

Text of Agreement

Relief for Workers Affected by Coronavirus Act

**100 Percent Reimbursement of Short-Time
Compensation Benefit Costs Paid Under State Law**

AGREEMENT BETWEEN

**THE STATE OF _____ AND
THE SECRETARY OF LABOR, U.S. DEPARTMENT OF
LABOR**

The Secretary of Labor, U.S. Department of Labor, and the State of _____, in order to carry out the provisions of Section 2108 of Subtitle A of Title II of the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136), hereinafter referred to as the “Act,” hereby agree as follows:

- I. The State Workforce Agency, hereinafter referred to as the “Agency,” will make payments of Short-Time Compensation (STC) benefits in accordance with the Act (which is incorporated herein by reference) under an STC program as defined in section 3306(v) of the Internal Revenue Code of 1986 under the provisions of the State law, and will cooperate with the U.S. Department of Labor (Department), and with other state agencies in making such payments.
- II. The Agency and other appropriate state officials will perform all of the functions and duties undertaken under this Agreement in accordance with the terms of this Agreement, the operating instructions, and guidance issued by the Department.
- III. The Agency will maintain such records pertaining to the administration of the Act as the Department requires, and will make all such records available for inspection, examination, and audit at such time and by such Federal officials or employees as the Department may designate or as may be required by law.
- IV. The Agency will furnish to the Department or its agents such information

and reports, and will fully participate in any studies or evaluations the Department determines are necessary or appropriate for carrying out the purposes of the Act.

V. The Department will make available in the Payment Management System an amount equal to 100 percent of the estimated amount needed by the state for payment of STC eligible for Federal reimbursement during that month, adjusted for any excess or shortfall in amounts provided in any prior month starting with weeks of unemployment beginning on or after March 27, 2020. The first payment to the state will be made available after the state signs this agreement and the Fiscal Year (FY) 2020 Annual Funding Agreement for the Unemployment Compensation (UC) programs covered under provisions of Subtitle A of Title II of the Coronavirus Aid, Relief, and Economic Security Act, in an amount equal to the estimated state STC payments from the date of enactment through the month following the month in which STC guidance is issued, based on state STC payments as reported on the ETA 5159. At the beginning of each month thereafter, the estimated amounts needed for payment of eligible state STC to be made available will generally be equal to eligible state STC amounts paid in the most recent month for which data are reported, adjusted for any excess or shortfall in amounts provided in prior months.

In making STC payments, the Agency agrees that:

- a. No payments shall be made to the Agency for STC paid to any individual in excess of 26 times the amount of regular compensation (including dependents' allowances) under the state law payable to the individual for a week of total unemployment.
- b. No payments shall be made to the Agency for benefits paid to any individual by the Agency under an STC program if such individual is employed by the participating employer on a seasonal, temporary, or intermittent basis.
- c. No payments shall be made to the Agency under an STC program for weeks of unemployment ending after December 31, 2020, or a later date, if provided for in any subsequent amendments to section 2108 of the Act.

VI. The Agency will use all funds paid to the state for the payment of benefits solely for the purpose of STC. The Agency will return to the United States Treasury, upon request of the Department, any such funds (a) if the Department finds that the funds were not needed for such purpose or that the funds have been used for a purpose other than that for which they were intended, or (b) upon termination of this agreement. The "Audit Requirements for Grants, Contracts, and other Agreements," 29 CFR 96, will apply to disagreements under this section.

VII. The Agency will take such action as reasonably may be necessary to recover for the account of the United States all benefit amounts improperly paid and restore any lost or misapplied funds paid to the state for benefits or the administration of this Agreement.

VIII. The Agency will apply the methods of administration required by Section 303(a)(1) of the Social Security Act (42 U.S.C. 503(a)(1)) to the functions undertaken under this Agreement.

IX. This Agreement may be terminated by either party on thirty days written notice. If this Agreement is terminated, the Agency will process and pay benefits for all weeks of unemployment, which end before the date of termination for which such payments are due.

X. This Agreement shall be effective with respect to weeks of unemployment beginning on or after the date of enactment of the Act (March 27, 2020) after both parties have signed it or, if later, the date the State law meeting the requirements of section 3306(v) of the Internal Revenue Code of 1986, becomes effective.

John P. Pallasch
Assistant Secretary for
Employment and Training
U.S. Department of Labor

Date

By _____
(State Signatory)

(Title)

DATED: _____

For the State of _____

CERTIFICATION OF AUTHORITY

NAME: _____

TITLE: _____

I hereby certify that the above-named person has the authority under the Constitution and laws of this state to sign this Agreement on behalf of the state.

Signature

Title

Date