Payments. A final payment is to be reported when a payment is issued that exhausts the benefit entitlement in the individual’s PEUC account.

f. ETA 2112. PEUC benefit payment activity must be reported in the aggregate on the regular ETA 2112 report. Line 16. Intra-Account Transfer. Include in column F the amount of PEUC funds transferred from the UTF to the state benefit payment account. Line 16 column F must equal Line 47 column E.

- Line 16. Intra-Account Transfer. Include in column C and column F the amount of PEUC funds transferred from the UTF to the State benefit payment account. Line 16 column F must equal Line 47 column E.
- Line 23. Federal Extended Compensation. Enter in columns C and E the amount of Federal funds received as advances or reimbursement for PEUC.
- Lines 33, 34, 35. Enter total benefits paid, attributable to state and local governments, section 501(c)(3) nonprofit organizations, and federally recognized Indian tribes, as appropriate, on the appropriate line for the type of employer, excluding PEUC benefits.
- Line 36. UCX Net Payments. Enter in columns C and F the net Federal portion of unemployment compensation paid to former members of the armed services, excluding PEUC. The total payments should be adjusted for refunds deposited during the month, credits and recharges, and cancellations and reissuances.
- Line 40. PEUC Activity. Enter in columns C and F the net amount for which the Federal government is liable for PEUC, including for UCFE and UCX claimants.
- Line 42. Federal Emergency Compensation. Enter in columns C and F the net Federal Emergency Compensation paid for past programs, which the Federal government is liable. Exclude PEUC (line 40), Pandemic Unemployment Compensation Assistance (line 42c), Federal Pandemic Unemployment
Compensation (line 42b), Emergency Unemployment Compensation of 2008 (line 39), and the Temporary Extended Unemployment Compensation Act of 2002 (line 41), as each of these programs have dedicated lines on the ETA 2112. Examples of past emergency or supplemental benefits programs authorized and financed entirely by the Federal government during periods of high unemployment are SUA—Special Unemployment Assistance, FSB—Federal Supplemental Benefits, or FSC—Federal Supplemental Compensation and the Emergency Unemployment Compensation of 1991 programs. Identify the payment by program and amount in the “comments” section. Report all benefits paid, including the amounts transferred to the IRS for federal income tax withholding, regardless of whether paid from the state account in the UTF or the state benefit payment account.

- Line 46. UCFE Net Payments. Enter in columns C and F the net Federal portion of unemployment compensation paid to former federal civilian (including postal) employees, excluding PEUC. The total payments should be adjusted for refunds deposited during the month, credits and recharges, and cancellations and reissuances.

- Line 50. Withholding. States are to report gross benefits in column F regardless of whether amounts of withholding transferred to the IRS go through the state benefit payment account. See ETA Handbook 401, 5th Edition, for specific instructions.

ETA 539. Total weeks claimed for regular UC, UCFE, and UCX under the PEUC program for the report period will be reported in the comments section and labeled as “PEUC” followed by the number. For example: “PEUC=239”. (The agent weeks claimed information needed for this report will be obtained from the LADT identified in field 28 as “code 2”, Federal Benefit Extension.)


3. Benefit Accuracy Measurement (BAM). All paid and denied PEUC claims will be excluded from the BAM Paid Claims Accuracy (PCA) and Denied Claims Accuracy (DCA) sampling frames. This is consistent with the policy for previous temporary programs.

If a PEUC claim is selected for any PCA or DCA sample because it was not properly coded in the State UI Transactions File, it must be coded “8” in PCA data element c1 (Program Code) or DCA data element 22 (Program Code). These cases will not be investigated by BAM, and the BAM supervisor will not sign-off on these cases.

Denied State UI, UCFE, or UCX claims filed for the sole purpose of establishing eligibility for PEUC should be considered “pro-forma” claims. These cases will be deleted from the sample and will be coded “9” in PCA data element c1 (Program Code)
or DCA data element 22 (Program Code) using the Delete Cases application in the BAM Supervisor Case Management menu. These cases will not be investigated by BAM, and the BAM supervisor will not sign-off on these cases.

If PEUC and pro-forma UI, UCFE, and UCX cases are excluded from the BAM PCA and DCA samples, BAM must sample additional cases in subsequent batches to compensate for the number of excluded PCA and DCA PEUC and pro-forma cases.

4. **OMB Approval.** Division A, Title II, Section 2116(a) 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 provisions of, and the amendments made by, this subtitle.” As the OMB approval process is waived for these reporting instructions, these instructions should be considered final.