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# Summary of Changes for Subchapter 550

*Note that changes are cumulative. Numbering of a section may be modified by a change made subsequently.*

## 1. Overall ELM Revisions

The entire ELM is reformatted, with changes in typographical treatment where necessary, for ease of use for printing and online viewing. Addresses are reformatted to reflect machine readability standards.

Addresses and telephone numbers are updated in the text, and Appendix C, Addresses, previously added by PB 21809, 2/20/92, is deleted.

Form titles in the text and in Appendix B, Form Titles, were updated when the ELM was issued online in 1996. Any subsequent updating is noted in the revisions specific to this segment noted below. (PB 21929, 9/26/96)

## 2. Revisions Specific to This Segment

Addresses and position and organization titles are updated as of March 1998. References to E&LR Information Centers are deleted because they no longer exist.

Substantive changes are marked with vertical bars in the margins or printed in bold type in tables and certain exhibits.

**552.31 Administration** is modified to identify area Human Resources managers as responsible for designating the office to coordinate unemployment claims.

**Exhibit 552.31** is deleted. The addresses for state coordinators are now maintained by the Minneapolis Accounting Service Center.

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# 550 Unemployment Compensation

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## 551 **Overview**

### 551.1 **Legal Guidelines**

#### 551.11 **Administration**

The Unemployment Compensation for Federal Employees Program (UCFE) is administered by the states under separate agreements with the U.S. Secretary of Labor. Under these agreements, the states are agents of the United States and take, adjust, pay, or deny claims for unemployment compensation. Based on wage and separation information supplied by the Postal Service, the state agency determines under its state employment security law the postal employee's entitlement to unemployment compensation.

#### 551.12 **Liability**

Benefit payments are made to former postal employees by the states under the agreements between the states and the U.S. Department of Labor. The Postal Service then reimburses the states through the Department of Labor.

#### 551.13 **Illegal Claims**

Federal law provides criminal penalties for anyone who knowingly makes a false statement or representation of a material fact, or knowingly fails to disclose a material fact, to obtain or increase for self or for any other individual unemployment compensation benefits for federal employees.

### 551.2 **Qualification Factors**

Requirements for unemployment compensation benefits vary from state to state in accordance with each state's employment security law. However, each state law requires that a claimant:

- a. Be unemployed or be employed less than full-time as defined by the state employment security law with earnings less than an amount specified in the state law.
- b. Register for work and file an unemployment compensation claim at a local state employment security office.
- c. Have worked a specified amount of time or have earned a specified amount of wages, or both, within a certain period.
- d. Be able to work.
- e. Be available for work.
- f. Be actively seeking work.
- g. Report periodically to the local state employment security office.

**551.3 Disqualification Factors**

Disqualification provisions vary from state to state. In the majority of states, employment security laws provide for a period of total disqualification or for a penalty period of temporary disqualification for certain types of separations. A former postal employee is not disqualified if the separation was an involuntary termination of employment for other than misconduct, or if the separation was a voluntary termination or resignation based on good cause. The most common reasons for disqualification are:

- a. The claimant was discharged for misconduct.
- b. The claimant quit the job voluntarily without good cause.
- c. The claimant refused a suitable job without good cause.

**551.4 Information to State Employment Security Agencies****551.41 Information Required**

The Postal Service furnishes state employment security agencies certain salary and separation information concerning claimants who are or have been employed by the USPS. This information is processed and returned to the state agency by the Minneapolis Accounting Service Center within 4 workdays after receipt of the request. The information includes:

- a. Periods of Postal Service employment.
- b. Amount of remuneration for service.
- c. Amount of lump-sum terminal leave payments and periods of time for which the lump-sum payment was made.
- d. Reason(s) for separation.

**551.42 Privacy Act Requirements****551.421 Authority to Disclose**

Release of wage and separation information to a state employment security agency can be made without written authorization from the former Postal Service employee.

**551.422 Accountability of Disclosure**

To meet the Privacy Act disclosure accounting requirements, the state coordinators described in 552.3 will receive from the Minneapolis Accounting Service Center copies of Unemployment Compensation for Federal Employees Forms ES 931, *Request for Wage Separation Information*; ES 934, *Request for Information or Reconsideration of Federal Findings*; ES 936, *Request for Verification of UCFE Wage and Separation Information Furnished on Form ES 931*; and Postal Service Form 2342, *Request: Unemployment Compensation Data*, and Form 6803, *Wage and Separation Information (ES 931) (3-part continuous)*. These forms are to be retained by the state coordinator for a period of 3 years. The Minneapolis Accounting Service Center maintains the Form 6803, *Issue Report* (Program No. PHE100), on microfiche for a period of 5 years. State coordinators are to maintain hearings and appeals case files for 5 years. Official USPS records

control schedules should be consulted to determine retention requirements by state coordinators and installation heads.

## 552 **Responsibilities**

### 552.1 **Headquarters**

#### 552.11 **Functional Administration**

The functional responsibility for the development, implementation, and control of the national USPS Unemployment Compensation Program is assigned to the vice president of Human Resources.

#### 552.12 **Daily Administration**

The administration of the unemployment compensation program for Headquarters units, Headquarters-related units, and in field organizations, is assigned to the USPS state coordinators (see 552.3) in which these units are physically located.

### 552.2 **Areas**

The area Human Resources managers have oversight responsibility for the unemployment compensation program for the states in their geographic area. They coordinate as necessary when state lines overlap with a contiguous area. The managing field counsel in the area:

- a. Participates in hearings before the state referees and prepares appeals to state courts.
- b. Assists USPS state coordinators in interpreting legal guidelines and Privacy Act requirements.

### 552.3 **State Coordinators**

#### 552.31 **Administration**

The area Human Resources manager designates an office in the capital city within each state to coordinate the unemployment compensation activities for all Postal Service installations in that state. The functional responsibility for the state program administration is assigned to the ranking Human Resources official in that office. This official selects one employee as state coordinator for program administration responsibility.

#### 552.32 **Responsibilities**

The designated state coordinator:

- a. Administers USPS policy on unemployment compensation within the respective state or jurisdiction.
- b. Establishes a communication channel with the state employment security agency and becomes familiar with the state unemployment compensation policies, procedures, and laws.
- c. Reviews appropriate forms, correspondence, and claim determinations to establish that each unemployment compensation claim filed by a

- present or ex-postal employee is justified and that the information provided by the claimant is valid.
- d. Initiates appeals on claims determined to be unjustified.
  - e. Ensures that the referees adjudicating appeals are provided with all appropriate and necessary information whether the appeal is initiated by the USPS or the claimant.
  - f. Notifies appropriate offices to prepare material necessary for appeals.
  - g. Attends unemployment compensation appeal hearings conducted by state referees or arranges for such representation by the post office in which the claimant was or is employed.
  - h. Refers recommendations for final appeal cases to the managing general counsel for the state along with appropriate supporting information.
  - i. Contacts the appropriate postal installation upon receipt of Form 6803, *Wage and Separation Information* (ES 931), to ascertain the reason(s) for separation or the nonpay status of a claimant when the Minneapolis Accounting Service Center cannot supply this information.
  - j. Monitors the preparation of separation forms and information provided by the Minneapolis Accounting Service Center and identifies areas where incomplete or inaccurate information could generate unjustified unemployment compensation claims and subsequent payment.
  - k. Provides the Minneapolis Accounting Service Center with required information in order to resolve problems concerning individual employees.
  - l. Maintains program records in accordance with official USPS records control schedules.
  - m. Serves as liaison for Headquarters in dealing with state employment security agencies.

#### 552.4 **Installation Heads**

##### 552.41 **Completion of Form 50, Notification of Personnel Action**

- 552.411 Ensure the accurate and timely completion of Form 50 and SF 8, *Notice to Federal Employees About Unemployment Insurance*, when initiating separation actions. (See 553.11 and 553.12.)
- 552.412 Submit Form 50 as expeditiously as possible for processing.

##### 552.42 **Cooperation With Postal and State Authorities**

- 552.421 Provide full cooperation to USPS state coordinators when supplemental information is required.
- 552.422 Cooperate with USPS state coordinator requests for witnesses to appear before state appeal hearings to testify about the reason(s) a former employee was separated.

552.423 Give direct responses to state employment security agency requests for additional separation information (Form ES 934, Request for Additional Information). (See 553.22).

## 552.5 **Minneapolis Accounting Service Center**

### 552.51 **Initial Response**

552.511 Complete Form 6803 (see 553.13) in response to state agency requests for wage and separation information (Form ES 931) within 4 working days after receipt of the request.

552.512 Retain a copy of each Form 6803 submitted to state agencies (Privacy Act accounting requirements) on microfiche and distribute a copy of Form 6803 to the appropriate USPS state coordinator.

552.513 If separation or wage information is unavailable at the Minneapolis Accounting Service Center, forward Form 6803 (and Form ES 931) to the appropriate USPS state coordinator requesting that Form 6803 be completed and returned to the state agency.

### 552.52 **Additional Information**

Respond to state agency requests for additional information on Form ES 934 and verify ES 931 on Form ES 936 within 4 working days after receipt. (See 553.22 and 553.23.)

## 553 **Explanation of Forms and Procedures**

### 553.1 **USPS Procedures**

#### 553.11 **Form 50**

553.111 Complete Form 50 in an accurate and timely manner when separating an employee.

553.112 Enter the three-digit unemployment compensation code that most accurately describes what the USPS believes to be the reason(s) that the employee was separated in the appropriate block on Form 50.

553.113 Ensure that all additional information relating to the reason(s) for separation is incorporated into the remarks section of Form 50. (In those instances when the employee's reason(s) for separation differ from the Postal Services reason(s), enter the standard remarks message (Standard Code 542) on Form 50.) This standard remark states that a difference in separation reason(s) does exist and will be furnished upon request.

553.114 State the fact of the issuance of SF 8 in the remarks section of Form 50.

#### 553.12 **SF 8**

553.121 SF 8 explains an employee's eligibility for unemployment compensation and describes the steps to be taken in filing a claim. Personnel offices complete SF 8 by entering at top of form the employee's name, Social Security number,

and pay location. In item 3 enter #732 on extreme right side, then enter the address of the Minneapolis Accounting Service Center:

PAYROLL PROCESSING  
US POSTAL SERVICE  
1 FEDERAL DR  
FT SNELLING MN 55111-9630.

- 553.122 SF 8 is issued promptly to the employee by the separating personnel office so that they do not lose unemployment compensation benefits to which they may be entitled. An individual whose work or tours of duty are on an intermittent basis is issued an SF 8 only the first time in each calendar year that they are placed in a nonpay status. However, a completed SF 8 is issued to an employee each time the employee:
- a. Separates from the USPS for any reason.
  - b. Transfers to another federal agency.
  - c. Is (or will be) placed in a nonpay status for 7 or more consecutive calendar days.
- 553.123 SF 8 is issued on the employee's last workday. The date is to be noted in the remarks section of Form 50.

553.13 **Form 6803**

553.131 **Completion**

- a. Form 6803 is completed by the Minneapolis Accounting Service Center in response to a state agency's request for wage and separation information (Form ES 931, see 553.21).
- b. Wage and separation information is extracted from the Automated ES 931 System and entered on Form 6803.
- c. Two copies of Form 6803 are attached to Form ES 931 and returned to the state agency within 4 workdays after receipt of the request.
- d. The Minneapolis Accounting Service Center forwards one copy of Form 6803 to the appropriate USPS state coordinator and retains a copy for Privacy Act accounting requirements. (See 551.422.)

553.132 **Incomplete Information**

In some instances a Form 50 will not be processed, which indicates that the separation information has not been entered into the automated ES 931 system. In such circumstances, the Minneapolis Accounting Service Center immediately forwards Form 6803 (and Form 931), with the wage portion completed, to the appropriate USPS state coordinator, requesting that the separation portion of Form 6803 be completed. Upon completion by the USPS state coordinator, two copies of Form 6803 are attached to Form ES 931 and returned to the state agency. Copies of Forms 6803 and ES 931 are forwarded to the Minneapolis Accounting Service Center and a copy of Form 6803 is retained by the USPS state coordinator. The same control and processing of Forms 6803 are used when the automated ES 931 system fails to complete wage and separation information.

553.133 **Erroneous Findings**

If the Minneapolis Accounting Service Center ascertains at any time within 1 year after it has returned a completed Form 6803 (Form ES 931) to a state agency that any of its findings were erroneous, it must promptly correct the error and forward corrected findings to the appropriate state agency.

553.2 **State Agency Forms and Procedures**

553.21 **Form ES 931**

553.211 When a former USPS employee (or an employee who works less than full-time as defined in the state employment security law, with earnings less than an amount specified in the state law) applies for unemployment compensation at a state employment security office, the state agency sends Form ES 931 to the Minneapolis Accounting Service Center (see 553.13) as indicated on the claimant's SF 8.

553.212 The Minneapolis Accounting Service Center responds to the state agency by extracting the requested wage and separation information from the automated ES 931 system on Form 6803 (see 553.13).

553.22 **Form ES 934**

553.221 **Reason for ES 934**

If the Minneapolis Accounting Service Center provides inadequate data on Form 6803, the state agency may request additional information on Form ES 934. If Form 934 cannot be processed within the 4-workday time period, the Minneapolis Accounting Service Center or separating installation must immediately notify the state agency when it can expect to receive completed Form ES 934.

553.222 **Request for Wage Information**

The Minneapolis Accounting Service Center completes the form and returns it directly to the state agency within 4 workdays after receipt. A copy of Form ES 934 is sent to the respective USPS state coordinator by the stage agency. The Minneapolis Accounting Service Center retains a copy of the completed Form ES 934 for Privacy Act accounting requirements.

553.223 **Request for Separation Information**

If the state agency sends Form ES 934 directly to the employee's separating installation, the installation completes the form and returns it to the state agency within 4 workdays after receipt of the request. A copy of Form ES 934 is sent to the appropriate USPS state coordinator by the state agency. A copy of Form ES 934 is retained by the postal installation and one copy is forwarded to the Minneapolis Accounting Service Center for Privacy Act accounting requirements.

553.224 **Request for Wage and Separation Information**

- a. The state agency sends Form ES 934 to the Minneapolis Accounting Service Center, which inserts the requested wage information and forwards the form to the separating installation.
- b. The postal installation inserts the requested separation information and returns the form directly to the state agency within 4 workdays after

receipt. A copy of Form ES 934 is sent to the appropriate USPS state coordinator by the state agency.

- c. A copy of Form ES 934 is returned to the Minneapolis Accounting Service Center for Privacy Act accounting requirements and one copy is retained by the postal installation.

#### 553.23 **Form ES 936, Verification of ES 931 (Form 6803)**

- a. The Minneapolis Accounting Service Center is requested by state agencies to verify a sampling of Forms 6803 completed by the Minneapolis Accounting Service Center. Request for sampling verification of these forms is made semiannually on Form ES 936.
- b. Form ES 936 shows the name of the claimant, Social Security number, payroll account number (if available), and the date that Form 6803 was requested.
- c. Form ES 936 is completed, when possible, by a person other than the one who prepared the related Form 6803. If the verification is made by the same person, Form ES 936 is reviewed by an authorized certifying officer.
- d. Form ES 936 is completed and returned to the requesting state agency within 4 workdays after receipt of the request.

### 554 **Appeals**

#### 554.1 **State Law Requirements**

- 554.11 State employment security laws provide (a) for administrative appeals at two levels in state agency proceedings and (b) for appeals to state courts. Appeals may be initiated by the claimant or by the USPS.
- 554.12 The state agency's notice of determination of a claimant's benefit rights includes (a) the determination and the basis for it, and (b) information concerning appeal rights and the time within which an appeal may be filed.

#### 554.2 **Initial Level Appeals by Claimants**

All claimants, including former probationary employees, have the right to request additional information (see 553.22) for clarification of USPS findings or to correct errors and omissions in their records. If a claimant is not satisfied with a state agency's determination, the claimant has the right to appeal the determination. Notices of such appeals received by postal managers are referred to their respective USPS state coordinators (see 554.414).

#### 554.3 **Initial Level Appeals by the Postal Service**

##### 554.31 **Cause to Appeal**

If the USPS believes that a state agency's determination in awarding unemployment compensation is incorrect, the USPS may appeal the determination under the applicable state employment security law.

554.32 **Initiation of Appeal**

The USPS state coordinator files an appeal whenever:

- a. The state agency appears to have misinterpreted or disregarded the USPS's findings.
- b. The USPS believes the determination is not in accordance with the provisions of the state employment security law.

554.4 **Postal Service Participation in Appeals**

554.41 **Representation**

554.411 **Preparation for Appeal**

The USPS state coordinator:

- a. Ensures that the Postal Service is represented at state unemployment compensation appeal hearings (representation should include USPS employee(s) with first-hand knowledge of the case).
- b. Ensures that all documented evidence that supports the USPS's position is submitted.

554.412 **As a Witness**

A postal representative with first-hand knowledge of the case in question who appears before a state appeal hearing as a witness on behalf of the USPS provides evidence concerning the facts that support USPS findings. Evidence provided at state appeal hearings may be in the form of oral testimony or written documentation. (For sources of information to be used as evidence, see 554.43.)

554.413 **As an Appellant**

When the USPS initiates an appeal against a state agency's determination (see 554.31), the USPS state coordinator ensures the presence of a postal representative at the state appeal hearing. The postal representative is an individual who has first-hand knowledge of the facts in the appeal case. The representative offers oral testimony or written documentation as argument in support of the USPS findings. (For sources of information to be used as evidence, see 554.43.)

554.414 **As an Appellee**

When the USPS receives a notice of an appeal hearing in which it is an appellee, the USPS state coordinator reviews the facts of the case and notifies a postal representative having first-hand knowledge of the case to appear on its behalf. The representative presents oral testimony or written documentation (see 554.43) in support of USPS findings.

554.42 **New Evidence by Claimant**

In those appeal hearings in which a claimant introduces new evidence, the USPS representative either replies with Postal Service evidence and arguments or requests a continuation of the case in order to prepare a response to the new evidence.

**554.43 Disclosure of Information****554.431 Routine**

During a state unemployment compensation appeal hearing, the Postal Service has the legal authority to disclose all relevant information from any of the systems of records appearing in the list in Chapter 3 of the *Administrative Support Manual (ASM)*. All postal records presented as evidence during state appeal hearings are excised of all irrelevant information not pertaining to the claimant's reason(s) for separation and for the appeal or the Postal Service's reason(s) for separation of the claimant and for the appeal.

**554.432 Medical Records**

Only medical information that directly relates to the reason(s) the claimant was separated can be presented as evidence during a state appeal hearing. However, in those instances in which the relevant information contains a reference to a malignancy or mental condition, a medical officer is contacted for the purpose of determining whether the claimant previously has been made aware of its existence. If the claimant has not been made aware of the condition, the information is not to be disclosed. If such evidence is essential to the USPS case, a cautionary statement is sent to the state referee prior to the hearing, indicating the importance of such evidence and the possible psychological effect it may have on the claimant if released during the hearing.

**554.433 Inspection Service Records**

Whenever documents originated by the Inspection Service are involved in an appeal hearing, the appropriate inspector in charge is notified by the USPS state coordinator. The material in question is referred to the chief postal inspector for review and approval prior to release.

**554.434 Managing Field Counsel**

The managing field counsel for the area is consulted when any questions or problems arise in interpreting USPS Privacy Act regulations or interpreting implementation instructions. The chief field counsel is consulted if:

- a. Disclosure of certain relevant information contained in Personnel Investigation Records may reveal the identity of a source who has requested confidentiality.
- b. Disclosure of certain relevant information contained in either Personnel Research and Test Validation Records, or Recruiting, Examining, Training, and Placement Records might jeopardize the fairness or objectivity of an examination process.

**554.5 Appeals (Second Level) to State Appellate Board**

Either the claimant or the USPS may appeal a determination made by the initial level state appeal authority to the second level state appellate authority, which is usually the State Appeals Board. The initial level appeal determination indicates the basis for such a determination, as well as the time frame in which an appeal can be filed. When a USPS state coordinator receives an initial level appeal determination that continues to contradict the USPS findings based on either of the reasons outlined in 554.32, the USPS

state coordinator files an appeal based on such arguments. Participation by the USPS in second level state appeals are conducted in the same manner as in the initial level appeal process (see 554.4).

554.6 **Postal Service Appeals to State Courts**

When a determination has been rendered by a State Appellate Board that continues to contradict USPS findings, the USPS state coordinator immediately contacts the managing field counsel, who initiates appeals to state courts.

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