



**UNEMPLOYMENT COMPENSATION
ADMINISTRATION PROCEDURES**

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This manual implements Air Force Instruction (AFI) 34-309, *NAF Unemployment Compensation Program*. The purpose of this manual is to provide useful information in a "Users Guide" format to Services Commanders, Human Resource Offices (HRO), and Nonappropriated Fund (NAF) Accounting Offices (AO) about how to administer their local UC program. This manual does not apply to Army and Air Force Exchange Service and Air National Guard units and members.

1. Program Responsibilities. The following responsibilities are designated to comply with the Department of Labor (DOL) Unemployment Compensation for Federal Employees (UCFE) Program for former and present Air Force NAF employees paid on United States dollar payrolls.

1.1. Headquarters Air Force Services Agency, Compensation Division (HQ AFSVA/SVXBC), oversees day-to-day operation of the UC Program.

- Audits federal and state billings quarterly to resolve errors.
- Provides expertise in all matters relating to benefits, state determinations, and appeal actions.
- Formulates managerial statistics which are furnished to major commands (MAJCOM) at the end of quarterly billing cycles.
- Identifies work area job turnover rate and UC cost within each work area.
- Identifies reasons for separation within work areas.
- Submits quarterly count of UC claims to MAJCOMs.

1.2. MAJCOMs analyze quarterly managerial statistics to identify problems and help subordinate bases resolve them. When subordinate base closures are announced, MAJCOMs will furnish the new Air Force mailing address where wage and separation information of former employees can be obtained to HQ AFSVA/SVXBC, 10100 Reunion Place, Suite 502, San Antonio, Texas 78216-4138.

1.3. HROs, with NAF AO assistance, administer the base-level program in accordance with the requirements of the local State Employment Security Agency (SESA).

1.4. NAF AOs or appropriate payroll servicing offices collect and report all financial information required by the SESA.

1.5. Servicing staff judge advocate (JA) offices provide support and assistance when requested by the HRO, including:

- Interpretation of federal and state laws.
- Assistance in appeal formulation.
- Participation in appeals, when appropriate.

2. Human Resource Office. HROs are responsible for ensuring that managers, supervisors, and employees know the UCFE program's requirements and responsibilities.

2.1. HROs provide each newly hired and rehired employee the following written statement: "If you have applied for or have been receiving UC benefit payments, it is your responsibility under penalty of law, to promptly notify the appropriate local SESA in writing to discontinue issuance of UC benefits now that you are employed. Failure of newly hired or rehired employees to notify the state agency can result in a fine, imprisonment, or both." HROs have the responsibility to:

- File the statement, signed and dated by the employee, in the employee's personnel file.
- Destroy the statement upon employment termination.

2.2. HROs make every effort to recruit and rehire qualified employees separated by reason of Business Based Action (BBA) or previous NAF-employed spouses returning from oversea assignments as a result of military sponsors' reassignment. Rehiring these employees in specialties requiring similar skills and knowledge is in the best interest of both the employee and the Air Force and also saves NAF UC dollars. Active recruitment should be accomplished through:

- Base newspapers, Daily Bulletin, and any other available communication methods.
- Recruiting notices posted within the HRO and other frequently visited NAF activities on base.

2.3. HROs complete and deliver a Standard Form (SF) 8, **Notice to Federal Employee About Unemployment Insurance**, to all NAF employees who are separated for any reason, or who are placed in a nonpay status of 7 or more consecutive days, on or before their last duty day. Give flexible schedule employees an SF 8 the first time they are placed in a nonpay status. Include on the completed SF 8:

- The name "Air Force NAF" followed by the complete organizational address of the HRO where the employee's records are maintained
- The 3-digit identification (ID) code number, "ID number 427."
- The name and telephone number of the designated point of contact in HRO.

2.3.1. Separating employees apply at SESA office with:

- SF 8.
- Social security card.
- AF Form 2545, NAFI Notification of Personnel Action.

2.4. HROs ensure wage and separation information is entered on Employment Service (ES) Form 931, **Request for Wage and Separation Information**, or ES Form 931A.

- Incomplete or inaccurate wage and separation information can result in the base being incorrectly charged for UC benefits
- Follow separation examples outlined in AFI 34-309, attachment 2.

2.5. Employees may appeal or grieve separation actions according to AFI 34-301, *NAF Personnel Management and Administration*. HROs have the responsibility to:

- Advise SESA when a UC claimant appeals or grieves a separation action. SESA defers action until the HRO notifies SESA of final appeal or grievance decision.
- Include separation appeal or grievance status in ES Form 931, section II, item 3d.

2.6. HROs have the responsibility to:

- Ensure ES Form 931 and all other UC documents are completed and returned to SESA within 4 workdays after arrival on base.
- Send information copies of all completed forms and documents to HQ AFSVA/SVXBC.

2.6.1. Information copy of ES Form 931 must contain the name of the former base employing activity (for example, enlisted club (EC), officers' club (OC), lodging, etc.).

2.7. HROs:

- Maintain a suspense log of ES Forms 931, state determinations, and appeal actions.
- Use the suspense log to establish and record data for timely follow-up actions with SESA for questionable-type separations.
- Send copies of all ES Forms 931, state determinations, and appeal actions to HQ AFSVA/SVXBC.

2.7.1. State laws define questionable-type separations as:

- Involuntary separation for cause.
- Voluntary resignation without good cause.
- Refusal to accept a suitable job offer.

2.8. Normal state processing procedures require an initial UC determination within 2 weeks of the claim filing date.

2.8.1. The HRO initiates written or telephone tracer action with the appropriate SESA when HRO has not received the initial determination within 3 weeks of the date that the completed ES Form 931 was returned to the SESA.

2.9. States normally deny UC benefits for questionable-type separations; however, when a state allows benefits the HRO assists the NAF manager in submitting substantiated appeal action in accordance with paragraph 4.

2.10. HROs must give enough information to SESA to allow proper adjudication of claims under individual state laws. For example:

- Some states exclude temporary or seasonal employees from UC eligibility.

- Other states exclude school employees from UC eligibility when the school employer certifies that rehire will occur after summer break.

2.11. When a former employee refuses suitable employment, HRO determines if the individual has an active UC claim. If affirmative, HRO sends a notice to SESA, with an information copy to HQ AFSVA/SVXBC, indicating:

- Date of job offer.
- Nature of job offer.
- Location of job.
- Grade and salary of job offered.
- Reason for refusal, if known.

3. Nonappropriated Fund Accounting Office (NAF AO). NAF AOs complete the wage portion of ES Form 931 or provide pay data to the HRO so the HRO can return the ES Form 931 to SESA within 4 workdays after the form arrives on base.

3.1. NAF AOs enter wage information as shown on the individual Time and Attendance (T&A) report for the base period requested. Enter zero under gross wages if no wages were paid during the reportable fiscal quarters.

3.2. NAF AOs complete the lump-sum terminal leave portion of ES Form 931 or provide the data to the HRO. Lump-sum terminal leave payments are not included as wages but are reported separately when required.

3.3. When required, NAF AOs enter detailed severance pay information on ES Form 931 or provide the data to the HRO.

3.4. The effect of back-pay awards on UC benefits differ depending on state law.

- Some states require their SESA to collect overpayments resulting from back-pay awards.
- Other states require the employer to recover these overpayments.
- A few states do not consider back-pay awards to cause an overpayment.

3.4.1. When back-pay is given to a separated employee who has applied for UC, the NAF AO verifies the amount originally reported as paid from the individual T&A report. NAF AO notifies SESA that the individual (full name and social security number) was paid back-pay, date and amount paid, and the period covered by the award.

3.4.2. Report back-pay awards made prior to receiving the ES Form 931 in the fiscal quarter for which paid. Report retroactive pay increases in the pay period in which they were paid.

3.4.3. If the UC claim base period begins or ends during the pay period in which a payment was made, report the entire payment in the second week of the pay period.

3.5. NAF AOs provide the Department of Labor (DOL) with advance budgetary information concerning base closings or a BBA of 50 or more people.

- Send information to the addressees cited in AFI 34-309.

4. Handling Appeals. All SESAs provide UC appeal rights. The claimant or the separating activity may initiate an appeal. The following instructions apply:

4.1. The appropriate activity manager is responsible for appealing SESA determinations, with the HRO providing technical and administrative assistance. SESAs should send all determinations and hearing notices to the HRO address on the SF 8. Immediately forward incorrectly addressed or mis-routed SESA determinations and notices to the HRO for appropriate action.

4.2. When an unfavorable SESA determination is received, the HRO:

- Contacts the responsible activity manager to determine if an appeal is warranted.
- Contacts the servicing JA for assistance when necessary.
- Contacts HQ AFSVA/SVXBC for guidance, when necessary, and sends copies of all appeals paperwork and SESA decisions to HQ AFSVA/SVXBC.

4.3. Hearings outside the local area are normally conducted by telephone. The HRO must contact the SESA for supporting document submission requirements, including witness affidavits in lieu of personal appearance.

4.4. In-person hearings are usually conducted within commuting distance from the base.

4.5. The following officials should participate in appeal hearings whether by telephone or in person:

- Activity manager or supervisor.
- HRO representative.
- JA representative, if necessary.
- Any witness having first-hand knowledge of circumstances surrounding the separation.

4.6. HQ AFSVA/SVXBC is the focal point for all appeal actions concerning former overseas NAF employees who return stateside and are involved in telephone appeal actions. Overseas HROs immediately furnish HQ AFSVA/SVXBC all background documentation.

4.7. SESAs normally will send appeal determinations to HROs within 30 days after the appeal hearing date. If appeal determination is not received within 30 days, the HRO will initiate follow-up action with the appropriate SESA and advise HQ AFSVA/SVXBC accordingly.

5. Privacy Act. For Privacy Act information, see AFI 34-309.

6. Cost, Assessment, and Payment. Bases fully absorb the cost of UC benefits to former and present employees. HQ AFSVA/SVXB authorizes payment of quarterly costs and establishes the base premium assessment rate required to recover these costs.

6.1. Commanders and NAF managers at all levels must safeguard NAFs by implementing procedures which:

- Ensure the reporting of timely, accurate, and complete wage and separation information.
- Prevent incorrect UC eligibility decisions by SESAs.

7. DOL Forms. Each SESA will provide forms and other documents required to administer the UC program.

8. UCFE Program Information. HROs may receive help in completing and returning UCFE forms by calling the nearest SESA office. SESA representatives may be invited to arrange on-site visits to help HROs and NAF managers comply with UCFE law.

9. Forms Prescribed. AF Form 2545, **NAFI Notification of Personnel Action**, ES Form 931, **Request for Wage and Separation Information**, and SF 8, **Notice to Federal Employee About Unemployment Insurance**.

STEVAN B. RICHARDS, Colonel, USAF
Director of Services

Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, AND ACRONYMS

References

AFI 34-301, *NAF Personnel Management and Administration*

AFI 34-309, *NAF Unemployment Compensation Program*

Abbreviations and Acronyms

AFI—Air Force Instruction

AFSVA/SVXCC—Air Force Services Agency, Compensation Division, Casualty and Unemployment Compensation Branch

AO—Accounting Office

BBA—Business Based Action

DOL—Department of Labor

EC—Enlisted Club

ES—Employment Service

HQ—Headquarters

HRO—Human Resource Office

ID—Identification

JA—Judge Advocate

MAJCOM—Major Command

NAF—Nonappropriated Fund

OC—Officers' Club

SESA—State Employment Security Agency

SF—Standard Form

T&A—Time and Attendance

UC—Unemployment Compensation

UCFE—Unemployment Compensation for Federal Employees