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PART 617—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS UNDER THE TRADE ACT OF 1974

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APPENDIX C TO PART 617—STANDARD FOR FRAUD AND OVERPAYMENT DETECTION

AUTHORITY: 19 U.S.C. 2320; Secretary's Order No. 3-81, 46 FR 31117.

SOURCE: 51 FR 45848, Dec. 22, 1986, unless otherwise noted.

Subpart A—General

§ 617.1 Scope.

The regulations in this part 617 pertain to:

(a) Adjustment assistance, such as counseling, testing, training, placement, and other supportive services for workers adversely affected under the terms of chapter 2 of title II of the Trade Act of 1974, as amended (hereafter referred to as the Act);

(b) Trade readjustment allowances (hereafter referred to as TRA) and other allowances such as allowances while in training, job search and relocation allowances; and

(c) Administrative requirements applicable to State agencies to which such individuals may apply.

§ 617.2 Purpose.

The Act created a program of trade adjustment assistance (hereafter referred to as TAA) to assist individuals, who became unemployed as a result of increased imports, return to suitable employment. The TAA program provides for reemployment services and allowances for eligible individuals. The regulations in this part 617 are issued to implement the Act.

§ 617.3 Definitions.

For the purposes of the Act and this part 617:

(a) *Act* means chapter 2 of title II of the Trade Act of 1974, Pub. L. 93-618, 88 Stat. 1978, 2019-2030 (19 U.S.C. 2271-2322), as amended.

(b) *Adversely affected employment* means employment in a firm or appropriate subdivision of a firm, including workers in any agricultural firm or subdivision of an agricultural firm, if workers of such firm or appropriate subdivision are certified under the Act as eligible to apply for TAA.

(c) *Adversely affected worker* means an individual who, because of lack of work in adversely affected employment:

(1) Has been totally or partially separated from such employment; or

(2) Has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(d) *Appropriate week* means the week in which the individual's first separation occurred.

(e) *Average weekly hours* means a figure obtained by dividing:

(1) Total hours worked (excluding overtime) by a partially separated individual in adversely affected employment in the 52 weeks (excluding weeks in such period during which the individual was sick or on vacation) preceding the individual's first qualifying separation, by

(2) The number of weeks in such 52 weeks (excluding weeks in such period during which the individual was sick or on vacation) in which the individual actually worked in such employment.

(f) *Average weekly wage* means one-thirteenth of the total wages paid to an individual in the individual's high quarter. The high quarter for an individual is the quarter in which the total wages paid to the individual were highest among the first four of the last five completed calendar quarters preceding the individual's appropriate week.

(g) *Average weekly wage in adversely affected employment* means a figure obtained by dividing:

(1) Total wages earned by a partially separated individual in adversely affected employment in the 52 weeks (excluding the weeks in that period the individual was sick or on vacation) preceding the individual's first qualifying separation, by

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(2) The number of weeks in such 52 weeks (excluding the weeks in that period the individual was sick or on vacation) the individual actually worked in such employment.

(h) *Benefit period* means, with respect to an individual:

(1) The benefit year and any ensuing period, as determined under the applicable State law, during which the individual is eligible for regular compensation, additional compensation, extended compensation, or federal supplemental compensation, as these terms are defined by paragraph (oo) of this section; or

(2) The equivalent to such a benefit year or ensuing period provided for under the Federal unemployment insurance law.

(i) *Bona fide application for training* means an individual's signed and dated application for training filed with the State agency administering the TAA training program, on a form necessarily containing the individual's name, petition number, local office number, and specific occupational training. This form shall be signed and dated by a State agency representative upon receipt.

(j)(1) *Certification* means a certification of eligibility to apply for TAA issued under section 223 of the Act with respect to a specified group of workers of a firm or appropriate subdivision of a firm.

(2) *Certification period* means the period of time during which total and partial separations from adversely affected employment within a firm or appropriate subdivision of a firm are covered by the certification.

(k) *Commuting area* means the area in which an individual would be expected to travel to and from work on a daily basis as determined under the applicable State law.

(l) *Date of separation* means:

(1) With respect to a total separation—

(i) For an individual in employment status, the last day worked; and

(ii) For an individual on employer-authorized leave, the last day the individual would have worked had the individual been working; and

(2) With respect to a partial separation, the last day of the week in which the partial separation occurred.

(m) *Eligibility period* means the period of consecutive calendar weeks during which basic or additional TRA is payable to an otherwise eligible individual, and for an individual such eligibility period is—

(1) *Basic TRA.* (i) With respect to a first qualifying separation (as defined in paragraph (t)(3)(i)(A) of this section) that occurs on a day that precedes August 23, 1988, the 104-week period beginning with the first week following the week with respect to which the individual first exhausts all rights to regular compensation (as defined in paragraph (oo)(1) of this section) in such individual's first benefit period (as described in §617.11(a)(1)(iv)) or §617.11(a)(2)(iv), whichever is applicable), and

(ii) With respect to a total qualifying separation (as defined in paragraph (t)(3)(i)(B) of this section) that occurs on or after August 23, 1988—or before August 23, 1988, if the individual also had a prior first qualifying separation under the same certification—the 104-week period beginning with the first week following the week in which such total qualifying separation occurred;

Provided, that, an individual who has a second or subsequent total qualifying separation within the certification period of the same certification shall be determined to have a new 104-week eligibility period based upon the most recent such total qualifying separation; but the rule of this proviso shall not be applicable in the case of an individual who had a total qualifying separation before August 23, 1988, and also had a prior first qualifying separation (as referred to in paragraph (m)(1)(i) of this section) within the certification period of the same certification, if the individual's 104-week eligibility period based upon the total qualifying separation (as referred to in paragraph (m)(1)(i) of this section) would end on a date earlier than the ending date of the individual's eligibility period which is based upon the prior first qualifying separation; and

(2) *Additional TRA.* With respect to additional weeks of TRA, and any individual determined under this part 617

to be entitled to additional TRA, the consecutive calendar weeks that occur in the 26-week period that—

(i) Immediately follows the last week of entitlement to basic TRA otherwise payable to the individual, or

(ii) Begins with the first week of training approved under this part 617, if such training begins after the last week described in paragraph (m)(2)(i) of this section, or

(iii) Begins with the first week in which such training is approved under this part 617, if such training is so approved after the training has commenced; but approval of training under this part 617 after the training has commenced shall not imply or justify approval of a payment of basic or additional TRA with respect to any week which ended before the week in which such training was approved, nor approval of payment of any costs of training or any costs or expenses associated with such training (such as travel or subsistence) which were incurred prior to the date of the approval of such training under this part 617.

(n) *Employer* means any individual or type of organization, including the Federal government, a State government, a political subdivision, or an instrumentality of one or more governmental entities, with one or more individuals performing service in employment for it within the United States.

(o) *Employment* means any service performed for an employer by an officer of a corporation or an individual for wages.

(p) *Exhaustion of UI* means exhaustion of all rights to UI in a benefit period by reason of:

(1) Having received all UI to which an individual was entitled under the applicable State law or Federal unemployment compensation law with respect to such benefit period; or

(2) The expiration of such benefit period.

(q) *Family* means the following members of an individual's household whose principal place of abode is with the individual in a home the individual maintains or would maintain but for unemployment:

(1) A spouse;

(2) An unmarried child, including a stepchild, adopted child, or foster

child, under age 21 or of any age if incapable of self-support because of mental or physical incapacity; and

(3) Any other person whom the individual would be entitled to claim as a dependent for income tax purposes under the Internal Revenue Code of 1954.

(r) *First benefit period* means the benefit period established after the individual's first qualifying separation or in which such separation occurs.

(s) *First exhaustion of UI* means the first time in an individual's first benefit period that the individual exhausts all rights to UI; first exhaustion shall be deemed to be complete at the end of the week the exhaustion occurs.

(t)(1) *First separation* means, for an individual to qualify as an adversely affected worker for the purposes of TAA program benefits (without regard to whether the individual also qualifies for TRA), the individual's first total or partial separation within the certification period of a certification, irrespective of whether such first separation also is a qualifying separation as defined in paragraph (t)(2) of this section;

(2) *Qualifying separation* means, for an individual to qualify as an adversely affected worker and for basic TRA—

(i) Prior to August 23, 1988, the individual's first (total or partial) separation within the certification period of a certification, with respect to which the individual meets all of the requirements of §617.11(a)(1) (i) through (iv), and which qualifies as a first qualifying separation as defined in paragraph (t)(3)(i)(A) of this section, and

(ii) At any time before, on, or after August 23, 1988, any total separation of the individual within the certification period of a certification (other than a first qualifying separation as defined in paragraph (t)(3)(i)(A) of this section), with respect to which the individual meets all of the requirements in §617.11(a)(2) (i) through (iv), and which qualifies as a total qualifying separation as defined in paragraph (B) of (t)(3)(i)(B) of this section;

(3) "First qualifying separation" means—

(i) For the purposes of determining an individual's eligibility period for basic TRA—

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(A) With respect to a separation that occurs before August 23, 1988, the individual's first (total or partial) separation within the certification period of a certification, with respect to which the individual meets all of the requirements of §617.11(a)(1) (i) through (iv), and

(B) With respect to a separation that occurs before, on, or after August 23, 1988 (other than a first qualifying separation as defined in paragraph (t)(3)(i)(A) of this section), the first total separation of the individual within the certification period of a certification, with respect to which the individual meets all of the requirements in §617.11(a)(2) (i) through (iv); and

(ii) For the purposes of determining the weekly and maximum amounts of basic TRA payable to an individual, with respect to a separation that occurs before, on, or after August 23, 1988, the individual's first (total or partial) separation within the certification period of a certification if, with respect to such separation, the individual meets the requirements of §617.11(a)(1) (i), (ii) and (iv) or §617.11(a)(2) (i), (ii) and (iv).

(u) *Head of family* means an individual who maintains a home for a family. An individual maintains a home if over half the cost of maintenance is furnished by the individual or would be furnished but for unemployment.

(v) *Impact date* means the date stated in a certification issued under the Act on which total or partial separations began or threatened to begin in a firm or a subdivision of a firm.

(w) *Job search program* means a job search workshop or job finding club.

(x) *Job search workshop* means a short (1 to 3 days) seminar designed to provide participants with knowledge that will enable the participants to find jobs. Subjects should include, but not be limited to, labor market information, resume writing, interviewing techniques, and techniques for finding job openings.

(y) *Job finding club* means a job search workshop which includes a period of 1 to 2 weeks of structured, supervised activity in which participants attempt to obtain jobs.

(z) *Layoff* means a suspension of or separation from employment by a firm for lack of work, initiated by the employer, and expected to be for a definite or indefinite period of not less than seven consecutive days.

(aa) *Liabile State* and *Agent State* are defined as follows:

(1) *Liabile State* means, with respect to any individual, the State whose State law is the applicable State law as determined under §617.16 for all purposes of this Part 617.

(2) *Agent State* means, with respect to any individual, any State other than the State which is the liable State for such individual.

(bb) *On-the-job training* means training provided by an employer to an individual who is employed by the employer.

(cc) *Partial separation* means that during a week ending on or after the impact date specified in the certification under which an adversely affected worker is covered, the individual had:

(1) Hours of work reduced to 80 percent or less of the individual's average weekly hours in adversely affected employment; and

(2) Wages reduced to 80 percent or less of the individual's average weekly wage in such adversely affected employment.

(dd) *Regional Administrator* means the appropriate Regional Administrator of the Employment and Training Administration, United States Department of Labor (hereafter Department).

(ee) *Remuneration* means remuneration as defined in the applicable State law.

(ff) *Secretary* means the Secretary of Labor, U.S. Department of Labor, or his or her designee.

(gg) *Separate maintenance* means maintaining another (second) residence, in addition to the individual's regular place of residence, while attending a training facility outside the individual's commuting area.

(hh) *State* means the States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and the term "United States" when used in a geographical sense includes such Commonwealth.

(ii) *State agency* means the State Employment Security Agency; the employment service of the State; any State agency carrying out title III of the Job Training Partnership Act; or any other State or local agency administering job training or related programs with which the Secretary has an agreement to carry out any of the provisions of the Act.

(jj) *State law* means the unemployment compensation law of a State approved by the Secretary under section 3304 of the Internal Revenue Code of 1954 (26 U.S.C. 3304).

(kk) *Suitable work* means, with respect to an individual:

(1) Suitable work as defined in the applicable State law for claimants for regular compensation (as defined in paragraph (oo)(1) of this section); or

(2) Suitable work as defined in applicable State law provisions consistent with section 202(a)(3) of the Federal-State Extended Unemployment Compensation Act of 1970;

whichever is applicable, but does not in any case include self-employment or employment as an independent contractor.

(ll) *Total separation* means a layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(mm) *Trade adjustment assistance (TAA)* means the services and allowances provided for achieving reemployment of adversely affected workers, including TRA, training and other reemployment services, and job search allowances and relocation allowances.

(nn) *Trade readjustment allowance (TRA)* means a weekly allowance payable to an adversely affected worker with respect to such worker's unemployment under subpart B of this part 617.

(oo) *Unemployment insurance (UI)* means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85, title 5 of the United States Code, and the Railroad Unemployment Insurance Act. "UI" includes "regular compensation," "additional compensation," "extended compensation," and

"federal supplemental compensation," defined as follows:

(1) *Regular compensation* means unemployment compensation payable to an individual under any State law, and, when so payable, includes unemployment compensation payable pursuant to chapter 85, title 5 of the United States Code, but does not include extended compensation, additional compensation, or federal supplemental compensation;

(2) *Additional compensation* means unemployment compensation totally 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 unemployment compensation payable pursuant to chapter 85, title 5 of the United States Code; and

(3) *Extended compensation* means the extended unemployment compensation payable to an individual for weeks of unemployment which begin in an Extended Benefit Period, under those provisions of a State law which satisfy the requirements of the Federal-State Extended Unemployment Compensation Act of 1970 and regulations governing the payment of extended unemployment compensation, and, when so payable, includes unemployment compensation payable pursuant to chapter 85, title 5 of the United States Code, but does not include regular compensation, additional compensation, or federal supplemental compensation. Extended compensation is also referred to in this part 617 as Extended Benefits or EB.

(4) *Federal supplemental compensation* means the supplemental unemployment compensation payable to individuals who have exhausted their rights to regular and extended compensation, and which is payable under the Federal Supplemental Compensation Act of 1982 or any similar Federal law enacted before or after the 1982 Act.

(pp) *Wages* means all compensation for employment for an employer, including commissions, bonuses, and the cash value of all compensation in a medium other than cash.

(qq) *Week* means a week as defined in the applicable State law.

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(rr) *Week of unemployment* means a week of total, part total, or partial unemployment as determined under the applicable State law or Federal unemployment compensation law.

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32348, Aug. 24, 1988; 59 FR 926, 927, Jan. 6, 1994; 61 FR 19983, May 3, 1996]

§ 617.4 Benefit information to workers.

(a) *Providing information to workers.* State agencies shall provide full information to workers about the benefit allowances, training, and other employment services available under subparts B through E of this part 617 and about the petition and application procedures, and the appropriate filing dates, for such allowances, training and services.

(b) *Providing assistance to workers.* State agencies shall provide whatever assistance is necessary to enable groups of workers, including unorganized workers, to prepare petitions or applications for program benefits.

(c) *Providing information to State vocational education agencies and others.* State agencies shall inform the State Board for Vocational Education or equivalent agency and other public or private agencies, institutions, and employers, as appropriate, of each certification issued under section 223 of the Act and of projections, if available, of the needs for training under section 236 of the Act as a result of such certification.

(d) *Written and newspaper notices*—(1) *Written notices to workers.* (i) Upon receipt of a certification issued by the Department of Labor, the State agency shall provide a written notice through the mail of the benefits available under subparts B through E of this part 617 to each worker covered by a certification issued under section 223 of the Act when the worker is partially or totally separated or as soon as possible after the certification is issued if such workers are already partially or totally separated from adversely affected employment.

(ii) The State agency will satisfy this requirement by obtaining from the firm, or other reliable source, the names and addresses of all workers who were partially or totally separated from adversely affected employment

before the certification was received by the agency, and workers who are thereafter partially or totally separated within the certification period. The State agency shall mail a written notice to each such worker of the benefits available under the TAA Program. The notice must include the following information:

(A) Worker group(s) covered by the certification, and the article(s) produced as specified in the copy of the certification furnished to the State agency.

(B) Name and the address or location of workers' firm.

(C) Impact, certification, and expiration dates in the certification document.

(D) Benefits and reemployment services available to eligible workers.

(E) Explanation of how workers apply for TAA benefits and services.

(F) Whom to call to get additional information on the certification.

(G) When and where the workers should come to apply for benefits and services.

(2) *Newspaper notices.* (i) Upon receipt of a copy of a certification issued by the Department affecting workers in a State, the State agency shall publish a notice of such certification in a newspaper of general circulation in areas in which such workers reside. Such a newspaper notice shall not be required to be published, however, in the case of a certification with respect to which the State agency can substantiate, and enters in its records evidence substantiating, that all workers covered by the certification have received written notice required by paragraph (d)(1) of this section.

(ii) A published notice must include the following kinds of information:

(A) Worker group(s) covered by the certification, and the article(s) produced as specified in the copy of the certification furnished to the State agency.

(B) Name and the address or location of workers' firm.

(C) Impact, certification, and expiration dates in the certification document.

(D) Benefits and reemployment services available to eligible workers.

(E) Explanation of how and where workers should apply for TAA benefits and services.

(e) *Advice and assistance to workers.* In addition to the information and assistance to workers as required under paragraphs (a) and (b) of this section, State agencies shall—

(1) Advise each worker who applies for unemployment insurance under the State law of the benefits available under subparts B through E of this part and the procedures and deadlines for applying for such benefits.

(2) Facilitate the early filing of petitions under section 221 of the Act and § 617.4(b) for any workers that the agency considers are likely to be eligible for benefits. State agencies shall utilize information received by the State's dislocated worker unit to facilitate the early filing of petitions under section 221 of the Act by workers potentially adversely affected by imports.

(3) Advise each adversely affected worker to apply for training under § 617.22(a) before, or at the same time as, the worker applies for trade readjustment allowances under subpart B of this part.

(4) Interview each adversely affected worker, as soon as practicable, regarding suitable training opportunities available to the worker under § 617.22(a) and review such opportunities with the worker.

[51 FR 45848, Dec. 22, 1986, as amended at 59 FR 927, Jan. 6, 1994]

Subpart B—Trade Readjustment Allowances (TRA)

§ 617.10 Applications for TRA.

(a) *Before and after certification.* An individual covered under a certification or a petition for certification may apply to a State agency for TRA. A determination shall be made at any time to the extent necessary to establish or protect an individual's entitlement to TRA or other TAA, but no payment of TRA or other TAA may be made by a State agency until a certification is made and the State agency determines that the individual is covered thereunder.

(b) *Timing of applications.* An initial application for TRA, and applications for TRA for weeks of unemployment beginning before the initial application for TRA is filed, may be filed within a reasonable period of time after publication of the determination certifying the appropriate group of workers under section 223 of the Act. However, an application for TRA for a week of unemployment beginning after the initial application is filed shall be filed within the time limit applicable to claims for regular compensation under the applicable State law. For purposes of this paragraph (b), a reasonable period of time means such period of time as the individual had good cause for not filing earlier, which shall include, but not be limited to, the individual's lack of knowledge of the certification or misinformation supplied the individual by the State agency.

(c) *Applicable procedures.* Applications shall be filed in accordance with this subpart B and on forms which shall be furnished to individuals by the State agency. The procedures for reporting and filing applications for TRA shall be consistent with this part 617 and the Secretary's "Standard for Claim Filing, Claimant Reporting, Job Finding and Employment Services", *Employment Security Manual*, part V, sections 5000 *et seq.* (Appendix A of this part).

(d) *Advising workers to apply for training.* State agencies shall advise each worker of the qualifying requirements for entitlement to TRA and other TAA benefits at the time the worker files an initial claim for State UI, and shall advise each adversely affected worker to apply for training under subpart C of this part before, or at the same time, the worker applies for TRA, as required by § 617.4(e)(1) and (3).

[51 FR 45848, Dec. 22, 1986, as amended at 59 FR 928, 943, Jan. 6, 1994]

§ 617.11 Qualifying requirements for TRA.

(a) *Basic qualifying requirements for entitlement—(1) Prior to November 21, 1988.* To qualify for TRA for any week of unemployment that begins prior to November 21, 1988, an individual must meet each of the following requirements of paragraphs (a)(1) (i) through (vii) of this section:

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(i) *Certification.* The individual must be an adversely affected worker covered under a certification.

(ii) *Separation.* The individual's first qualifying separation (as defined in paragraph (t)(3)(i) of §617.3) before application for TRA must occur:

(A) On or after the impact date of such certification; and

(B) Before the expiration of the two-year period beginning on the date of such certification, or, if earlier, before the termination date, if any, of such certification.

(iii) *Wages and employment.* (A) In the 52-week period (*i.e.*, 52 consecutive calendar weeks) ending with the week of the individual's first qualifying separation, the individual must have had at least 26 weeks of employment at wages of \$30 or more a week in adversely affected employment with a single firm or subdivision of a firm. Evidence that an individual meets this requirement shall be obtained as provided in §617.12. Employment and wages covered under more than one certification may not be combined to qualify for TRA.

(B)(1) For the purposes of paragraph (a)(1)(iii) of this section, any week in which such individual—

(i) is on employer-authorized leave from such adversely affected employment for purposes of vacation, sickness, injury, maternity, or inactive duty or active duty military service for training, or

(ii) does not work in such adversely affected employment because of a disability compensable under a workers' compensation law or plan of a State or the United States, or

(iii) had adversely affected employment interrupted to serve as a full-time representative of a labor organization in such firm or subdivision, shall be treated as a week of employment at wages of \$30 or more;

(2) *Provided, that—*

(i) not more than 7 weeks in the case of weeks described in paragraph (a)(1)(iii)(B)(1)(i) or paragraph (a)(1)(iii)(B)(1)(iii) of this section, or both, and (ii) not more than 26 weeks described in paragraph (a)(1)(iii)(B)(1)(ii) of this section,

may be treated as weeks of employment for purposes of paragraph (a)(1)(iii) of this section.

(C) Wages and employment creditable under paragraph (a)(1)(iii) of this section shall not include employment or wages earned or paid for employment which is contrary to or prohibited by any Federal law.

(iv) *Entitlement to UI.* The individual must have been entitled to (or would have been entitled to if the individual had applied therefor) UI for a week within the benefit period—

(A) in which the individual's first qualifying separation occurred, or

(B) which began (or would have begun) by reason of the filing of a claim for UI by the individual after such first qualifying separation.

(v) *Exhaustion of UI.* The individual must:

(A) Have exhausted all rights to any UI to which the individual was entitled (or would have been entitled to if the individual had applied therefor); and

(B) Not have an unexpired waiting period applicable to the individual for any such UI.

(vi) *Extended Benefit work test.* (A) The individual must—

(1) Accept any offer of suitable work, as defined in §617.3(kk), and actually apply for any suitable work the individual is referred to by the State agency, and

(2) Actively engage in seeking work and furnish the State agency tangible evidence of such efforts each week, and

(3) Register for work and be referred by the State agency to suitable work,

in accordance with those provisions of the applicable State law which apply to claimants for Extended Benefits and which are consistent with Part 615 of this Chapter.

(B) The Extended Benefit work test shall not apply to an individual with respect to claims for TRA for weeks of unemployment beginning prior to the filing of an initial claim for TRA, nor for any week which begins before the individual is notified that the individual is covered by a certification issued under the Act and is fully informed of the Extended Benefit work test requirements of paragraph (a)(1)(vi) of this section and §617.17. Prior to such notification and advice, the individual shall not be subject to the Extended Benefit work test requirements, nor to any State timely

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filing requirement, but shall be required to be unemployed and able to work and available for work with respect to any such week except as provided for workers in approved training in § 617.17(b)(1).

(vii) *Job search program participation.*

(A) The individual is enrolled in, participating in, or has successfully completed a job search program which meets the requirements of § 617.49(a); or the State agency has determined that no acceptable job search program is reasonably available under the criteria set forth in § 617.49(c).

(B) The job search program requirement shall not apply to an individual with respect to claims for TRA for weeks of unemployment beginning prior to the filing of an initial claim for TRA, nor for any week which begins before the individual is notified that the individual is covered by a certification issued under the Act and is fully informed of the job search program requirement of paragraph (a)(1)(vii) of this section and § 617.49.

(C) The job search program requirement shall not apply to an individual, as a qualifying requirement for TRA, with respect to any week ending after November 20, 1988, but cooperating State agencies are encouraged to continue to utilize job search programs after November 20, 1988, as an effective tool to assist adversely affected workers in finding suitable employment, particularly unemployed workers who have completed training or for whom the training requirement has been waived under § 617.19.

(2) *On and after November 21, 1988.* To qualify for TRA for any week of unemployment that begins on or after November 21, 1988, an individual must meet each of the following requirements of paragraphs (a)(2) (i) through (vii) of this section:

(i) *Certification.* The individual must be an adversely affected worker covered under a certification.

(ii) *Separation.* The individual's first qualifying separation (as defined in paragraph (t)(3)(i) of § 617.3) before application for TRA must occur:

(A) On or after the impact date of such certification; and

(B) Before the expiration of the two-year period beginning on the date of

such certification, or, if earlier, before the termination date, if any, of such certification.

(iii) *Wages and employment.* (A) In the 52-week period (*i.e.*, 52 consecutive calendar weeks) ending with the week of the individual's first qualifying separation, or any subsequent total qualifying separation under the same certification, the individual must have had at least 26 weeks of employment at wages of \$30 or more a week in adversely affected employment with a single firm or subdivision of a firm. Evidence that an individual meets this requirement shall be obtained as provided in § 617.12. Employment and wages covered under more than one certification may not be combined to qualify for TRA.

(B)(1) For the purposes of paragraph (a)(2)(iii) of this section, any week in which such individual—

(i) Is on employer-authorized leave from such adversely affected employment for purposes of vacation, sickness, injury, maternity, or inactive duty or active duty military service for training, or

(ii) Does not work in such adversely affected employment because of a disability compensable under a workers' compensation law or plan of a State or the United States, or

(iii) Had adversely affected employment interrupted to serve as a full-time representative of a labor organization in such firm or subdivision, or

(iv) Is on call-up for the purpose of active duty in a reserve status in the Armed Forces of the United States (if such week began after August 1, 1990), provided such active duty is "Federal service" as defined in part 614 of this chapter,

shall be treated as a week of employment at wages of \$30 or more;

(2) *Provided, that—*

(i) Not more than 7 weeks in the case of weeks described in paragraph (a)(2)(iii)(B)(1) (i) or (iii) of this section, or both, and

(ii) Not more than 26 weeks described in paragraph (a)(2)(iii)(B)(1) (ii) or (iv) of this section,

may be treated as weeks of employment for purposes of paragraph (a)(2)(iii) of this section.

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(C) Wages and employment creditable under paragraph (a)(2)(iii) of this section shall not include employment or wages earned or paid for employment which is contrary to or prohibited by any Federal law.

(iv) *Entitlement to UI.* The individual must have been entitled to (or would have been entitled to if the individual had applied therefor) UI for a week within the benefit period—

(A) in which the individual's first qualifying separation occurred, or

(B) which began (or would have begun) by reason of the filing of a claim for UI by the individual after such first qualifying separation.

(v) *Exhaustion of UI.* The individual must:

(A) Have exhausted all rights to any UI to which the individual was entitled (or would have been entitled if the individual had applied therefor); and

(B) Not have an unexpired waiting period applicable to the individual for any such UI.

(vi) *Extended Benefit work test.* (A) The individual must—

(1) Accept any offer of suitable work, as defined in §617.3(kk), and actually apply for any suitable work the individual is referred to by the State agency, and

(2) Actively engage in seeking work and furnish the State agency tangible evidence of such efforts each week, and

(3) Register for work and be referred by the State agency to suitable work, in accordance with those provisions of the applicable State law which apply to claimants for Extended Benefits and which are consistent with part 615 of this chapter.

(B) The Extended Benefit work test shall not apply to an individual with respect to claims for TRA for weeks of unemployment beginning prior to the filing of an initial claim for TRA, nor for any week which begins before the individual is notified that the individual is covered by a certification issued under the Act and is fully informed of the Extended Benefit work test requirements of paragraph (a)(2)(vi) of this section and §617.17. Prior to such notification and advice, the individual shall not be subject to the Extended Benefit work test requirements, nor to any State timely

filing requirement, but shall be required to be unemployed and able to work and available for work with respect to any such week except as provided in §617.17(b)(2) for workers enrolled in, or participating in, a training program approved under §617.22(a).

(vii) *Participation in training.* (A) The individual must—

(1) Be enrolled in or participating in a training program approved pursuant to §617.22(a), or

(2) Have completed a training program approved under §617.22(a), after a total or partial separation from adversely affected employment within the certification period of a certification issued under the Act, or

(3) Have received from the State agency a written statement under §617.19 waiving the participation in training requirement for the individual.

(B) The participation in training requirement of paragraph (a)(2)(vii) of this section shall not apply to an individual with respect to claims for TRA for weeks of unemployment beginning prior to the filing of an initial claim for TRA, nor for any week which begins before the individual is notified that the individual is covered by a certification issued under the Act and is fully informed of the participation in training requirement of paragraph (a)(2)(vii) of this section and §617.19.

(C) The participation in training requirement of paragraph (a)(2)(vii) of this section shall apply, as a qualifying requirement for TRA, to an individual with respect to claims for TRA for weeks of unemployment commencing on or after November 21, 1988, and beginning with the first week following the week in which a certification covering the individual is issued under the Act, unless the State agency has issued a written statement to the individual under §617.19 waiving the participation in training requirement for the individual.

(D) For purposes of paragraph (a)(2)(vii) of this section, the following definitions shall apply:

(1) *Enrolled in Training.* A worker shall be considered to be enrolled in training when the worker's application for training is approved by the State agency and the training institution has

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furnished written notice to the State agency that the worker has been accepted in the approved training program which is to begin within 30 calendar days of the date of such approval. (A waiver under § 617.19 shall not be required for an individual who is enrolled in training as defined herein.)

(2) *Completed Training.* A worker shall be considered to have completed a training program if the training program was approved, or was approvable and is approved, pursuant to § 617.22, and the training was completed subsequent to the individual's total or partial separation from adversely affected employment within the certification period of a certification issued under the Act, and the training provider has certified that all the conditions for completion of the training program have been satisfied.

(3) *Special rules for workers separated in 1981 to 1986 period.* (i) *Basic conditions.* Under section 1425(b) of the Omnibus Trade and Competitiveness Act of 1988 (the "OTCA") (Pub. L. 100-418) the time limit on the eligibility period for basic TRA in section 233(a)(2) of the Act (before and after the amendment by Public Law 100-418), and the 210-day time limit in section 233(b) of the Act on the filing of a bona fide application for training in order to qualify for additional TRA, are set aside and shall be disregarded for any individual separated from adversely affected employment in the period which began on August 13, 1981, and ended on April 7, 1986: *Provided,* That, any such individual must meet all of the following requirements of paragraphs (a)(3)(i)(A) through (E) of this section to qualify for TRA for any week.

(A) *Period of separation.* The separation of the individual must have occurred on a date within the period which began on August 13, 1981 and ended on April 7, 1986.

(B) *Total separation required.* Such separation must be a "total separation" as defined in § 617.3(11), and a "total qualifying separation" as defined in § 617.3(t)(3)(i)(B); and, for the purposes of determining whether an individual has been continuously unemployed, as defined in § 617.3(t)(3)(i)(E), only the last such total separation

within the August 13, 1981 to April 7, 1986 period shall be taken into account.

(C) *Other standard requirements.* The individual must, with respect to such total separation, meet all of the requirements of paragraphs (a)(2)(i) through (v) of this section.

(D) *Participation in training.* (1) The individual must meet the requirements of paragraph (a)(2)(vii) of this section, with respect to being enrolled in or participating in a training program approved pursuant to § 617.22(a), as to each week TRA is claimed, and not be ineligible under § 617.18(b)(2) for failure to begin participation in such training or for ceasing to participate in such training.

(2) With respect to participation in training, as required under paragraph (a)(3) of this section, the break in training provisions of § 617.15(d) shall be applicable, and the waiver of participation provisions in § 617.19 shall not be applicable.

(E) *Continuously unemployed.* (1) The individual must have been continuously unemployed since the date of the individual's total separation referred to in paragraph (a)(2)(vii)(B) of this section, not taking into account for the purposes of this determination any work in which the individual was employed in seasonal employment, odd jobs, or part-time, temporary employment.

(2) For purposes of § 617.11(a)(3)(i)(E)(1), continuously unemployed shall mean the individual has not been engaged in any employment, except for seasonal employment, odd-jobs, or part-time, temporary employment. Employment shall be considered:

(i) *Seasonal employment* when seasonality provisions of the applicable State law are applicable to such employment; or

(ii) An *odd job* when the established period of employment occurs within five (5) consecutive days or less; or

(iii) *Part-time, temporary employment* when a termination date of one hundred fifty (150) days or less was established at the time of employment, and the average weekly hours for the job, over the period of employment, was less than 30 hours per week.

(ii) *TRA payments prospective only.* The provisions of paragraph (a)(3) of this section apply to payments of TRA only for weeks which begin after August 23, 1988, and with respect to training in which the individual becomes enrolled and begins participation before or after such date, and which is approved under §617.22(a) before or after such date. No payment of TRA may be authorized under paragraph (a)(3) of this section for any week which ends before such training is approved under §617.22(a).

(iii) *Other special rules.* (1) Although the last total qualifying separation of an individual will be used for the purposes of the determination under paragraph (a)(3)(i)(B) of this section, the individual's first qualifying separation (as defined in paragraph (t)(3)(ii) of §617.3) must be used to determine the weekly and maximum amounts payable to the individual in accordance with §§617.13 and 617.14.

(2) No individual shall be determined to be eligible for TRA under paragraph (a)(3) of this section if the individual has previously received all of the basic and additional TRA to which the individual was entitled.

(3) The 26-week eligibility period for additional TRA is applicable under paragraph (a)(3) of this section, as such term is defined in paragraph (m)(2) of §617.3.

(4) *Special rules for oil and gas workers—retroactive—*(i) *Basic conditions.* Under section 1421(a)(1)(B) of the OTCA, individuals employed by independent firms engaged in exploration or drilling for oil and natural gas who were separated after September 30, 1985, may be entitled, retroactively, to TAA program benefits, but only if, as to any such individual, all of the conditions in the following provisions of paragraph (a)(4) of this section are met.

(ii) *Prior certification.* Individuals covered by this paragraph (a)(4) do not include any individual covered under a certification (made with respect to the same firm or subdivision of a firm) that was issued under section 223 of the Act without regard to the amendments to section 222 of the Act (relating to oil and gas workers) made by section 1421(a)(1)(A) of the OTCA.

(iii) *Petition.* (A) To apply for a certification under section 223 covering workers referred to in section 1421(a)(1)(B) of the OTCA, a petition must have been filed in the Office of Trade Adjustment Assistance after August 23, 1988, and on or before November 18, 1988, by or on behalf of a group of workers of such a firm or subdivision of a firm.

(B) A petition, to be valid, may not be signed by or on behalf of an individual referred to in paragraph (a)(4)(ii) of this section.

(iv) *Certification.* (A) As provided in section 1421(a)(1)(B) of the OTCA, a certification issued pursuant to section 223 of the Act will not be subject to the one-year limitation on the impact date which is specified in section 223(b) of the Act, but the impact date of any such certification may not be a date earlier than October 1, 1985.

(B) A certification shall not be issued under the authority of section 1421(a)(1)(B) of the OTCA if a certification could have been issued under section 223 of the Act before or after the amendment made by section 1421(a)(1)(A) of the OTCA.

(v) *Coverage of certification.* Individuals covered by a certification issued under the authority of section 1421(a)(1)(B) of the OTCA will be eligible to apply for TAA program benefits as follows:

(A) Basic and additional TRA, retroactively and prospectively, subject to the conditions stated in paragraph (a)(4) of this section;

(B) Training, prospectively, subject to the conditions stated in subpart C of this part;

(C) Job search allowances, prospectively, subject to the conditions stated in subpart D of this part; and

(D) Relocation allowances, prospectively, subject to the conditions stated in subpart E of this part.

(vi) *TRA entitlement.* To qualify for TRA for any week, an individual must meet all of the following requirements of paragraphs (a)(4)(vi)(A) through (D) of this section;

(A) *Certification.* The individual must be an adversely affected worker covered under a certification issued pursuant to section 223 of the Act and under

the authority of section 1421(a)(1)(B) of the OTCA.

(B) *Date of separation.* The date of the individual's most recent total separation (as defined in §617.3) must be a date after September 30, 1985, and within the certification period of the certification under which the worker is covered. Separations occurring prior to October 1, 1985, shall be disregarded for the purposes of determining whether an individual experienced a total separation after September 30, 1985.

(C) *Other standard requirements.* (1) With respect to weeks of unemployment that begin after September 30, 1985, but prior to November 21, 1988, the individual must, with respect to the separation referred to in paragraph (a)(4)(vi)(B) of this section, meet all of the requirements of paragraph (a)(1)(i) through (vii) of this section, and

(2) With respect to weeks of unemployment that begin on or after November 21, 1988, the individual must meet all of the requirements of paragraphs (a)(2)(i) through (vii) of this section.

(D) *Other special rules.* (1) Although an individual's most recent total or partial separation after September 30, 1985 must be used for the purposes of this paragraph (a)(4)(vi)(B) of this section, the individual's first qualifying separation (as defined in paragraph (t)(3)(ii) of §617.3) must be used to determine the weekly and maximum amounts payable to the individual in accordance with §§617.13 and 617.14.

(2) The 60-day preclusion rule in paragraph (b)(1) of this section shall not be applicable to an individual covered by a certification referred to in paragraph (a)(4)(vi)(A) of this section, and who is eligible for TRA under the provisions of paragraph (a)(4) of this section.

(3) The 26-week eligibility period for additional TRA (as defined in paragraph (m)(2) of §617.3) is applicable under paragraph (a)(4) of this section.

(b) *First week of entitlement.* The first week any individual may be entitled to a payment of basic TRA shall be the later of:

(1) The first week beginning more than 60 days after the date of the filing of the petition which resulted in the certification under which the individual is covered (except in the case of

oil and gas workers to whom paragraph (a)(4) of this section applies); or

(2) The first week beginning after the individual's exhaustion of all rights to UI including waiting period credit, as determined under §617.11(a)(1)(v) or §617.11(a)(2), as appropriate.

[59 FR 928, Jan. 6, 1994]

§ 617.12 Evidence of qualification.

(a) *State agency action.* When an individual applies for TRA, the State agency having jurisdiction under §617.50(a) shall obtain information necessary to establish:

(1) Whether the individual meets the qualifying requirements in §617.11;

(2) The individual's average weekly wage; and

(3) For an individual claiming to be partially separated, the average weekly hours and average weekly wage in adversely affected employment.

(b) *Insufficient data.* If information specified in paragraph (a) of this section is not available from State agency records or from any employer, the State agency shall require the individual to submit a signed statement setting forth such information as may be required for the State agency to make the determinations required by paragraph (a) of this section.

(c) *Verification.* A statement made under paragraph (b) of this section shall be certified by the individual to be true to the best of the individual's knowledge and belief and shall be supported by evidence such as Forms W-2, paycheck stubs, union records, income tax returns, or statements of fellow workers, and shall be verified by the employer.

(d) *Determinations.* The State agency shall make the necessary determinations on the basis of information obtained pursuant to this section, except that if, after reviewing information obtained under paragraph (b) of this section against other available data, including agency records, it concludes that such information is not reasonably accurate, it shall make appropriate adjustments and shall make the determination on the basis of the adjusted data.

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§ 617.13 Weekly amounts of TRA.

(a) *Regular allowance.* The amount of TRA payable for a week of total unemployment (including a week of training approved under subpart C of this part 617 or under the provisions of the applicable State law) shall be an amount equal to the most recent weekly benefit amount of UI (including dependents' allowances) payable to the individual for a week of total unemployment preceding the individual's first exhaustion of UI following the individual's first qualifying separation: *Provided*, that in a State in which weeks of UI are paid in varying amounts related to wages with separate employers, the weekly amount of TRA shall be calculated as it would be to pay extended compensation: *Provided, further*, that where a State calculates a base amount of UI and calculates dependents' allowances on a weekly supplemental basis, TRA weekly benefit amounts shall be calculated in the same manner and under the same terms and conditions as apply to claimants for UI, except that the base amount shall not change.

(b) *Increased allowance.* An individual in training approved under subpart C of this part 617 who is thereby entitled for any week to TRA and a training allowance under any other Federal law for the training of workers shall be paid in the amount computed under paragraph (a) of this section or, if greater, the amount to which the individual would be entitled under such other Federal law if the individual applied for such allowance, as provided in section 232(b) of the Act. A payment under this paragraph (b) shall be in lieu of any training allowance to which the individual is entitled under such other Federal law.

(c) *Reduction of amount.* An amount of TRA payable under paragraph (a) or (b) of this section for any week shall be reduced (but not below zero) by:

(1) Income that is deductible from UI under the disqualifying income provisions of the applicable State law or Federal unemployment compensation law;

(2) The amount of a training allowance (other than a training allowance referred to in paragraph (b) of this section) under any Federal law that the

individual receives for such week, as provided in section 232(c) of the Act. This paragraph (c) shall apply to Veterans Educational Assistance, Pell Grants, Supplemental Educational Opportunity Grants, and other training allowances under any Federal law other than for the training of workers; and

(3) Any amount that would be deductible from UI for days of absence from training under the provisions of the applicable State law which apply to individuals in approved training.

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32349, Aug. 24, 1988]

§ 617.14 Maximum amount of TRA.

(a) *General rule.* Except as provided under paragraph (b) of this section, the maximum amount of TRA payable to an individual under a certification shall be the amount determined by:

(1) Multiplying by 52 the weekly amount of TRA payable to such individual for a week of total unemployment, as determined under § 617.13(a); and

(2) Subtracting from the product derived under paragraph (a)(1) of this section, the total sum of UI to which the individual was entitled (or would have been entitled if the individual had applied therefor) in the individual's first benefit period described in § 617.11(a)(1)(iv) or, as appropriate, § 617.11(a)(2)(iv). The individual's full entitlement shall be subtracted under this paragraph, without regard to the amount, if any, that was actually paid to the individual with respect to such benefit period.

(b) *Exceptions.* The maximum amount of TRA determined under paragraph (a) of this section will not include:

(1) The amount of dependents' allowances paid as a supplement to the base weekly amount determined under § 617.13(a);

(2) The amount of the difference between the individual's weekly increased allowances determined under § 617.13(b) and the individual's weekly amount determined under § 617.13(a); and

(3) The amounts paid for additional weeks determined under § 617.15(b); but nothing in this paragraph (b) shall affect an individual's eligibility for

such supplemental, increased or additional allowances.

(c) *Reduction for Federal training allowance.* (1) If a training allowance referred to in §617.13(c)(2) is paid to an individual for any week of unemployment with respect to which the individual would be entitled (determined without regard to any disqualification under §617.18(b)(2)) to TRA, if the individual applied for TRA for such week, each week shall be deducted from the total number of weeks of TRA otherwise payable to the individual.

(2) If the training allowance referred to in paragraph (c)(1) of this section is less than the amount of TRA otherwise payable to the individual for such week, the individual shall, when the individual applies for TRA for such week, be paid TRA in an amount not to exceed the amount equal to the difference between the individual's regular weekly TRA amount, as determined under §617.13(a), and the amount of the training allowance paid to the individual for such week, as provided in section 232(c) of the Act.

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32349, Aug. 24, 1988; 54 FR 22277, May 23, 1989; 59 FR 931, Jan. 6, 1994]

§ 617.15 Duration of TRA.

(a) *Basic weeks.* An individual shall not be paid basic TRA for any week beginning after the close of the 104-week eligibility period (as defined in §617.3(m)(1)), which is applicable to the individual as determined under §§617.3(m)(1), 617.3(t), and 617.67(e).

(b) *Additional weeks.* (1) To assist an individual to complete training approved under subpart C of this part, payments may be made as TRA for up to 26 additional weeks in the 26-week eligibility period (as defined in §617.3(m)(2)) which is applicable to the individual as determined under §§617.3(m)(2) and 617.67(f).

(2) To be eligible for TRA for additional weeks, an individual must make a bona fide application for such training—

(i) within 210 days after the date of the first certification under which the individual is covered, or

(ii) if later, within 210 days after the date of the individual's most recent partial or total separation (as defined

in §§617.3(cc) and 617.3(ll)) under such certification.

(3) Except as provided in paragraph (d) of this section, payments of TRA for additional weeks may be made only for those weeks in the 26-week eligibility period during which the individual is actually participating fully in training approved under §617.22(a).

(c) *Limit.* The maximum TRA payable to any individual on the basis of a single certification is limited to the maximum amount of basic TRA as determined under §617.14 plus additional TRA for up to 26 weeks as provided in paragraph (b) of this section.

(d) *Scheduled breaks in training.* (1) An individual who is otherwise eligible will continue to be eligible for basic and additional weeks of TRA during scheduled breaks in training, but only if a scheduled break is not longer than 14 days, and the following additional conditions are met:

(i) The individual was participating in the training approved under §617.22(a) immediately before the beginning of the break; and

(ii) The break is provided for in the published schedule or the previously established schedule of training issued by the training provider or is indicated in the training program approved for the worker; and, further

(iii) The individual resumes participation in the training immediately after the break ends.

(2) A scheduled break in training shall include all periods within or between courses, terms, quarters, semesters and academic years of the approved training program.

(3) No basic or additional TRA will be paid to an individual for any week which begins and ends within a scheduled break that is 15 days or more.

(4) The days within a break in a training program that shall be counted in determining the number of days of the break for the purposes of paragraph (d) of this section shall include all calendar days beginning with the first day of the break and ending with the last day of the break, as provided for in the schedule of the training provider, except that any Saturday, Sunday, or official State or National holiday occurring during the scheduled break in training, on which training would not

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normally be scheduled in the training program if there were no break in training, shall not be counted in determining the number of days of the break for the purposes of paragraph (d) of this section.

(5) When the worker is drawing basic TRA, the maximum amount of TRA payable is not affected by the weeks the worker does not receive TRA while in a break period, but the weeks will count against the 104-week eligibility period.

(6) When the worker is drawing additional weeks of TRA to complete training, any weeks for which TRA is not paid will count against the continuous 26-week eligibility period and the number of weeks payable.

[59 FR 931, Jan. 6, 1994]

§ 617.16 Applicable State law.

(a) *What law governs.* The applicable State law for any individual, for all of the purposes of this part 617, is the State law of the State—

(1) In which the individual is entitled to UI (whether or not the individual has filed a claim therefor) immediately following the individual's first separation (as defined in paragraph (t)(1) of § 617.3), or

(2) If the individual is not so entitled to UI under the State law of any State immediately following such first separation, or is entitled to UI under the Railroad Unemployment Insurance Act (RRUI), the State law of the State in which such first separation occurred.

(b) *Change of law.* The State law determined under paragraph (a) of this section to be the applicable State law for an individual shall remain the applicable State law for the individual until the individual becomes entitled to UI under the State law of another State (whether or not the individual files a claim therefor).

(c) *UI entitlement.* (1) An individual shall be deemed to be entitled to UI under a State law if the individual satisfies the base period employment and wage qualifying requirements of such State law.

(2) In the case of a combined-wage claim (Part 616 of this chapter), UI entitlement shall be determined under the law of the paying State.

(3) In case of a Federal UI claim, or a joint State and Federal UI claim (Parts 609 and 614 of this Chapter), UI entitlement shall be determined under the law of the State which is the applicable State for such claims.

(d) *RRUI claimants.* If an individual is entitled to UI under the Railroad Unemployment Insurance Act, the applicable State law for purposes of paragraphs (a) and (b) of this section is the law of the State in which the individual's first qualifying separation occurs.

(e) *Liable State.* The State whose State law is determined under this section to be the applicable State law for any individual shall be the liable State for the individual for all purposes of this part 617. Any State other than the liable State shall be an agent State.

[59 FR 932, Jan. 6, 1994]

§ 617.17 Availability and active search for work.

(a) *Extended Benefit work test applicable.* Except as provided in paragraph (b) of this section, an individual shall, as a basic condition of entitlement to basic TRA for a week of unemployment—

(1) be unemployed, as defined in the applicable State law for UI claimants, and

(2) be able to work and available for work, as defined in the applicable State law for UI claimants, and

(3) satisfy the Extended Benefit work test in each week for which TRA is claimed, as set forth in §§ 617.11(a)(1)(vi) and 617.11(a)(2)(vi).

(b) *Exceptions—*(1) *Prior to November 21, 1988.* The conditions stated in paragraphs (a) and (b) of this section shall not be applicable to an individual actually participating in training approved under the applicable State law or under § 617.22(a), or during a scheduled break in the training program if (as determined for the purposes of § 617.15 (d)) the individual participated in the training immediately before the beginning of the break and resumes participation in the training immediately after the break ends, unless the individual is ineligible or subject to disqualification under the applicable State law or § 617.18 (b)(2).

(2) *On and after November 21, 1988.* The conditions stated in paragraphs (a)(2) and (a)(3) of this section shall not be

applicable to an individual who is enrolled in or participating in a training program approved under § 617.22 (a), or during a break in the training program if (as determined for the purposes of § 617.15(d)) the individual participated in the training immediately before the beginning of the break and resumes participation in the training immediately after the break ends.

[59 FR 932, Jan. 6, 1994]

§ 617.18 Disqualifications.

(a) *State law applies.* Except as stated in paragraph (b) of this section and § 617.55(b), an individual shall not be paid TRA for any week of unemployment the individual is or would be disqualified to receive UI under the disqualification provisions of the applicable State law, including the provisions of the applicable State law which apply to EB claimants and which are consistent with section 202(a)(3) of the Federal-State Extended Unemployment Compensation Act of 1970.

(b) *Disqualification of trainees—(1) State law inapplicable.* A State law shall not be applied to disqualify an individual from receiving either UI or TRA because the individual:

(i) Is enrolled in or is participating in a training program approved under § 617.22(a); or

(ii) Refuses work to which the individual has been referred by the State agency, if such work would require the individual to discontinue training, or if added to hours of training would occupy the individual more than 8 hours a day or 40 hours a week, except that paragraph (b)(1)(ii) of this section shall not apply to an individual who is ineligible under paragraph (b)(2) of this section; or

(iii) Quits work, if the individual was employed in work which was not suitable (as defined in § 617.22(a)(1)), and it was reasonable and necessary for the individual to quit work to begin or continue training approved for the individual under § 617.22(a).

(2) *Trainees ineligible.* (i) An individual who, without justifiable cause, fails to begin participation in a training program which is approved under § 617.22(a), or ceases to participate in such training, or for whom a waiver is revoked pursuant to § 617.19(c), shall

not be eligible for basic TRA, or any other payment under this part 617, for the week in which such failure, cessation, or revocation occurred, or any succeeding week thereafter until the week in which the individual begins or resumes participation in a training program that is approved under § 617.22(a).

(ii) For purposes of this section and other provisions of this Part 617, the following definitions shall be used:

(A) *Failed to begin participation.* A worker shall be determined to have failed to begin participation in a training program when the worker fails to attend all scheduled training classes and other training activities in the first week of the training program, without justifiable cause.

(B) *Ceased participation.* A worker shall be determined to have ceased participation in a training program when the worker fails to attend all scheduled training classes and other training activities scheduled by the training institution in any week of the training program, without justifiable cause.

(C) *Justifiable cause.* For the purposes of paragraph (b)(2) of this section, the term “justifiable cause” means such reasons as would justify an individual’s conduct when measured by conduct expected of a reasonable individual in like circumstances, including but not limited to reasons beyond the individual’s control and reasons related to the individual’s capability to participate in or complete an approved training program.

(c) *Disqualification while in OJT.* In no case may an individual receive TRA for any week with respect to which the worker is engaged in on-the-job training.

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32350, Aug. 24, 1988; 59 FR 932, Jan. 6, 1994]

§ 617.19 Requirement for participation in training.

(a) *In general—(1) Basic requirement.* (i) All individuals otherwise entitled to basic TRA, for all weeks beginning on and after November 21, 1988, must either be enrolled in or participating in a training program approved under § 617.22(a), or have completed a training program approved under § 617.22(a), as provided in § 617.11(a)(2)(vii), in order to

be entitled to basic TRA payments for any such week (except for continuation of payments during scheduled breaks in training of 14 days or less under the conditions stated in §617.15(d)). The training requirement of paragraph (a)(1)(i) of this section shall be waived in writing on an individual basis, solely in regard to entitlement to basic TRA, if approval of training for the individual is not feasible or is not appropriate, as determined in accordance with paragraph (a)(2) of this section.

(ii) As a principal condition of entitlement to additional TRA payments, all individuals must actually be participating in a training program approved under §617.22(a), for all weeks beginning before November 21, 1988, and for all weeks beginning on and after November 21, 1988 (except for continuation of payments during breaks in training under the conditions stated in §617.15(d)). Paragraph (a)(2) of this section is not applicable in regard to additional TRA, and the participation in training requirement of paragraph (a)(1)(ii) of this section may not be waived under any circumstances.

(2) *Waiver of participation requirement.* When it is determined, in accordance with paragraph (a)(2) of this section, that it is not feasible or is not appropriate (as such terms are defined in paragraph (b) of this section) to approve a training program for an individual otherwise entitled to basic TRA, the individual shall be furnished a formal written notice of waiver, with an explanation of the reason(s) for the waiver and a statement of why training is not feasible or is not appropriate in the case of such individual. At a minimum, the written statement furnished to the individual shall contain information required by §617.50(e) as well as the following information:

- (i) Name and social security number of the individual;
- (ii) Petition number under which the worker was certified;
- (iii) A statement why the agency has determined that it is not feasible or is not appropriate to approve training for the individual at that time, and the reason(s) for the finding;
- (iv) A statement that the waiver will be revoked at any time that feasible

and appropriate training becomes available;

(v) Any other advice or information the State agency deems appropriate in informing the individual;

(vi) Signature block (with signature) for the appropriate State official; and

(vii) Signature block (with signature) for the worker's acknowledgement of receipt.

(3) *Denial of a waiver.* In any case in which a determination is made to deny to any individual a waiver of the participation requirement, the individual shall be furnished a formal written notice of denial of waiver, which shall contain all of the information required of formal written notices under paragraph (a)(2) of this section.

(4) *Procedure.* Any determination under paragraph (a)(2) or paragraph (a)(3) of this section shall be a determination to which §§617.50 and 617.51 apply, including the requirement that any written notice furnished to an individual shall include notice of the individual's appeal rights as is provided in §617.50(e).

(b) *Reasons for issuing a waiver.* (1) For the purposes of paragraphs (a)(2) and (a)(3) of this section, a waiver of the participation in training requirement shall be issued to an individual only upon a supported finding that approval of a §617.22(a) training program for that individual is not feasible or is not appropriate at that time.

(i) *Feasible and appropriate.* For the purposes of this section:

(A) *Feasible.* The term *feasible* means:

(1) training is available at that time which meets all the criteria of §617.22(a);

(2) the individual is so situated as to be able to take full advantage of the training opportunity and complete the training; and

(3) funding is available to pay the full costs of the training and any transportation and subsistence expenses which are compensable.

The funding referred to in paragraph (b)(1)(i)(A)(3) of this section includes not only TAA program funds but also all other funds available under any of the provisions of the Job Training Partnership Act (including Title III) or any other Federal, State or private

source that may be utilized for training approvable under §617.22(a). Further, the individual's situation in respect to undertaking training (as referred to in paragraph (b)(1)(i)(A)(2) of this section) shall include taking into account personal circumstances that preclude the individual from being able to participate in and complete the training program, such as the availability of transportation, the ability to make arrangements for necessary child care, and adequate financial resources if the weeks of training exceeds the duration of UI and TRA payments.

(B) *Appropriate*. The term *appropriate* means being suitable or compatible, fitting, or proper. Appropriate, therefore, refers to suitability of the training for the worker (including whether there is a reasonable prospect which is reasonably foreseeable that the individual will be reemployed by the firm from which separated), and compatibility of the training for the purposes of the TAA Program. In these respects, suitability of training for the individual is encompassed within the several criteria in §617.22 (a), and compatibility with the program is covered by the various provisions of subpart C of this part which describe the types of training approvable under §617.22(a) and the limitations thereon.

(ii) *Basis for application*. Whether training is feasible or appropriate at any given time is determined by finding whether, at that time, training suitable for the worker is available, the training is approvable under subpart C of this part including the criteria in §617.22(a), the worker is so situated as to be able to take full advantage of the training and satisfactorily complete the training, full funding for the training is available from one or more sources in accordance with §§617.24 and 617.25, the worker has the financial resources to complete the training when the duration of the training program exceeds the worker's eligibility for TRA, and the training will commence within 30 days of approval.

(2) *Particular applications*. The reasons for any determination that training is not feasible or is not appropriate shall be in accord with the following:

(i) *Not feasible* because—

(A) The beginning date of approved training is beyond 30 days, as required by the definition for "Enrolled in training" in §617.11(a)(2)(vii)(D),

(B) Training is not reasonably available to the individual,

(C) Training is not available at a reasonable cost,

(D) Funds are not available to pay the total costs of training, or

(E) Personal circumstances such as health or financial resources, preclude participation in training or satisfactory completion of training,

(F) Other (explain).

(ii) *Not appropriate* because—

(A)(I) The firm from which the individual was separated plans to recall the individual within the reasonably foreseeable future (State agencies must verify planned recalls with the employer),

(2) *Planned recall*. For the purpose of determining whether the recall or reemployment of an individual is reasonably foreseeable (for the purposes of this section and §617.22), either a specific or general type of recall (as set out) shall be deemed to be sufficient.

(i) *Specific recall*. A specific recall is where an individual or group of individuals who was separated from employment is identified and notified by the employer to return to work within a specified time period.

(ii) *General recall*. A general recall is where the employer announces an intention to recall an individual or group of individuals, or by other action reasonably signals an intent to recall, without specifying any certain date or specific time period.

(iii) *Reasonably foreseeable*. For purposes of determining whether training should be denied and a training waiver granted, because of a planned recall that is reasonably foreseeable, such a planned recall includes a specific recall and also includes a general recall (as defined in paragraph (b)(2)(ii)(A)(2) of this section) if the general recall in each individual's case is reasonably expected to occur before the individual exhausts eligibility for any regular UI payments for which the individual is or may become entitled. A general recall, in which the timing of the recall is reasonably expected to occur after the individual's exhaustion of any regular UI

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to which the individual is or may become entitled, shall not be treated as precluding approval of training, but shall be treated as any other worker separation for these purposes.

(B) The duration of training suitable for the individual exceeds the individual's maximum entitlement to basic and additional TRA payments and the individual cannot assure financial responsibility for completing the training program.

(C) The individual possesses skills for "suitable employment" and there is a reasonable expectation of employment in the foreseeable future, or

(D) Other (explain).

(3) *Waivers and able and available.* An individual who has been furnished a written notice of waiver under paragraph (a)(2) of this section (or denial of waiver under paragraph (a)(3) of this section) shall be subject to all of the requirements of §617.17(a), which shall continue until the individual is enrolled in a training program as required by paragraph (a)(2)(vii) of §617.11.

(c) *Waiver review and revocations.* (1) State agencies must have a procedure for reviewing regularly (*i.e.*, every 30 days or less) all waivers issued under this section to individuals, to ascertain that the conditions upon which the waivers were granted continue to exist. In any case in which the conditions have changed—*i.e.*, training has become feasible and appropriate—then the waiver must be revoked, and a written notice of revocation shall be furnished to the individual involved.

(2) In addition to the periodic reviews required by paragraph (c)(1) of this section, State agencies must have a procedure for revoking waivers in individual cases promptly whenever a change in circumstances occurs. For example, a written notice of revocation shall be issued to the individual concurrent with the approval of the training in which the individual has enrolled (if such training is scheduled to commence within 30 days), and shall not be issued prior to such approval.

(3) State agencies may incorporate a revocation section in the waiver form or on a separate revocation form. Any determination under paragraph (c) of this section shall be a determination to

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which §§617.50 and 617.51 apply. The information included in a written notice of revocation issued under this paragraph (c) shall include all of the information required for written notices issued under paragraph (a)(2) of this section.

(d) *Recordkeeping and reporting.* (1) State agencies must develop procedures for compiling and reporting on the number of waivers issued and revoked, by reason, as specified in paragraphs (b) and (c) of this section, and report such data to the Department of Labor as requested by the Department.

(2) State agencies are not required to forward copies of individual waiver and revocation notices to the Department of Labor, unless specifically requested by the Department. However, each State agency shall retain a copy of every individual waiver and revocation notice issued by the State, for such period of time as the Department requires.

(Approved by the Office of Management and Budget under control number 1205-0016)

[59 FR 932, Jan. 6, 1994]

Subpart C—Reemployment Services

§617.20 Responsibilities for the delivery of reemployment services.

(a) *State agency referral.* Cooperating State agencies shall be responsible for:

(1) Advising each adversely affected worker to apply for training with the State agency responsible for reemployment services, while the worker is receiving UI payments, and at the time the individual files an initial claim for TRA; and

(2) Referring each adversely affected worker to the State agency responsible for training and other reemployment services in a timely manner.

(b) *State agency responsibilities.* The responsibilities of cooperating State agencies under subpart C of this part include, but are not limited to:

(1) Interviewing each adversely affected worker regarding suitable training opportunities reasonably available to each individual under subpart C of this part, reviewing such opportunities with each individual, informing each

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individual of the requirement for participation in training as a condition for receiving TRA, and accepting each individual's application for training. Such training may be approved for any adversely affected worker at any time after a certification is issued and the worker is determined to be covered without regard to whether the worker has exhausted all rights to unemployment insurance;

(2) Registering adversely affected workers for work;

(3) Informing adversely affected workers of the reemployment services and allowances available under the Act and this Part 617, the application procedures, the filing date requirements for such reemployment services and the training requirement for receiving TRA;

(4) Determining whether suitable employment, as defined in § 617.22(a)(1), is available;

(5) Providing counseling, testing, placement, and supportive services;

(6) Providing or procuring self-directed job search training, when necessary;

(7) Providing training, job search and relocation assistance;

(8) Developing a training plan with the individual;

(9) Determining which training institutions offer training programs at a reasonable cost and with a reasonable expectation of employment following the completion of such training, and procuring such training;

(10) Documenting the standards and procedures used to select occupations and training institutions in which training is approved;

(11) Making referrals and approving training programs;

(12) Monitoring the progress of workers in approved training programs;

(13) Developing, and periodically reviewing and updating reemployment plans for adversely affected workers;

(14) Developing and implementing a procedure for reviewing training waivers and revocations at least every 30 days to determine whether the conditions under which they are issued have changed; and

(15) Coordinating the administration and delivery of employment services, benefits, training, and supplemental

assistance for adversely affected workers with programs under the Act and under Title III of the Job Training Partnership Act.

[59 FR 934, Jan. 6, 1994]

§ 617.21 Reemployment services and allowances.

Reemployment services and allowances shall include, as appropriate, the services and allowances as set forth in this section, provided that those services included within the scope of paragraphs (a) through (e) of this section shall be provided for under any other Federal law other than the Act.

(a) *Employment registration.* To ensure, so far as practical, that individuals are placed in jobs which utilize their highest skills and that applicants qualified for job openings are appropriately referred, applications for registration shall be taken on adversely affected workers who apply for reemployment services.

(b) *Employment counseling.* When local job opportunities are not readily available, counseling shall be used to assist individuals to gain a better understanding of themselves in relation to the labor market so that they can more realistically choose or change an occupation or make a suitable job adjustment.

(c) *Vocational testing.* Testing shall be used to determine which individual skills or potentials can be developed by appropriate training.

(d) *Job development.* A State agency shall develop jobs for individuals by soliciting job interviews from public or private employers and shall work with potential employers to customize or restructure particular jobs to meet individual needs.

(e) *Supportive services.* Supportive services shall be provided so individuals can obtain or retain employment or participate in employment and training programs leading to eventual placement in permanent employment. Such services may include work orientation, basic education, communication skills, child care, and any other services necessary to prepare an individual for full employment in accordance with the individual's capabilities and employment opportunities.

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(f) *On-the-job training (OJT)*. OJT is training, in the public or private sector, and may be provided to an individual who meets the conditions for approval of training, as provided in § 617.22(a), and who has been hired by the employer, while the individual is engaged in productive work which provides knowledge or skills essential to the full and adequate performance of the job.

(g) *Classroom training*. This training activity is any training of the type normally conducted in a classroom setting, including vocational education, and may be provided to individuals when the conditions for approval of training are met, as provided in § 617.22(a), to impart technical skills and information required to perform a specific job or group of jobs. Training designed to enhance the employability of individuals by upgrading basic skills, through the provision of courses such as remedial education or English-as-a-second-language, shall be considered as remedial education approvable under § 617.22(a) if the criteria for approval of training under § 617.22(a) are met.

(h) *Self-directed job search*. Self-directed job search programs shall be initiated to assist individuals in developing skills and techniques for finding a job. Such programs vary in design and operation and call for a carefully structured approach to individual needs. There are basic elements or activities common to all approaches. These include:

(1) *Job search workshop*. A short (1-3 days) seminar designed to provide participants with knowledge on how to find jobs, including labor market information, applicant resume writing, interviewing techniques, and finding job openings.

(2) *Job finding club*. Encompasses all elements of the Job Search Workshop plus a period (1-2 weeks) of structured, supervised application where participants actually seek employment.

(i) *Job search allowances*. The individual, if eligible, shall be provided job search allowances under subpart D of this part 617 to defray the cost of seeking employment outside of the commuting area.

(j) *Relocation allowances*. The individual, if eligible, shall be provided relocation allowances under subpart E of this part 617 to defray the cost of moving to a new job outside of the commuting area.

[51 FR 45848, Dec. 22, 1986, as amended at 59 FR 934, Jan. 6, 1994]

§ 617.22 Approval of training.

(a) *Conditions for approval*. Training shall be approved for an adversely affected worker if the State agency determines that:

(1) *There is no suitable employment (which may include technical and professional employment) available for an adversely affected worker.*

(i) This means that for the worker for whom approval of training is being considered under this section, no suitable employment is available at that time for that worker, either in the commuting area, as defined in § 617.3(k), or outside the commuting area in an area in which the worker desires to relocate with the assistance of a relocation allowance under subpart E of this part, and there is no reasonable prospect of such suitable employment becoming available for the worker in the foreseeable future. For the purposes of paragraph (a)(1) of this section only, the term "suitable employment" means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.

(2) *The worker would benefit from appropriate training*. (i) This means that there is a direct relationship between the needs of the worker for skills training or remedial education and what would be provided by the training program under consideration for the worker, and that the worker has the mental and physical capabilities to undertake, make satisfactory progress in, and complete the training. This includes the further criterion that the individual will be job ready on completion of the training program.

(3) *There is a reasonable expectation of employment following completion of such training*. (i) This means that, for that worker, given the job market conditions expected to exist at the time of

the completion of the training program, there is, fairly and objectively considered, a reasonable expectation that the worker will find a job, using the skills and education acquired while in training, after completion of the training. Any determination under this criterion must take into account that "a reasonable expectation of employment opportunities for the worker be available, or offered, immediately upon the completion of the approved training. This emphasizes, rather than negates, the point that there must be a fair and objective projection of job market conditions expected to exist at the time of completion of the training.

(4) *Training approved by the Secretary is reasonably available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as defined in section 195(2) of the Vocational Education Act of 1963, and employers).* (i) This means that training is reasonably accessible to the worker within the worker's commuting area at any governmental or private training (or education) provider, particularly including on-the-job training with an employer, and it means training that is suitable for the worker and meets the other criteria in paragraph (a) of this section. It also means that emphasis must be given to finding accessible training for the worker, although not precluding training outside the commuting area if none is available at the time within the worker's commuting area. Whether the training is within or outside the commuting area, the training must be available at a reasonable cost as prescribed in paragraph (a)(6) of this section.

(ii) In determining whether or not training is reasonably available, first consideration shall be given to training opportunities available within the worker's normal commuting area. Training at facilities outside the worker's normal commuting area should be approved only if such training is not available in the area or the training to be provided outside the normal commuting area will involve less charges to TAA funds.

(5) *The worker is qualified to undertake and complete such training.* (i) This em-

phasizes the worker's personal qualifications to undertake and complete approved training. Evaluation of the worker's personal qualifications must include the worker's physical and mental capabilities, educational background, work experience and financial resources, as adequate to undertake and complete the specific training program being considered.

(ii) Evaluation of the worker's financial ability shall include an analysis of the worker's remaining weeks of UI and TRA payments in relation to the duration of the training program. If the worker's UI and TRA payments will be exhausted before the end of the training program, it shall be ascertained whether personal or family resources will be available to the worker to complete the training. It must be noted on the worker's record that financial resources were discussed with the worker before the training was approved.

(iii) When adequate financial resources will not be available to the worker to complete a training program which exceeds the duration of UI and TRA payments, the training shall not be approved and consideration shall be given to other training opportunities available to the worker.

(6) *Such training is suitable for the worker and available at a reasonable cost.*

(i) Such training means the training being considered for the worker. Suitable for the worker means that paragraph (a)(5) of this section is met and that the training is appropriate for the worker given the worker's capabilities, background and experience.

(ii) Available at a reasonable cost means that training may not be approved at one provider when, all costs being considered, training substantially similar in quality, content and results can be obtained from another provider at a lower total cost within a similar time frame. It also means that training may not be approved when the costs of the training are unreasonably high in comparison with the average costs of training other workers in similar occupations at other providers. This criterion also requires taking into consideration the funding of training costs from sources other than TAA

funds, and the least cost to TAA funding of providing suitable training opportunities to the worker. Greater emphasis will need to be given to these elements in determining the reasonable costs of training, particularly in view of the requirements in §617.11(a)(2) and (3) that TRA claimants be enrolled in and participate in training.

(iii) For the purpose of determining reasonable costs of training, the following elements shall be considered:

(A) Costs of a training program shall include tuition and related expenses (books, tools, and academic fees), travel or transportation expenses, and subsistence expenses;

(B) In determining whether the costs of a particular training program are reasonable, first consideration must be given to the lowest cost training which is available within the commuting area. When training, substantially similar in quality, content and results, is offered at more than one training provider, the lowest cost training shall be approved; and

(C) Training at facilities outside the worker's normal commuting area that involves transportation or subsistence costs which add substantially to the total costs shall not be approved if other appropriate training is available.

(b) *Allowable amounts for training.* In approving a worker's application for training, the conditions for approval in paragraph (a) of this section must be found to be satisfied, including assurance that the training is suitable for the worker, is at the lowest reasonable cost, and will enable the worker to obtain employment within a reasonable period of time. An application for training shall be denied if it is for training in an occupational area which requires an extraordinarily high skill level and for which the total costs of the training are substantially higher than the costs of other training which is suitable for the worker.

(c) *Previous approval of training under State law.* Training previously approved for a worker under State law or other authority is not training approved under paragraph (a) of this section. Any such training may be approved under paragraph (a) of this section, if all of the requirements and limitations of paragraph (a) of this section and

other provisions of Subpart C of this part are met, but such approval shall not be retroactive for any of the purposes of this Part 617, including payment of the costs of the training and payment of TRA to the worker participating in the training. However, in the case of a redetermination or decision reversing a determination denying approval of training, for the purposes of this Part 617 such redetermination or decision shall be given effect retroactive to the issuance of the determination that was reversed by such redetermination or decision; but no costs of training may be paid unless such costs actually were incurred for training in which the individual participated, and no additional TRA may be paid with respect to any week the individual was not actually participating in the training.

(d) *Applications.* Applications for, selection for, approval of, or referral to training shall be filed in accordance with this subpart C and on forms which shall be furnished to individuals by the State agency.

(e) *Determinations.* Selection for, approval of, or referral of an individual to training under this subpart C, or a decision with respect to any specific training or non-selection, non-approval, or non-referral for any reason shall be a determination to which §§617.50 and 617.51 apply.

(f) *Length of training and hours of attendance.* The State agency shall determine the appropriateness of the length of training and the hours of attendance as follows:

(1) The training shall be of suitable duration to achieve the desired skill level in the shortest possible time;

(2) *Length of training.* The maximum duration for any approvable training program is 104 weeks (during which training is conducted) and no individual shall be entitled to more than one training program under a single certification.

(3) *Training program.* (i) For purposes of this Part 617, a training program may consist of a single course or group of courses which is designed and approved by the State agency for an individual to meet a specific occupational goal.

(ii) When an approved training program involves more than one course and involves breaks in training (within or between courses, or within or between terms, quarters, semesters and academic years), all such breaks in training are subject to the "14-day break in training" provision in §617.15(d), for purposes of receiving TRA payments. An individual's approved training program may be amended by the State agency to add a course designed to satisfy unforeseen needs of the individual, such as remedial education or specific occupational skills, as long as the length of the amended training program does not exceed the 104-week training limitation in paragraph (f)(2) of this section.

(4) *Full-time training.* Individuals in TAA approved training shall attend training full time, and when other training is combined with OJT attendance at both shall be not less than full-time. The hours in a day and days in a week of attendance in training shall be full-time in accordance with established hours and days of training of the training provider.

(g) *Training of reemployed workers.* Adversely affected workers who obtain new employment which is not suitable employment, as described in §617.22(a)(1), and have been approved for training may elect to:

(1) Terminate their jobs, or

(2) Continue in full- or part-time employment, to undertake such training, and shall not be subject to ineligibility or disqualification for UI or TRA as a result of such termination or reduction in employment.

(h) *Fees prohibited.* In no case shall an individual be approved for training under this subpart C for which the individual is required to pay a fee or tuition.

(i) *Training outside the United States.* In no case shall an individual be approved for training under this subpart C which is conducted totally or partially at a location outside the United States.

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32350, Aug. 24, 1988; 59 FR 935, Jan. 6, 1994]

§ 617.23 Selection of training methods and programs.

(a) *State agency responsibilities.* If suitable employment as described in §617.22(a)(1), is not otherwise available to an individual or group of individuals, it is the responsibility of the State agency to explore, identify, develop and secure training opportunities and to establish linkages with other public and private agencies, Private Industry Councils (PICs), employers, and Job Training Partnership Act (JTPA) service delivery area (SDA) grant recipients, as appropriate, which return adversely affected workers to employment as soon as possible.

(b) *Firm-specific retraining program.* To the extent practicable before referring an adversely affected worker to approved training, the State agency shall consult with the individual's adversely affected firm and certified or recognized union, or other authorized representative, to develop a retraining program that meets the firm's staffing needs and preserves or restores the employment relationship between the individual and the firm. The fact that there is no need by other employers in the area for individuals in a specific occupation for which training is undertaken shall not preclude the development of an individual retraining program for such occupation with the adversely affected firm.

(c) *Methods of training.* Adversely affected workers may be provided either one or a combination of the following methods of training:

(1) Insofar as possible, priority will be given to on-the-job training, which includes related education necessary to acquire skills needed for a position within a particular occupation, in the firm or elsewhere pursuant to §§617.24, 617.25, and 617.26, including training for which the firm pays the costs. This ensures that on-the-job training provides the skills necessary for the individual to obtain employment in an occupation rather than a particular job at a specific site; and

(2) Institutional training, with priority given to providing the training in public area vocational education schools if it is determined that such

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schools are at least as effective and efficient as other institutional alternatives, pursuant to §§617.24, 617.25, and 617.26.

(d) *Standards and procedures.* The State agency shall document the standards and procedures used to select occupations and training institutions in which training is approved. Such occupations and training shall offer a reasonable expectation (not necessarily a prior guarantee) of employment following such training.

(1) *Standards.* The State agency shall approve training in occupations for which an identifiable demand exists either in the local labor market or in other labor markets for which relocation planning has been implemented. If practicable, placement rates and employer reviews of curriculum shall be used as guides in the selection of training institutions.

(2) *Procedures.* In determining the types of training to be provided, the State agency shall consult with local employers, appropriate labor organizations, Job Service Improvement Program Committees, JTPA SDA grant recipients, PICs, local educational organizations, local apprenticeship programs, local advisory councils established under the Carl D. Perkins Vocational Education Act, and post-secondary institutions.

(3) *Exclusions.* In determining suitable training the State agency shall exclude certain occupations, where:

(i) Lack of employment opportunities exist as substantiated by job orders and other pertinent labor market data; or

(ii) The occupation provides no reasonable expectation of permanent employment.

§617.24 Preferred training.

Training programs that may be approved under §617.22(a) include, but are not limited to—

(a) On-the-job training,

(b) Any training program provided by a State pursuant to Title III of the Job Training Partnership Act,

(c) Any training program approved by a private industry council established under the Job Training Partnership Act,

(d) Any program of remedial education,

(e) Any training program (other than a training program described in paragraph (c) of §617.25) for which all, or any portion, of the costs of training the worker are paid—

(1) Under any other Federal or State program other than this Subpart C, or

(2) From any other source other than this section, but not including sources personal to the individual, such as self, relatives, or friends, and

(f) Any other training program approved by the Department.

[59 FR 936, Jan. 6, 1994]

§617.25 Limitations on training under Subpart C of this part.

The second sentence of amended section 236(a)(1) of the Act provides that an adversely affected worker shall be entitled to have payment of the costs of training approved under the Act paid on the worker's behalf, subject, however, "to the limitations imposed by" section 236. The limitations in section 236 which are implemented in this section concern the restrictions on approval of training which are related directly or indirectly to the conditions on training which are approvable or on the funding of training costs.

(a) *On-the-job training.* The costs of on-the-job training approved Subpart C of this part for a worker, which are paid from TAA funds, shall be paid in equal monthly installments. Such costs may be paid from TAA funds, and such training may be approved under subpart C of this part, however, only if the State agency determines that:

(1) No currently employed individual is displaced by such eligible worker, including partial displacement such as a reduction in the hours of non-overtime work, wages, or employment benefits;

(2) Such training does not impair existing contracts for services or collective bargaining agreements;

(3) In the case of training which would be inconsistent with the terms of a collective bargaining agreement, written concurrence has been obtained from the concerned labor organization;

(4) No other individual is on layoff from the same or any substantially equivalent job for which such eligible worker is being trained;

(5) The employer has not terminated the employment of any regular employee or otherwise reduced the work force with the intention of filling the vacancy so created by hiring the eligible worker;

(6) The job for which the eligible worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals;

(7) Such training is not for the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222 of the Act;

(8) The employer certifies to the State agency that the employer will continue to employ the eligible worker for at least 26 weeks after completing the training if the worker desires to continue such employment and the employer does not have due cause to terminate such employment;

(9) The employer has not received payment under this Subpart C or under any other Federal law for any other on-the-job training provided by such employer which failed to meet the requirements of paragraphs (a)(1) through (a)(6) of this section or such other Federal law; and

(10) The employer has not taken, at any time, any action which violated the terms of any certification described in paragraph (a)(8) of this section made by the employer with respect to any other on-the-job training provided by the employer for which the employer has received a payment under Subpart C of this part (or the prior provisions of Subpart C of this part).

(b) *Other authority and restrictions on funding—*

(1) *In general.* Section 236(a) contains several provisions which allow the costs of a training program approved under the Act to be paid—

(i) Solely from TAA funds,

(ii) Solely from other public or private funds, or

(iii) Partly from TAA funds and partly from other public or private funds, but also precludes the use of TAA funds or funds under another Federal law where such use of funds would result in duplication of payment of training costs. Those authorities and restric-

tions are spelled out in paragraph (b) of this section: *Provided*, that, private funds may not include funds from sources personal to the individual, such as self, relatives, or friends.

(2) *Section 236(a)(5)(E) of the Act.* (i) *In general.* Paragraph (5)(E) of section 236(a) of the Act specifies one of the types of training programs approvable under the Act, as including a program (other than a training program described in section 236(a)(7) (paragraph (b)(5) of this section)) for which all, or any portion, of the costs of the training program are paid—

(A) Under any Federal or State program other than the Act, or

(B) From any source other than TAA funds.

(ii) *Application.* Paragraph (E) of section 236(a)(5) of the Act thus authorizes prearrangements between cooperating State agencies administering the TAA program and the authorities administering any other Federal, State, or private funding source, to agree upon any mix of TAA funds and other funds for paying the costs of a training program approved under Subpart C of this part. Any such prearrangement must contain specific commitments from the other authorities to pay the costs they agree to assume.

(3) *Section 236(a)(6) of the Act.* (i) *In general.* Paragraph (6) of section 236(a) of the Act is related to section 236(a)(5)(E) in providing that the costs of a training program approved under the Act are not required to be paid from TAA funds to the extent that such costs are paid under any Federal or State program other than the Act or from any source other than the Act.

(ii) *Application.* (A) Although paragraph (6) of section 236(a) of the Act is expressed in terms of the costs not being *required* to be paid from TAA funds, it authorizes the mixing of TAA funds and funds from any other Federal, State or private source. Therefore, sharing the future costs of training is authorized where prior costs were paid from another Federal, State or private source, but this does not authorize reimbursement from TAA funds of any training costs which were incurred and for which payment became due prior to the approval of the training program under Subpart C of this

part. In utilizing the authority under paragraph (b)(3) of this section for sharing training costs, prearrangements shall be entered into as required under paragraph (b)(2) of this section before any TAA funds are obligated.

(B) Paragraph (6) of section 236(a) contains a special restriction on the authority derived thereunder to use TAA funds in sharing training costs. Therefore, before approving any training program under Subpart C of this part, which may involve sharing of the training costs under the authority of paragraph (b)(3) of this section, the cooperating State agencies for the TAA program shall require the worker to enter into a written agreement with the State under which TAA funds will not be applied for or used to pay any portion of the costs of the training the worker has reason to believe will be paid by any other governmental or private source.

(4) *Section 236(a)(4) of the Act.* (i) *In general.* (A) Paragraph (4) of section 236(a) of the Act (paragraph (3) of section 236(a) before August 23, 1988) continues to provide, as it did before the addition of paragraphs (5)(E), (6), and (7) to section 236(a), that:

(J) When the costs of training are paid from TAA funds under subpart C of this part, no other payment for such costs of training may be made under any other Federal law; and

(2) When the payment of the costs of training has already been made under any other Federal law, or the costs are reimbursable under any other Federal law and a portion of the costs has already been paid under such other Federal law, payment of such training costs may not be made from TAA funds.

(B) Paragraph (4) of section 236(a) also requires that: The provisions of paragraphs (b)(4)(i) (A)(1) and (A)(2) of this section shall not apply to, or take into account, any funds provided under any other provision of Federal law which are used for any purpose other than the direct payment of the identical costs incurred in training the adversely affected worker under the TAA Program, even if such other use has the effect of indirectly paying or reducing any portion of the costs involved in training the adversely affected worker.

(ii) *Application.* (A) Although the prohibition on duplicate payments in the first part of section 236(a)(4) remains fully implemented in this section, the second part of section 236(a)(4) on the sharing of costs from TAA funds and other Federal fund sources is modified by the explicit provisions of paragraphs (5)(E) and (6) of section 236(a), as set forth in paragraphs (b)(2) and (b)(3) of this section.

(B) When the direct costs of a training program approvable under subpart C of this part are payable from TAA funds and are also wholly or partially payable under another Federal law, or under any State law or from private, nongovernmental sources, the TAA Program agencies shall establish procedures which ensure that TAA funds shall not be utilized to duplicate funds available from another source, but this preclusion of duplication does not prohibit and shall not discourage sharing of costs under prearrangements authorized under paragraphs (b)(2) and (b)(3) of this section.

(C)(1) Therefore, pursuant to paragraph (4) of section 236(a), paragraph (b)(4) of this section continues to prohibit duplicate payment of training costs, which is consistent with the general prohibition expressed in subpart C of this part, against any use of TAA funds to duplicate payment of training costs in any circumstances. Paragraph (b)(4) of this section also continues to prohibit taking into account, in determining whether training costs are payable from TAA funds, any payments to the worker under any other Federal law which may have the effect of indirectly paying all or a portion of the training costs. Such indirect payments include Veterans Educational Assistance, Pell Grants, and Supplemental Educational Opportunity Grants, which are paid to the individual. However, any payments to the individual under these programs are deductible from TRA payable to the individual under §617.13(c)(2).

(2) When payments of Veterans Educational Assistance, Pell Grants, and Supplemental Educational Opportunity Grants are made to the training provider, instead of the individual, and are used for training costs, such payments shall be taken into account as direct

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payment of the training costs under other Federal law for the purposes of this section.

(5) *Section 236(a)(7) of the Act.* (i) *In general.* Paragraph (7) of section 236(a) of the Act provides that a training program shall not be approved under the Act if—

(A) all or a portion of the costs of such training program are paid under any nongovernmental plan or program,

(B) the adversely affected worker has a right to obtain training or funds for training under such plan or program, and

(C) such plan or program requires the worker to reimburse the plan or program from funds provided under the Act, or from wages paid under such training program, for any portion of the costs of such training program paid under the plan or program.

(ii) *Application.* Paragraph (7) of section 236(a), which is implemented in paragraph (b)(5) of this section, reinforces the prohibition in § 617.22(h) against approval of a training program under subpart C of this part if the worker is required to pay a fee or tuition. The provisions of paragraph (b) and paragraph (h) of this section shall be given effect as prohibiting the approval under subpart C of this part of any training program if the worker would be requested or required, at any time or under any circumstances, to pay any of the costs of a training program, however small, from any TAA funds given to the worker or from any other funds belonging to the worker from any source whatever. Aside from this stringent limitation, however, paragraph (7) of section 236(a) of the Act implicitly authorizes training approved under this subpart C to be wholly or partly funded from nongovernmental (*i.e.*, employer, union or other private) sources.

[59 FR 936, Jan. 6, 1994]

§ 617.26 Liable and agent State responsibilities.

(a) *Liable State.* The liable State means, for any individual, the State which administers the applicable State law (as determined under § 617.16). The liable State is responsible for making all determinations, redeterminations, and decisions on appeals on all claims

for program benefits under this part 617, including waivers and revocations of waivers pursuant to § 617.19, subsistence payments pursuant to § 617.27, and transportation payments pursuant to § 617.28. Upon receiving a copy of a certification issued by the Department, with respect to an affected firm in the State, the liable State also is responsible for publishing newspaper notices as provided in § 617.4(d), furnishing information and assistance to workers as provided in § 617.4, furnishing reemployment services under subparts C, D, and E of this part to all eligible workers covered by such certification, and carrying out other activities and functions required by the State's Agreement with the Secretary entered into pursuant to § 617.59. All determinations pertaining to any individual's eligibility for or entitlement to any program benefit under this part 617 shall be subject to the provisions of §§ 617.50 and 617.51.

(b) *Agent State.* Agent State means, for any individual, any State other than the liable State for the individual. Agent States shall be responsible for cooperating fully with the liable State and assisting the liable State in carrying out its activities and functions. These agent State responsibilities shall be part of the activities and functions undertaken by the agent States under their Agreements entered into pursuant to § 617.59. Agent State responsibilities include cooperating with liable States in taking applications and claims for TAA, providing reemployment services to certified workers in accordance with subparts B, C, D and E of this part, providing interstate claimants with TAA program information and assistance, assisting applicants or claimants to file claims for TAA program benefits and services, cooperating with the liable State by providing information needed to issue determinations, redeterminations, and decisions on appeals, and procuring and paying the cost of any approved training, including subsistence and transportation costs, according to determinations issued by the liable State.

[59 FR 938, Jan. 6, 1994]

§ 617.27 Subsistence payments.

(a) *Eligibility.* A trainee under this subpart C shall be afforded supplemental assistance necessary to pay costs of separate maintenance when the training facility is located outside the commuting area, but may not receive such supplemental assistance for any period for which the trainee receives such a payment under the JTPA, or any other law, or for any day referred to under § 617.28(c)(3) pursuant to which a transportation allowance is payable to the individual, or to the extent the individual is entitled to be paid or reimbursed for such expenses from any other source.

(b) *Amount.* Subsistence payments shall not exceed the lesser of:

(1) The individual's actual per diem expenses for subsistence; or

(2) 50 percent of the prevailing per diem rate authorized under the Federal travel regulations (see 41 CFR part 101-7) for the locale of the training.

(c) *Applications.* Applications for subsistence payments shall be filed in accordance with this subpart C and on forms which shall be furnished to trainees by the State agency. Such payments shall be made on completion of a week of training, except that at the beginning of a training project a State agency may advance a payment for a week if it determines that such advance is necessary to enable a trainee to accept training. An adjustment shall be made if the amount of an advance is less or more than the amount to which the trainee is entitled under paragraph (b) of this section. A determination as to an application made under this section shall be subject to §§ 617.50 and 617.51.

(d) *Unexcused absences.* No subsistence payment shall be made to an individual for any day of unexcused absence as certified by the responsible training facility.

§ 617.28 Transportation payments.

(a) *Eligibility.* A trainee under this subpart C shall be afforded supplemental assistance necessary to pay transportation expenses if the training is outside the commuting area, but may not receive such assistance if transportation is arranged for the trainee as part of a group and paid for

by the State agency or to the extent the trainee receives a payment of transportation expenses under another Federal law, or to the extent the individual is entitled to be paid or reimbursed for such expenses from any other source.

(b) *Amount.* A transportation allowance shall not exceed the lesser of:

(1) The actual cost for travel by the least expensive means of transportation reasonably available between the trainee's home and the training facility; or

(2) The cost per mile at the prevailing mileage rate authorized under the Federal travel regulations. See 41 CFR part 101-7.

(c) *Travel included.* Travel for which a transportation allowance shall be paid includes travel:

(1) At the beginning and end of the training program;

(2) When the trainee fails for good cause, as described in § 617.18(b)(2), to complete the training program; and

(3) For daily commuting, in lieu of subsistence, but not exceeding the amount otherwise payable as subsistence for each day of commuting.

(d) *Applications.* Applications for transportation payments shall be filed in accordance with this subpart C and on forms which shall be furnished to trainees by the State agency. Payments may be made in advance. An adjustment shall be made if the amount of an advance is less or more than the amount to which the trainee is entitled under paragraph (b) of this section. A determination as to an application made under this section shall be subject to §§ 617.50 and 617.51.

§ 617.29 Application of EB work test.

(a) *Registration for employment.* Adversely affected workers who have exhausted all rights to UI and who otherwise qualify for TRA under § 617.11, shall, except as provided in paragraph (b) of this section:

(1) Register for work and be referred to work by the State agency in the same manner as required for EB claimants under the applicable State law provisions which are consistent with section 202(a)(3) of the Federal-State Extended Unemployment Compensation Act of 1970; and

(2) Be subject to the work test requirements for EB claimants under the applicable State law provisions which are consistent with section 202(a)(3) of the Federal-State Extended Unemployment Compensation Act of 1970.

(b) *Exceptions.* Paragraph (a) of this section shall not apply to any week an individual is undergoing training approved under this subpart C.

(2) Total separation from adversely affected employment at the time the job search commences;

(3) Registration with the State agency which shall furnish the individual such reemployment services as are appropriate under subpart C of this part 617.

(4) A determination by the State agency that the individual has no reasonable expectation of securing suitable employment in the commuting area, and has a reasonable expectation of obtaining suitable employment of long-term duration outside the commuting area and in the area where the job search will be conducted. For the purposes of this section, the term "suitable employment" means suitable work as defined in §617.3(kk) (1) or (2), whichever is applicable to the individual; and

(5) Completion of the job search within a reasonable period not exceeding 30 days after the day on which the job search began.

(b) *Completion of job search.* A job search is deemed completed when the individual either secures employment or has contacted each employer to whom referred by the State agency in connection with a job search.

(c) *Verification of employer contacts.* The State agency shall verify contacts with employers certified by the individual.

[51 FR 45848, Dec. 22, 1986, as amended at 59 FR 938, Jan. 6, 1994]

Subpart D—Job Search Allowances

§ 617.30 General.

A job search allowance shall be granted an adversely affected worker to assist the individual in securing a job within the United States as provided in this subpart D.

§ 617.31 Applications.

(a) *Forms.* Applications for job search allowances shall be filed in accordance with this subpart D and on forms which shall be furnished to individuals by the State agency.

(b) *Submittal.* An application may be submitted to a State agency at any time by an individual who has been totally or partially separated whether or not a certification covering the individual has been made. However, an application must be submitted to a State agency before the job search begins for the job search allowance to be granted, and the job search may not be approved until after the individual is covered under a certification.

(c) *Time limits.* Notwithstanding paragraph (b) of this section, a job search allowance application may be approved only if submitted before:

(1) The 365th day after the date of the certification under which the individual is covered, or the 365th day after the date of the individual's last total separation, whichever is later; or

(2) The 182d day after the concluding date of training approved under subpart C of this part 617, or approved under the regulations superseded by this part 617.

§ 617.32 Eligibility.

(a) *Conditions.* Job search allowance eligibility requires:

(1) A timely filed application;

§ 617.33 Findings required.

(a) *Findings by liable State.* Before final payment of a job search allowance may be approved, the following findings shall be made by the liable State:

(1) The individual meets the eligibility requirements for a job search allowance specified in §617.32(a) (1) through (4);

(2) The application for a job search allowance was submitted by the individual within the time limits specified in §617.31(c); and

(3) The individual completed the job search within the time limits stated in §617.32(a)(5), and the requirements of paragraphs (b) and (c) of §617.32 have been met.

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(b) *Agent State.* (1) When an individual files an application for a job search allowance with respect to a job search conducted in a State other than the liable State, the State agency of the State in which the individual conducts the job search shall serve as the agent State and be responsible for assisting the individual in conducting the job search and in filing an application for a job search allowance with the liable State, and for assisting the liable State by furnishing to it any information required for the liable State's determination of the claim.

(2) The agent State shall cooperate fully with the liable State in carrying out its activities and functions with regard to such applications.

[59 FR 938, Jan. 6, 1994]

§ 617.34 Amount.

(a) *Computation.* The amount of a job search allowance shall be 90 percent of the total costs of each of the following allowable transportation and subsistence items:

(1) *Travel.* The more cost effective mode of travel reasonably available shall be approved by using:

(i) The actual cost of round trip travel by the most economical public transportation the individual reasonably can be expected to take from the individual's residence to the area of job search; or

(ii) The cost per mile at the prevailing mileage rate authorized under the Federal travel regulations (*see* 41 CFR part 101-7) for such roundtrip travel by the usual route from the individual's residence to the area of job search.

(2) *Lodging and meals.* The cost allowable for lodging and meals shall not exceed the lesser of:

(i) The actual cost to the individual of lodging and meals while engaged in the job search; or

(ii) 50 percent of the prevailing per diem allowance rate authorized under the Federal travel regulations (*see* 41 CFR part 101-7) for the locality where the job search is conducted.

(b) *Limit.* The total job search allowances paid to an individual under a certification may not exceed \$800, regardless of the number of job searches undertaken by the individual. The

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amounts otherwise payable under paragraph (a) of this section shall be reduced by any amounts the individual is entitled to be paid or reimbursed for such expenses from any other source.

[51 FR 45848, Dec. 22, 1986, as amended at 51 FR 45869, Dec. 22, 1986; 53 FR 32351, Aug. 24, 1988; 59 FR 939, Jan. 6, 1994]

§ 617.35 Time and method of payment.

(a) *Determinations.* A State agency shall promptly make and record determinations necessary to assure entitlement of an individual to a job search allowance at any time, before or after a certification covering the individual is made. No job search allowance may be paid or advanced to an individual until the State agency determines that the individual is covered under a certification. A State agency shall make payment as promptly as possible upon determining that the individual is covered under a certification and is otherwise eligible.

(b) *Payment.* Unless paragraph (a) of this section applies, a job search allowance shall be paid promptly after an individual completes a job search and complies with paragraph (d) of this section.

(c) *Advances.* A State agency may advance an individual (except an individual not yet covered under a certification) 60 percent of the estimated amount of the job search allowance payable on completion of the job search, but not exceeding \$360, within 5 days prior to commencement of a job search. Such advance shall be deducted from any payment under paragraph (b) of this section.

(d) *Worker evidence.* On completion of a job search, the individual shall certify on forms furnished by the State agency as to employer contacts made and amounts expended daily for lodging and meals. Receipts shall be required for all lodging and purchased transportation expenses incurred by the individual pursuant to the job search. An adjustment shall be made if the amount of an advance is less or more than the amount to which the individual is entitled under § 617.34.

Subpart E—Relocation Allowances**§ 617.40 General.**

A relocation allowance shall be granted an adversely affected worker to assist the individual and the individual's family, if any, to relocate within the United States as stated in this subpart E. A relocation allowance may be granted an individual only once under a certification. A relocation allowance shall not be granted to more than one member of a family with respect to the same relocation. If applications for a relocation allowance are made by more than one member of a family as to the same relocation, the allowance shall be paid to the head of the family if otherwise eligible.

§ 617.41 Applications.

(a) *Forms.* Applications for a relocation allowance shall be filed in accordance with this subpart E and on forms which shall be furnished by the State agency.

(b) *Submittal.* An application may be submitted to the State agency at any time by an individual who has been totally or partially separated regardless of whether a certification covering the individual has been made. However, an application must be submitted to a State agency before the relocation begins for the relocation allowance to be granted, and the relocation may not be approved until after the individual is covered under a certification.

(c) *Time limits.* Notwithstanding paragraph (b) of this section, an application for a relocation allowance may not be approved unless submitted before:

(1) The 425th day after the date of the certification under which the individual is covered, or the 425th day after the date of the individual's last total separation, whichever is later; or

(2) The 182d day after the concluding date of training approved under subpart C of this part 617, or approved under the regulations superseded by this part 617.

§ 617.42 Eligibility.

(a) *Conditions.* Eligibility for a relocation allowance requires:

(1) A timely filed application;

(2) Total separation from adversely affected employment at the time relocation commences;

(3) No prior receipt of a relocation allowance under the same certification;

(4) Relocation within the United States and outside the individual's present commuting area;

(5) Registration with the State agency which shall furnish the individual such reemployment services as are appropriate under subpart C of this part 617;

(6) A determination by the State agency that the individual has no reasonable expectation of securing suitable employment in the commuting area, and has obtained suitable employment affording a reasonable expectation of employment of long-term duration, or a bona fide offer of such suitable employment, outside the commuting area and in the area of intended relocation. For the purposes of this section, the term "suitable employment" means suitable work as defined in § 617.3(kk) (1) and (2), whichever is applicable to the individual; and

(7) Relocation beginning within a reasonable period, as determined under § 617.43(b), and completion of such relocation within a reasonable period of time as determined in accordance with Federal travel regulations and § 617.43(a).

(b) *Job search.* Applications for a relocation allowance and a job search allowance may not be approved concurrently, but the prior payment of a job search allowance shall not otherwise preclude the payment of a relocation allowance.

[51 FR 45848, Dec. 22, 1986, as amended at 59 FR 939, Jan. 6, 1994]

§ 617.43 Time of relocation.

(a) *Applicable considerations.* In determining whether an individual's relocation is completed in a reasonable period of time, a State agency, among other factors, shall consider whether:

(1) Suitable housing is available in the area of relocation;

(2) The individual can dispose of the individual's residence;

(3) The individual or a family member is ill; and

(4) A member of the individual's family is attending school and when the

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member can best be transferred to a school in the area of relocation.

(b) *Time limits.* The reasonable period for actually beginning a relocation move shall expire 182 days after the date of application for a relocation allowance, or 182 days after the conclusion of training approved under subpart C of this part 617, or approved under the regulations in former 29 CFR part 91, in effect prior to its redesignation as this 20 CFR part 617 and its concurrent revision.

§ 617.44 Findings required.

(a) *Findings by liable State.* Before final payment of a relocation allowance may be approved, the following findings shall be made by the liable State:

(1) The individual meets the eligibility requirements for a relocation allowance specified in § 617.42(a) (1) to (6) and § 617.42(b).

(2) The application for a relocation allowance was submitted by the individual within the time limits specified in § 617.41(c);

(3) The individual began and completed the relocation within the limitations specified in § 617.42(a)(7) and § 617.43; and

(4) The liable State has verified (directly or through the agent State) with the employer, and finds, that the individual has obtained suitable employment affording a reasonable expectation of employment of long-term duration, or a bona fide offer of such suitable employment, in the area of intended relocation, in accordance with § 617.42(a)(6).

(b) *Agent State.* (1) When an individual relocates in a State other than the liable State, the State agency of the State in which the individual relocates shall serve as the agent State and be responsible for:

(i) Assisting the individual in relocating to the State, and in filing an application for a relocation allowance with the liable State, and

(ii) Assisting the liable State by furnishing to it any information required for the liable State's determination on the claim.

(2) The agent State shall cooperate with the liable State in carrying out its activities and functions with regard

to such applications. When requested by the liable State, the agent State shall verify with the employer and report to the liable State whether the individual has obtained suitable employment affording a reasonable expectation of employment of long-term duration, or a bona fide offer of such suitable employment.

[59 FR 939, Jan. 6, 1994]

§ 617.45 Amount.

(a) *Items allowable.* The amount payable as a relocation allowance shall include the following items:

(1) 90 percent of the travel expenses for the individual and family, if any, from the individual's place of residence to the area of relocation, as determined under § 617.46;

(2) 90 percent of the expenses of moving household goods and personal effects of the individual and family, if any, not to exceed the maximum number of pounds net weight authorized under the Federal travel regulations (*see* 41 CFR part 101-7), between such locations, as determined under § 617.47; and

(3) A lump sum payment, equal to 3 times the individual's average weekly wage, not to exceed \$800.

(b) *Reduction.* The amount otherwise payable under paragraphs (a)(1) and (a)(2) of this section shall be reduced by any amount the individual is entitled to be paid or reimbursed for such expenses from any other source.

[51 FR 45848, Dec. 22, 1986, as amended at 51 FR 45869, Dec. 22, 1986]

§ 617.46 Travel allowance.

(a) *Computation.* The amount of travel allowance (including lodging and meals) payable under § 617.45(a)(1) shall be 90 percent of the total costs of each of the following allowable transportation and subsistence items:

(1) *Transportation.* The more cost effective mode of transportation reasonably available shall be approved by using:

(i) The actual cost of transportation for the individual and family, if any, by the most economical public transportation the individual and family reasonably can be expected to take from

the individual's old residence to the individual's new residence in the area of relocation; or

(ii) The cost per mile at the prevailing mileage rate authorized under the Federal travel regulations (*see* 41 CFR part 101-7) for the usually traveled route from the individual's old residence to the individual's new residence in the area of relocation. No additional mileage shall be payable for family members traveling on the same trip in the same vehicle.

(2) *Lodging and meals.* The cost allowable for lodging and meals for an individual or each member of the individual's family shall not exceed the lesser of:

(i) The actual cost to the individual for lodging and meals while in travel status; or

(ii) 50 percent of the prevailing per diem allowance rate authorized under the Federal travel regulations (*see* 41 CFR part 101-7) for the locality to which the relocation is made.

(b) *Separate travel.* If, for good cause, a member or members of an individual's family must travel separately to the individual's new residence, 90 percent of the total costs of such separate travel, computed in accordance with paragraph (a) of this section, shall be included in calculating the total amount the individual is entitled to be paid under this subpart E. For purposes of this paragraph (b), good cause means such reasons as would justify the family member's inability to relocate with the other members of the individual's family, including but not limited to reasons related to the family member's health, schooling or economic circumstances.

(c) *Limitation.* In no case may the individual be paid a travel allowance for the individual or a member of the individual's family more than once in connection with a single relocation.

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32351, Aug. 24, 1988]

§ 617.47 Moving allowance.

(a) *Computation.* The amount of a moving allowance payable under § 617.45(a)(2) shall be 90 percent of the total of the allowable costs under either (1), (2), or (3) of this paragraph,

and 90 percent of the total allowable costs under (4) of this paragraph:

(1) *Commercial carrier.* Allowable costs for moving household goods and personal effects of an individual and family, if any, shall not exceed the maximum number of pounds net weight authorized under the Federal travel regulations (*see* 41 CFR part 101-7) by commercial carrier from the individual's old residence to the individual's new residence in the area of relocation, including reasonable and necessary accessorial charges, by the most economical commercial carrier the individual reasonably can be expected to use. Before undertaking such move, the individual must submit to the State agency an estimate from a commercial carrier as to the cost thereof. Accessorial charges shall include the cost of insuring such goods and effects for their actual value or \$10,000, whichever is least, against loss or damage in transit, if a bid from a licensed insurer is obtained by the individual and approved by the State agency before departure. If a State agency finds it is more economical to pay a carrier an extra charge to assume the responsibility of a common carrier for such goods and effects, 90 percent of such extra charge, but not exceeding \$50, shall be paid in lieu of the cost of insurance.

(2) *Trailer or rental truck—(i) Trailer.* If household goods and personal effects are moved by trailer, the allowable costs shall be:

(A) If the trailer is hauled by private vehicle, the cost per mile for the use of the private vehicle at the prevailing mileage rate authorized under the Federal travel regulations (*see* 41 CFR part 101-7) for the usually traveled route from the individual's old residence to the individual's new residence in the area of relocation; and

(B) If the trailer is rented, and of the type customarily used for moving household goods and personal effects, the rental fee for each day reasonably required to complete the move; or

(C) The actual charge if hauling is by commercial carrier,

(ii) *Rental truck.* If household goods and personal effects are moved by rental truck of the type customarily used

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for moving household goods and personal effects, the allowable costs shall be:

(A) The rental fee for each day reasonably required to complete the move; and

(B) The necessary fuel for such rental truck paid by the individual.

(3) *House trailer.* If a house trailer or mobile home was used as the individual's place of residence in the old area and will be so used in the new area, the allowable costs of moving such house trailer or mobile home shall be:

(i) The commercial carrier's charges for moving the house trailer or mobile home;

(ii) Charges for unblocking and re-blocking;

(iii) Ferry charges, bridge, road, and tunnel tolls, taxes, fees fixed by a State or local authority for permits to transport the unit in or through its jurisdiction, and retention of necessary flagmen; and

(iv) The cost of insuring the house trailer or mobile home, and the personal effects of the individual and family, against loss or damage in transit, in accordance with the provisions in paragraph (a)(1) of this section.

(4) *Temporary storage.* If temporary storage of household goods and personal effects is necessary, the cost of such temporary storage for a period not to exceed 60 days.

(b) *Travel.* Payments under this section shall be in addition to payments for travel expenses for the individual and family, if any, under § 617.45(a)(1), except that the allowable cost for a private vehicle used to haul a trailer may not be paid under this section if any cost with respect to such private vehicle is payable under any other provisions of this subpart E.

§ 617.48 Time and method of payment.

(a) *Determinations.* A State agency shall promptly make and record determinations necessary to assure an individual's entitlement to a relocation allowance at any time, before or after a certification covering the individual is made. No relocation allowance may be paid or advanced to an individual until the State agency determines that the individual is covered under a certification. A State agency shall make pay-

ment as promptly as possible upon determining that the individual is covered under a certification and is otherwise eligible.

(b) *Travel and moving allowances.* Allowances computed under §§ 617.46 and 617.47 shall be paid as follows:

(1) *Travel*—(i) *Transportation and subsistence.* The amounts estimated under § 617.46 at 90 percent of the lowest allowable costs shall be paid in advance at the time an individual departs from the individual's residence to begin relocation or within 10 days prior thereto. An amount payable for a family member approved for separate travel shall be paid to the individual at the time of such family member's departure or within 10 days prior thereto.

(ii) *Worker evidence.* On completion of a relocation, the individual shall certify on forms furnished by the State agency as to the amount expended daily for lodging and meals. Receipts shall be required for all lodging and purchased transportation expenses incurred by the individual and family, if any, pursuant to the relocation. An adjustment shall be made if the amount of an advance is less or more than the amount to which the individual is entitled under § 617.46.

(2) *Moving.* The amount estimated under § 617.47 at 90 percent of the lowest allowable costs shall be paid:

(i) *Commercial carrier.* (A) If household goods and personal effects are moved by commercial carrier, 90 percent of the amount of the estimate submitted by the individual under § 617.47(a)(1) and approved by the State agency for covering the cost of such move, and 90 percent of the other charges approved by the State agency under § 617.47(a)(1) shall be advanced by check or checks payable to the carrier and insurer, and delivered to the individual at the time of the scheduled shipment or within 10 days prior thereto. On completion of the move, the individual shall promptly submit to the State agency a copy of the bill of lading prepared by the carrier, including a receipt evidencing payment of moving costs. The individual shall with such submittal reimburse the State agency the amount, if any, by which the advance made under

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this paragraph (b)(2)(i) exceeds 90 percent of the actual moving costs approved by the State agency. The individual shall be paid the difference if the amount advanced was less than 90 percent of the actual moving costs approved by the State agency.

(B) If more economical, a State agency may make direct arrangements for moving and insuring an individual's household goods and personal effects with a carrier and insurer selected by the individual and may make payment of 90 percent of moving and insurance costs directly to the carrier and insurer. No such arrangement shall release a carrier from liability otherwise provided by law or contract for loss or damage to the individual's goods and effects. The United States shall not be or become liable to either party for personal injury or property loss damage under any circumstances.

(ii) *Trailer or rental truck*—(A) *Private vehicle with trailer*. If the move is by private vehicle and trailer, the allowable cost for the use of the private vehicle shall be made at the time payment is made under paragraph (b)(1) of this section.

(B) *Rental trailer or rental truck*. If the move is by rental trailer or rental truck:

(1) The individual shall submit an estimate of the rental cost from the rental agency; and

(2) 90 percent of such estimated rental cost may be advanced by check payable to the order of the individual and the rental agency at the time payment is made under paragraph (b)(1) of this section; and

(3) On completion of the move the individual shall submit promptly to the State agency a receipted bill itemizing and evidencing payment of the rental charges for the trailer or truck and fuel costs, and shall reimburse the State agency for the amount, if any, by which the advance made for the trailer or truck exceeds 90 percent of the rental charges approved by the State agency. If the amount of the advance was less than 90 percent of the rental charges, the individual shall be paid the difference.

(iii) *House trailer*. If a house trailer or mobile home is moved by commercial carrier, the individual shall submit to

the State agency an estimate of the cost of the move by the commercial carrier. A check for 90 percent of the amount of the estimate, if approved, payable to the individual and the carrier, may be delivered to the individual at the time of the scheduled move or within 10 days prior thereto.

(c) *Lump sum allowance*. The lump sum allowance provided in § 617.45(a)(3) shall be paid when arrangements are completed for relocation of the individual and family, if any, but not more than 10 days before the earlier of the individual's anticipated departure from the individual's residence to begin relocation or the anticipated date of shipment of the individual's household goods and personal effects.

(d) *Relocation completed*. A relocation is completed when an individual and family, if any, and their household goods and personal effects arrive at the individual's residence in the area of relocation. If no household goods and personal effects are moved, a relocation is completed when the individual and family, if any, arrive in the area of relocation and establish a residence in the new area. The later arrival of a family member approved for separate travel shall not alter the date a relocation was completed.

Subpart F—Job Search Program

§ 617.49 Job Search Program.

(a) *Program requirements*. (1) A worker, after being separated from adversely affected employment, must participate in an approved job search program (JSP), or have completed a JSP, as a condition for receiving TRA, except where the State agency determines that an acceptable JSP is not reasonably available.

(2) A TRA claimant is subject to participation in a JSP as a condition for receiving TRA for weeks of unemployment which begin after the date the claimant is notified of the requirement and has filed an initial claim for TRA. The claimant is not subject to the JSP as a condition for receiving TRA for weeks which begin prior to that date.

(3) When the State agency determines that the worker has failed to begin participation in an approved JSP, or ceased to participate in such a

JSP before completion, and there is no justifiable cause for such failure or cessation, no TRA may be paid to the worker for weeks beginning with the week that failure or cessation occurred when it is determined that such failure or cessation was without justifiable cause. TRA may be paid thereafter to an otherwise eligible worker only for weeks beginning with the week the worker begins or resumes participation in an approved JSP or complete the JSP. For purposes of this paragraph (a)(3), justifiable cause means such reasons as would justify an individual's conduct when measured by conduct expected of a reasonable individual in like circumstances, including but not limited to reasons beyond the individual's control and reasons related to the individual's capability to enroll in an approved JSP or complete the JSP.

(4) A worker in training approved under §§617.22 through 617.26, or approved by the State agency under State law, is excepted from the JSP qualifying requirement while the worker is attending and making satisfactory progress in the training. This exception applies whether training begins before or after entitlement to basic TRA commences, and also applies after training begins for a worker who is attending a JSP program. Exceptions to the JSP qualifying requirement must be documented in the worker's claim file by the State agency.

(b) *Approved JSPs.* A job search program may be approved if:

(1) The JSP is provided through the JTPA, the public employment service, or any other Federal or State funded program, and complies with paragraphs (w), (x), and (y) of §617.3.

(2) The JSP is sponsored by a company or firm from which the worker has been separated, and complies with paragraphs (w), (x), and (y) of §617.3.

(c) *Determination of reasonably available.* (1) Reasonably available means an existing approved JSP that is located in the worker's normal commuting area, as defined in §617.3, and has sufficient capacity to accommodate the worker.

(2) When the State determines that a JSP is not reasonably available for a worker, the requirement is not a condition of qualifying for TRA for the

weeks involved. When a determination is made with respect to a worker, the State agency must document its determination, and the weeks involved, in the worker's claim file, prior to making TRA payments to the worker.

(3) The State agency may issue a blanket waiver of the JSP qualifying requirement for TRA for groups of workers, where deemed appropriate, when it is determined that there is no functioning JSP.

(4) All determinations that a JSP is not reasonably available should extend only for that period of time that a JSP is not reasonably available, and the exception for workers in approved training should extend until the completion of training. If the State determines that a JSP is reasonably available at a later date, then the JSP qualifying requirement must be met for entitlement to basic TRA for weeks of unemployment beginning with the week in which JSP becomes reasonably available.

(d) *JSP allowances.* Subsistence and transportation costs shall be approved for workers participating in JSPs when deemed appropriate and within available State funding levels. Costs incurred may not exceed those allowable for training under §§617.27 and 617.28, if, and when, the State refers a worker to a JSP outside the normal commuting area.

(e) *Termination of requirement.* The job search program requirement set out in this section shall not be a condition of entitlement to TRA for any week which begins after November 20, 1988.

[53 FR 32351, Aug. 24, 1988, as amended at 54 FR 22277, May 23, 1989; 59 FR 939, Jan. 6, 1994]

Subpart G—Administration by Applicable State Agencies

§617.50 Determinations of entitlement; notices to individuals.

(a) *Determinations of initial applications for TRA or other TAA.* The State Agency whose State law is the applicable State law under §617.16 shall upon the filing of an initial application for TRA or other TAA promptly determine the individual's entitlement to such TRA or other TAA under this part 617, and may accept for such purposes information and findings supplied by another State agency under this part 617.

(b) *Determinations of subsequent applications for TRA or other TAA.* The State agency shall, upon the filing of an application for payment of TRA, or subsistence and transportation under §§ 617.27 and 617.28, with respect to a week, promptly determine whether the individual is eligible for a payment of TRA, or subsistence and transportation, with respect to such week, and, if eligible, the amount of TRA, or subsistence and transportation, for which the individual is eligible. In addition, the State agency promptly shall, upon the filing of a subsequent application for job search allowances (where the total of previous job search allowances paid the individual was less than \$600), determine whether the individual is eligible for job search allowances, and, if eligible, the amount of job search allowances for which the individual is eligible.

(c) *Redeterminations.* The provisions of the applicable State law concerning the right to request, or authority to undertake, reconsideration of a determination pertaining to a claim for UI under the applicable State law shall apply to determinations pertaining to all forms of TAA under this part 617.

(d) *Use of State law.* In making determinations or redeterminations under this section, or in reviewing such determinations or redeterminations under § 617.51, a State agency shall apply the regulations in this part 617. As to matters committed by this part 617 to the applicable State law, a State agency, a hearing officer, or a State court shall apply the applicable State law and regulations thereunder, including procedural requirements of such State law or regulations, except so far as such State law or regulations are inconsistent with this part 617 or the purpose of this part 617: *Provided*, that, no provision of State law or regulations on good cause for waiver of any time limit, or for late filing of any claim, shall apply to any time limitation referred to or specified in this part 617, unless such State law or regulation is made applicable by a specific provision of this part 617.

(e) *Notices to individual.* The State agency shall notify the individual in writing of any determination or redetermination as to entitlement to TAA.

Each determination or redetermination shall inform the individual of the reason for the determination or redetermination and of the right to reconsideration or appeal in the same manner as determinations of entitlement to UI are subject to redetermination or appeal under the applicable State law.

(f) *Promptness.* Full payment of TAA when due shall be made with the greatest promptness that is administratively feasible.

(g) *Procedure.* Except where otherwise required by the Act or this part 617, the procedures for making and furnishing determinations and written notices of determinations to individuals, shall be consistent with the Secretary's "Standard for Claim Determinations—Separation Information," *Employment Security Manual*, part V, sections 6010–6015 (appendix B of this part).

[51 FR 45848, Dec. 22, 1986, as amended at 59 FR 939, 943, Jan. 6, 1994]

§ 617.51 Appeals and hearings.

(a) *Applicable State law.* A determination or redetermination under this part 617 shall be subject to review in the same manner and to the same extent as determinations and redeterminations under the applicable State law, and only in that manner and to that extent. Proceedings for review of a determination or redetermination may be consolidated or joined with proceedings for review of a determination or redetermination under the State law where convenient or necessary. Procedures as to the right of appeal and opportunity for fair hearing shall be consistent with sections 303(a) (1) and (3) of the Social Security Act (42 U.S.C. 503(a) (1) and (3)).

(b) *Appeals promptness.* Appeals under paragraph (a) of this section shall be decided with a degree of promptness meeting the Secretary's "Standard on Appeals Promptness—Unemployment Compensation" (part 650 of this chapter). Any provisions of the applicable State law for advancement or priority of UI cases on judicial calendars, or otherwise intended to provide for prompt payment of UI when due, shall apply to proceedings involving entitlement to TAA under this part 617.

§ 617.52 Uniform interpretation and application.

(a) *First rule of construction.* The Act and the implementing regulations in this part 617 shall be construed liberally so as to carry out the purpose of the Act.

(b) *Second rule of construction.* The Act and the implementing regulations in this part 617 shall be construed so as to assure insofar as possible the uniform interpretation and application of the Act and this part 617 throughout the United States.

(c) *Effectuating purpose and rules of construction.* (1) To effectuate the purpose of the Act and this part 617 and to assure uniform interpretation and application of the Act and this part 617 throughout the United States, a State agency shall forward, not later than 10 days after issuance, to the Department a copy of any judicial or administrative decision ruling on an individual's entitlement to TAA under this part 617. On request of the Department, a State agency shall forward to the Department a copy of any determination or redetermination ruling on an individual's entitlement to TAA under this part 617.

(2) If the Department believes that a determination, redetermination, or decision is inconsistent with the Department's interpretation of the Act or this part 617, the Department may at any time notify the State agency of the Department's view. Thereafter, the State agency shall issue a redetermination or appeal if possible, and shall not follow such determination, redetermination, or decision as a precedent; and, in any subsequent proceedings which involve such determination, redetermination, or decision, or wherein such determination, redetermination, or decision is cited as precedent or otherwise relied upon, the State agency shall inform the claims deputy or hearing officer or court of the Department's view and shall make all reasonable efforts, including appeal or other proceedings in an appropriate forum, to obtain modification, limitation, or overruling of the determination, redetermination, or decision.

(3) If the Department believes that a determination, redetermination, or decision is patently and flagrantly viola-

tive of the Act or this part 617, the Department may at any time notify the State agency of the Department's view. If the determination, redetermination, or decision in question denies TAA to an individual, the steps outlined in paragraph (c)(2) of this section shall be followed by the State agency. If the determination, redetermination, or decision in question awards TAA to an individual, the benefits are "due" within the meaning of section 303(a)(1) of the Social Security Act (42 U.S.C. 503(a)(1)), and therefore must be paid promptly to the individual. However, the State agency, shall take the steps outlined in paragraph (c)(2) of this section, and payments to the individual may be temporarily delayed if redetermination or appeal action is taken not more than one business day following the day on which the first payment otherwise would be issued to the individual; and the redetermination action is taken or appeal is filed to obtain a reversal of the award of TAA and a ruling consistent with the Department's view; and the redetermination action or appeal seeks an expedited redetermination or appeal within not more than two weeks after the redetermination action is taken or the appeal is filed. If redetermination action is not taken or appeal is not filed within the above time limit, or a redetermination or decision is not obtained within the two-week limit, or any redetermination or decision or order is issued which affirms the determination, redetermination, or decision awarding TAA or allows it to stand in whole or in part, the benefits awarded must be paid promptly to the individual.

(4)(i) If any determination, redetermination, or decision, referred to in paragraph (c)(2) or paragraph (c)(3) of this section, is treated as a precedent for any future application for TAA, the Secretary will decide whether the Agreement with the State entered into under the Act and this part 617 shall be terminated and § 617.59(f) applied.

(ii) In the case of any determination, redetermination, or decision that is not legally warranted under the Act or

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this part 617, including any determination, redetermination, or decision referred to in paragraph (c)(2) or paragraph (c)(3) of this section, the Secretary will decide whether the State shall be required to restore the funds of the United States for any sums paid under such a determination, redetermination, or decision, and whether, in the absence of such restoration, the Agreement with the State shall be terminated and §617.59(f) applied and whether other action shall be taken to recover such sums for the United States.

(5) A State agency may request reconsideration of a notice issued pursuant to paragraph (c)(2) or paragraph (c)(3) of this section, and shall be given an opportunity to present views and arguments if desired. Such request shall be made to the Secretary and may include views and arguments on the matters to be decided by the Secretary under paragraph (c)(4) of this section.

(6) Concurrence of the Department in a determination, redetermination, or decision shall not be presumed from the absence of a notice issued pursuant to this section.

(Approved by the Office of Management and Budget under control number 1205-0222)

§ 617.53 Subpoenas.

A State agency may issue subpoenas for attendance of witnesses and production of records on the same terms and conditions as under the State law. Compliance may be enforced on the same terms and conditions as under the State law, or, if a State court declines to enforce a subpoena issued under this section, the State agency may petition for an order requiring compliance with such subpoena to the United States District Court within the jurisdiction of which the relevant proceeding under this part 617 is conducted.

§ 617.54 State agency rulemaking.

A State agency may establish supplemental procedures not inconsistent with the Act or this part 617 or procedures prescribed by the Department to further effective administration of this part 617. The exact text of such supplemental procedure or procedures, certified as accurate by a responsible offi-

cial, employee, or counsel of the State agency, shall be submitted to the Department, on a form supplied by the Department. No supplemental procedure shall be effective unless and until approved by the Department. Approval may be granted on a temporary basis, not to exceed 90 days, in cases of administrative necessity. On reasonable notice to a State agency, approval of a supplemental procedure may be withdrawn at any time. If public notice and opportunity for hearing would be required under a State law for adoption of a similar or analogous procedure involving UI, such public notice and opportunity for hearing shall be afforded by the State agency as to the supplemental procedure.

(Approved by the Office of Management and Budget under control number 1205-0222)

§ 617.55 Overpayments; penalties for fraud.

(a) *Determination and repayment.* (1) If a State agency or a court of competent jurisdiction determines that any person or individual has received any payment under this part 617 to which the person or individual was not entitled, including a payment referred to in paragraph (b) or paragraph (c) of this section, such person or individual shall be liable to repay such amount to the State agency, and the State agency shall recover any such overpayment in accordance with the provisions of this part 617; except that the State agency may waive the recovery of any such overpayment if the State agency determines, in accordance with the guidelines prescribed in paragraph (a)(2) of this section, that:

(i) The payment was made without fault on the part of such person or individual; and

(ii) Requiring such repayment would be contrary to equity and good conscience.

(2)(i)(A) In determining whether fault exists for purposes of paragraph (a)(1)(i) of this section, the following factors shall be considered:

(I) Whether a material statement or representation was made by the person or individual in connection with the application for TAA that resulted in the overpayment, and whether the person or individual knew or should have

known that the statement or representation was inaccurate.

(2) Whether the person or individual failed or caused another to fail to disclose a material fact, in connection with an application for TAA that resulted in the overpayment, and whether the person or individual knew or should have known that the fact was material.

(3) Whether the person or individual knew or could have been expected to know, that the person or individual was not entitled to the TAA payment.

(4) Whether, for any other reason, the overpayment resulted directly or indirectly, and partially or totally, from any act or omission of the person or individual or of which the person or individual had knowledge, and which was erroneous or inaccurate or otherwise wrong.

(5) Whether there has been a determination of fraud under paragraph (b) of this section or section 243 of the Act.

(B) An affirmative finding on any one of the factors in paragraphs (a)(2)(i)(A) of this section precludes waiver of overpayment recovery.

(ii)(A) In determining whether equity and good conscience exists for purposes of paragraph (a)(1)(ii) of this section, the following factors shall be considered:

(1) Whether the overpayment was the result of a decision on appeal, whether the State agency had given notice to the person or individual that the case has been appealed and that the person or individual may be required to repay the overpayment in the event of a reversal on appeal, and whether recovery of the overpayment will not cause extraordinary and lasting financial hardship to the person or individual.

(2) Whether recovery of the overpayment will not cause extraordinary financial hardship to the person or individual, and there has been no affirmative finding under paragraph (a)(2)(ii)(A) of this section with respect to such person or individual and such overpayment.

(B) An affirmative finding on either of the foregoing factors in paragraphs (a)(2)(ii)(A) of this section precludes waiver of overpayment recovery.

(C)(1) For the purpose of paragraph (a)(2)(ii) of this section, an extraor-

dinary financial hardship shall exist if recovery of the overpayment would result directly in the person's or individual's loss of or inability to obtain minimal necessities of food, medicine, and shelter for a substantial period of time; and an extraordinary and lasting financial hardship shall be extraordinary as described above and may be expected to endure for the foreseeable future.

(2) In applying this test in the case of attempted recovery by repayment, a substantial period of time shall be 30 days, and the foreseeable future shall be at least three months. In applying this test in the case of proposed recoupment from other benefits, a substantial period of time and the foreseeable future shall be the longest potential period of benefit entitlement as seen at the time of the request for a waiver determination. In making these determinations, the State agency shall take into account all potential income of the person or individual and the person's or individual's firm, organization, or family and all cash resources available or potentially available to the person or individual and the person's or individual's firm, organization, or family in the time period being considered.

(3) Determinations granting or denying waivers of overpayments shall be made only on request for a waiver determination. Such request shall be made on a form which shall be furnished to the person or individual by the State agency. Notices of determination of overpayments shall include an accurate description of the waiver provisions of paragraph (a) of this section, if the State agency has elected to allow waivers of TAA overpayments.

(4) Each State shall have the option to establish a policy as to whether the waiver provisions of this section shall be applied to TAA overpayments. A State's decision on its policy shall not be controlled by whether it waives UI overpayments, but the State's decision shall be published for the information of the public and the Department.

(5)(i) Unless an overpayment is otherwise recovered, or is waived under paragraph (a) of this section, the State agency shall recover the overpayment by deduction from any sums payable to such person or individual under:

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(A) This part 617;

(B) Any Federal unemployment compensation law administered by the State agency; or

(C) Any other Federal law administered by the State agency which provides for the payment of unemployment assistance or an allowance with respect to unemployment.

(i) In addition, a State agency may recover the overpayment from unemployment insurance payable to such person or individual under the State law.

(b) *Fraud.* If a State agency or a court of competent jurisdiction finds that any person or individual:

(1) Knowingly has made, or caused another to make, a false statement or representation of a material fact; or

(2) 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 non-disclosure, such individual has received any payment under this part 617 to which the person or individual was not entitled, such person or individual shall, in addition to any other penalty provided by law, be ineligible for any further payments under this part 617.

(c) *Training, job search and relocation allowances.* (1) If an individual fails, with good cause, to complete training, a job search, or a relocation, any payment or portion of a payment made under this part 617 to such individual or any person that is not properly and necessarily expended in attempting to complete such training, job search, or relocation, shall constitute an overpayment.

(2) If an individual fails, without good cause, to complete training, a job search, or a relocation, any payment made under this part 617 to such individual or any person shall constitute an overpayment.

(3) Such overpayment shall be recovered or waived as provided in paragraph (a) of this section.

(d) *Final determination.* Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under paragraph (a) of this section by the State agency has been made, notice of the determination and

an opportunity for a fair hearing thereon has been given to the person or individual concerned, and the determination has become final.

(e) *Deposit.* Any amount recovered by a State agency under this section shall be deposited into the Federal fund or account from which payment was made.

(f) *Procedural requirements.* (1) The provisions of paragraphs (c), (e), and (g) of §617.50 shall apply to determinations and redeterminations made pursuant to this section.

(2) The provisions of §617.51 shall apply to determinations and redeterminations made pursuant to this section.

(g) *Fraud detection and prevention.* State procedures for the detection and prevention of fraudulent overpayments of TAA shall be, as a minimum, commensurate with the procedures adopted by the State with respect to State unemployment compensation and consistent with the Secretary's "Standard for Fraud and Overpayment Detection," Employment Security Manual, Part V, sections 7510-7515 (Appendix C of this part).

(h) *Debts due the United States or Others.* (1) Notwithstanding any provision of this part 617, TAA payable to a person or an individual under this part 617 shall be applied by the State agency for the recovery by offset of any debt due the United States from the person or individual.

(2) TAA shall not be applied or used by the State agency in any manner for the payment of any debt of any person or individual to any State or any other entity or person, except that TRA payable to an individual shall be payable to someone other than the individual if required by State law and Federal law to satisfy the individual's obligation for child support or alimony.

(i) *Definition of person.* For purposes of this section, a person includes any employer or other entity or organization as well as the officers and officials thereof who may bear individual responsibility.

[59 FR 939, Jan. 6, 1994, as amended at 59 FR 943, Jan. 6, 1994]

§ 617.56 Inviolate rights to TAA.

Except as specifically provided in this part 617, the rights of individuals to TAA shall be protected in the same manner and to the same extent as the rights of persons to UI are protected under the applicable State law. Such measures shall include protection of applicants for TAA from waiver, release, assignment, pledge, encumbrance, levy, execution, attachment, and garnishment of their rights to TAA, except as provided in § 617.55. In the same manner and to the same extent, individuals shall be protected from discrimination and obstruction in regard to seeking, applying for, and receiving any right to TAA.

§ 617.57 Recordkeeping; disclosure of information.

(a) *Recordkeeping.* Each State agency will make and maintain records pertaining to the administration of the Act as the Secretary requires and will make all such records available for inspection, examination and audit by such Federal officials as the Secretary may designate or as may be required by law. Such recordkeeping will be adequate to support the reporting of TAA activity on reporting form ETA 563 approved under OMB control number 1205-0016.

(b) *Disclosure of information.* Information in records maintained by a State agency in administering the Act shall be kept confidential, and information in such records may be disclosed only in the same manner and to the same extent as information with respect to UI and the entitlement of individuals thereto may be disclosed under the applicable State law. Such information shall not, however, be disclosed to an employer or any other person except to the extent necessary to obtain information from the employer or other person for the purposes of this part 617. This provision on the confidentiality of information maintained in the administration of the Act shall not apply, however, to the Department or for the purposes of § 617.55 or paragraph (a) of this section, or in the case of information, reports and studies required pursuant to § 617.61, or where the result would be inconsistent with the Freedom of Information Act (5 U.S.C. 552),

the Privacy Act of 1974 (5 U.S.C. 552a), or regulations of the Department promulgated thereunder (*see* 29 CFR parts 70 and 70a).

§ 617.58 Unemployment insurance.

Unemployment insurance payable to an adversely affected worker shall not be denied or reduced for any week by reason of any right to a payment of TAA under the Act and this part 617.

§ 617.59 Agreements with State agencies.

(a) *Authority.* Before performing any function or exercising any jurisdiction under the Act and this part 617, a State or State agency (as defined in § 617.3(ii)) shall execute an Agreement with the Secretary meeting the requirements of the Act.

(b) *Execution.* An Agreement under paragraph (a) of this section shall be signed on behalf of a State or State agency by an authorized official of the State or such State agency, and the signature shall be dated. The authority of the State or State agency official shall be certified by the Attorney General of the State or counsel for the State agency, unless the Agreement is signed by the Governor of the State. An agreement will be executed on behalf of the United States by the Secretary.

(c) *Public access to Agreements.* The State agency will make available to any individual or organization an accurate copy of the Agreement with the Agency for inspection and copying. Copies of an Agreement may be furnished on request to any individual or organization upon payment of the same charges, if any, as apply to the furnishing of copies of other records of the State agency.

(d) *Amended Agreement.* A State or State agency shall execute an amended Agreement with the Secretary prior to administering any amendments to the TAA provisions of the Trade Act of 1974.

(e) *Agent of United States.* In making determinations, redeterminations, and in connection with proceedings for review thereof, a State or State agency which has executed an Agreement as provided in this section shall be an agent of the United States and shall

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carry out fully the purposes of the Act and this part 617.

(f) *Breach.* If the Secretary finds that a State or State agency has not fulfilled its commitments under its Agreement under this section, section 3302(c)(3) of the Internal Revenue Code of 1986 shall apply. A State or State agency shall receive reasonable notice and opportunity for hearing before a finding is made under section 3302(c)(3) whether there has been a failure to fulfill the commitments under the Agreement.

(g) *Secretary's review of State agency compliance.* The appropriate Regional Administrator shall be initially responsible for the periodic monitoring and reviewing of State and State agency compliance with the Agreement entered into under this section.

(h) *Program coordination.* State agencies providing employment services, training and supplemental assistance under Subpart C of this part shall, in accordance with their Agreements under this section, coordinate such services and payments with programs and services provided by State Service Delivery Areas, Private Industry Councils, and substate grantees under the Job Training Partnership Act and with the State agency administering the State law.

(i) *Administration absent State Agreement.* In any State in which no Agreement under this section is in force, the Secretary shall administer the Act and this part 617 and pay TAA hereunder through appropriate arrangements made by the Department, and for this purpose the Secretary or the Department shall be substituted for the State or cooperating State agency wherever appropriate in this part 617. Such arrangements shall include the requirement that TAA be administered in accordance with this part 617, and the provisions of the applicable State law except to the extent that such State law is inconsistent with any provision of this part 617 or section 303 of the Social Security Act (42 U.S.C. 503) or section 3304(a) of the Internal Revenue Code of 1986 (26 U.S.C. 3304(a)), and shall also include provision for a fair hearing for any individual whose application for TAA is denied. A final determination under paragraph (i) of this

section as to entitlement to TAA shall be subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. 405(g)).

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32351, Aug. 24, 1988; 59 FR 941, Jan. 6, 1994]

§ 617.60 Administration requirements. [Reserved]

§ 617.61 Information, reports, and studies.

A State agency shall furnish to the Secretary such information and reports and conduct such studies as the Secretary determines are necessary or appropriate for carrying out the purposes of the Act and this part 617.

§ 617.62 Transitional procedures.

The procedures for administering the Trade Act of 1974 before and after the amendments made by title XXV of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35) are as follows:

(a) *TRA.* The provisions contained in subpart B of this part 617 shall apply with respect to the qualifying requirements for TRA for adversely affected workers who are separated on or after October 1, 1981, and were not entitled to TRA for any week of unemployment beginning before October 1, 1981. In addition, such provisions shall apply to TRA payable for weeks of unemployment beginning after September 30, 1981, to adversely affected workers separated before October 1, 1981. Any adversely affected worker entitled to TRA for any week of unemployment beginning before October 1, 1981, shall be entitled to TRA as follows:

(1) *Weeks before October 1, 1981.* For weeks of unemployment beginning before October 1, 1981, TRA eligibility shall be determined under the provisions of the law and regulations in effect before the amendments made by title XXV of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35).

(2) *Weeks after September 30, 1981.* (i) *Basic weeks (UI exhaustion).* For any week of unemployment beginning after September 30, 1981, TRA eligibility for an individual who has exhausted all rights to UI prior to such week shall be

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determined under subpart B of this part 617, except that the maximum amount of basic TRA payable to the individual for any such week of unemployment shall be an amount equal to the product of the amount of TRA payable to the individual for a week of total unemployment (as determined under § 617.13(a)) multiplied by a factor determined by subtracting from fifty-two the sum of:

(A) The number of weeks preceding the first week which begins after September 30, 1981, including all weeks in the individual's first benefit period, and which are within the period covered by the same certification as such week of unemployment, for which the individual was entitled to a payment of TRA or UI (or would have been entitled to a payment of TRA or UI if the individual had applied therefor); plus

(B) The number of weeks preceding such first week that are deductible under section 232(d) of the Trade Act of 1974 in effect before the amendments made by the Omnibus Budget Reconciliation Act of 1981.

(C) The amount of TRA payable to an individual under this paragraph (a)(2)(i) shall be subject to adjustment on a week-to-week basis as may be required by § 617.13(b).

(ii) *Basic weeks UI entitlement.* For any week of unemployment beginning after September 30, 1981, TRA eligibility for an individual who still has entitlement to UI shall be discontinued until the individual exhausts all rights to UI as provided in § 6.17.11(a)(5). After exhaustion of all rights to UI, payment of TRA shall be determined under subpart B of this part 617, except that the maximum amount of basic TRA payable to the individual for ensuing weeks of unemployment shall be an amount equal to the remainder of:

(A) The maximum amount of basic TRA as computed under paragraph (a)(2)(i) of this section; *minus*

(B) The total sum of UI to which the individual was entitled (or would have been entitled if the individual had applied therefor) for weeks beginning after September 30, 1981.

(iii) *Additional weeks.* With respect to any week of unemployment beginning after September 30, 1981, for an individual who is in training approved

under section 236 of the Trade Act of 1974, and who was receiving TRA for basic or additional weeks beginning before October 1, 1981, the weekly amount of TRA for any additional weeks beginning after September 30, 1981, shall be determined under subpart B of this part 617.

(3) *Transitional eligibility period.* (i) *Basic weeks.* Any individual who was eligible for a basic TRA payment for any week beginning before October 1, 1981, shall not be eligible for a basic TRA payment for any week beginning after September 30, 1981, and which begins more than 52 weeks after the individual has exhausted all rights to regular compensation in the first benefit period (as provided in § 617.15(a)).

(ii) *Additional weeks.* Any individual who was eligible for a TRA payment for an additional week beginning before October 1, 1981, shall not be eligible for a TRA payment for any additional week beginning after September 30, 1981, unless such additional week begins within:

(A) 26 weeks after the last week of the individual's entitlement to basic TRA, or

(B) 78 weeks after the individual exhausted regular compensation in the first benefit period, whichever occurs first (as provided in § 617.15).

(b) *Training, other reemployment services, and allowances.* (1) Applications for training filed before October 1, 1981, concerning the approval of such training after September 30, 1981, shall be determined under subpart C of this part 617.

(2) Applications for transportation and subsistence payments while in training, and job search and relocation allowances filed after September 30, 1981, shall be determined under the applicable subpart C, D, or E of this part 617.

(3) Individuals who have had self-financed training approved prior to October 1, 1981, shall not be reimbursed for training and related expenses incurred while in such training. However, such individuals may have their eligibility for approved training considered under the criteria outlined in the amended section 236 of the Act and in

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§ 617.22, and, if approved, shall be entitled to have post-approval training costs paid.

(c) *Fraud and recovery of overpayments.* The fraud and overpayment recovery provisions of this subpart G shall take effect on August 13, 1981, and shall apply to all overpayments outstanding on that date or determined on or after that date.

(d) *Required amendments to State law.* The provisions of section 2514(a)(2)(D) of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35) (relating to amendment of State laws) shall apply to State laws for the purposes of certifications under section 3304(c) of the Internal Revenue Code of 1984 on October 31 of any taxable year after 1981; except that, in any State in which the legislature of that State—

(1) Does not meet in a session which begins after August 13, 1981, and before September 1, 1982, and

(2) If in session on August 13, 1981, and does not remain in session for at least 25 calendar days thereafter, the date of “1981” in this paragraph (d) shall be deemed to be “1982.”

[51 FR 45848, Dec. 22, 1986, as amended at 53 FR 32352, Aug. 24, 1988]

§ 617.63 Savings clause.

The amendments to the Act made by title XXV of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35) shall not abate or otherwise affect entitlement to TAA under the Trade Act of 1974 or any appeal which was pending on October 1, 1981, or on the date of enactment of any such amendment, as applicable, or prevent any appeal from any determination thereunder which did not become final prior to such applicable date if appeal or petition is filed within the time allowed for appeal or petition.

§ 617.64 Termination of TAA program benefits.

The following rules are applicable to the termination of TAA benefits under the Act:

(a) No application for TRA, or transportation or subsistence payment while in training approved under subpart C of this part 617, shall be approved, and no payment of TRA or payment for transportation or subsistence occurring on

or before the termination date shall be made after the termination date specified in the Act, unless the claim for TRA or an invoice for transportation and subsistence is presented to the State agency and a final determination is made on the amount payable on or before the termination date in the Act.

(b) No payment of job search or relocation allowances shall be made after the termination date specified in the Act, unless an application for such allowances was approved, such job search or relocation was completed, and a final determination made on the amount payable for such benefits by the State agency on or before the termination date in the Act.

(c) No training under subpart C of this part shall be approved unless a determination regarding the approval of such training was made on or before the termination date in the Act, and such training commenced on or before such termination date. Consistent with the requirements of section 236(a)(1) of the Act, and the termination provisions of paragraph (c) of this section, a final determination must be made on the invoice for the training costs by the State agency on or before the termination date specified in the Act to cover tuition related expenses. Determinations on tuition bills shall be limited to the training term, quarter, semester or other period beginning on or before the termination date in the Act. The training period should be in accord with normal billing practices of the training provider and/or State agency approval practices.

[59 FR 941, Jan. 6, 1994]

§ 617.65 Transition procedures for amendments in sections 2671 and 2672 of Pub. L. 98-369 (Deficit Reduction Act of 1984).

The procedures for administering the Trade Act of 1974 as amended by the Deficit Reduction Act of 1984 are as follows:

(a) *TRA.* (1) The provisions in subpart B of this part 617 shall apply to workers who would lose additional weeks of TRA payments because of delays in approving applications for training. Workers who filed timely, bona fide applications for training shall be eligible to receive additional weeks of TRA

payments beginning the first week of training when their applications for training are approved on or after July 18, 1984, and the first week of such training begins later than the first week which follows the last week of entitlement to basic TRA.

(2) Workers whose applications for training were approved prior to July 18, 1984, are covered under the provisions of the Trade Act of 1974 as in effect prior to July 18, 1984, and are not entitled to additional weeks of TRA by reason of the amendment in section 2671 of the Deficit Reduction Act of 1984 or § 617.15(b) of this part.

(b) *Job Search Allowances.* (1) The provisions in subpart D of this part 617 shall apply to timely applications for job search allowances that are approved on or after July 18, 1984.

(2) Workers whose applications for job search allowances that were filed timely but were approved before July 18, 1984, in the aggregate authorized amount of \$600, are covered under the provisions of the Trade Act of 1974 in effect prior to July 18, 1984, and are not entitled to receive the increase in the allowance level provided in section 2672(a) of the Deficit Reduction Act of 1984 and § 617.34(b) of this part.

(c) *Relocation allowances.* (1) The provisions in subpart E of this part 617 shall apply to timely applications for relocation allowances that are approved on or after July 18, 1984.

(2) Workers whose applications for relocations allowances were filed timely but were approved before July 18, 1984, are covered under the provisions of the Trade Act of 1974 in effect prior to July 18, 1984, and are not entitled to receive the increase in the lump sum allowance level provided in section 2672(b) of the Deficit Reduction Act of 1984 and § 617.45(a)(3) of this part.

[51 FR 45870, Dec. 22, 1986]

§ 617.66 Transition procedures for amendments in sections 13002 through 13009 of Pub. L. 99-272 (the Consolidated Omnibus Budget Reconciliation Act of 1985).

The procedures for administering the Trade Act of 1974 before and after the amendments made by the Pub. L. 99-272 are as follows:

(a) *Duration of TRA.* The provisions contained in § 617.15 expanding the eligibility period for payment of basic TRA benefits from 52 weeks to 104 weeks shall apply only to those claimants whose eligibility periods begin on or after April 7, 1986, or who have a previously established 52-week TRA eligibility period that ends on or after April 7, 1986. Workers with 52-week eligibility periods that end before April 7, 1986, will not have their eligibility periods extended to 104 weeks.

(b) *TRA payments—(1) Retroactive TRA payments.* Retroactive claims of eligible workers may be approved for weeks of unemployment beginning with the first week after the week which includes December 18, 1985. Claims for weeks beginning before April 7, 1986 (or, if later, before claimants are notified of their potential entitlement and have filed claims for retroactive benefits) are not subject to the application of the Extended Benefits (EB) work test, nor to the State timely filing requirement. Claimants shall be subject to those requirements for weeks of unemployment beginning after the date eligible workers are notified of such requirements and have filed claims for such benefits.

(2) *Employer-authorized leave, disability leave and union service.* The change to § 617.11(a)(3) for crediting weeks of specified leave to qualify for TRA will apply only to initial claims for basic TRA filed with the State agency by eligible workers on or after April 7, 1986.

(c) *Job search program.* The job search program requirement applies to workers certified under petitions for trade adjustment assistance filed with the Department on or after April 7, 1986.

(d) *Training and other amendments.* Other amendments in Pub. L. 99-272 are effective on April 7, 1986, and apply to applications for TAA benefits approved on or after April 7, 1986.

(e) *Application of Gramm-Rudman.* TRA payments to workers made under part 1 of chapter 2 of title II of the Trade Act of 1974 and this part shall be reduced by a percentage equal to the non-defense sequester percentage applied in the Sequestration Report (submitted under the Balanced Budget and Emergency Deficit Control Act of 1985

and dated January 21, 1986) of the Comptroller General of the United States for Fiscal Year 1986, for the period from March 1, 1986 to October 1, 1986.

[53 FR 32352, Aug. 24, 1988]

§ 617.67 Transition guidelines for the 1988 Amendments.

The provisions of part 3 of subtitle D of title I of the Omnibus Trade and Competitiveness Act of 1988 (the "OTCA"), Public Law 100-418, approved on August 23, 1988, made material changes in the TAA Program for workers that are reflected in the amended regulations published with this new section on transition guidelines for the 1988 Amendments. States and cooperating State agencies shall be guided by the following paragraphs of this section in the transition to the TAA Program as modified by the 1988 Amendments and reflected in the preceding provisions of this part 617, as well as in the interim operating instructions issued by the Department which are superseded by these regulations. The operating instructions in GAL 15-90, and the Changes thereto, shall continue in effect as guidance on the proper application of the 1988 Amendments except as modified in these final regulations. (GAL 15-90 is available from the Office of Trade Adjustment Assistance, U.S. Department of Labor, 200 Constitution Ave., NW., room C-4318, Washington, DC 20210.)

(a) *Oil and gas workers—prospective.* Workers in firms or appropriate subdivisions of firms engaged in exploration or drilling for oil or natural gas are newly covered under the TAA Program by an amendment to section 222 of the Trade Act of 1974. This is a permanent change in the Act having prospective effect, and became effective on August 23, 1988. Oil and gas workers covered by a certification issued pursuant to section 223 of the Act and the regulations at 29 CFR part 90 shall be entitled to basic and additional TRA and other TAA Program benefits on precisely the same terms and conditions as apply to other workers covered by other certifications and which are specifically set forth in this part 617.

(b) *Oil and gas workers—retroactive.* Oil and gas workers referred to in para-

graph (a) of this section, who were separated from adversely affected employment after September 30, 1985, are covered retroactively under section 1421(a)(1)(B) of the OTCA, if they are covered by a certification issued pursuant to section 223 of the Act which is in response to a petition filed in the Office of Trade Adjustment Assistance on or before November 18, 1988. Administration of TAA Program benefits to these workers shall be on precisely the same terms and conditions as apply to other workers covered by other certifications, except that the limitations of the impact date provision of section 223(b) and the 60-day preclusion in section 231(a) may not be applied to these workers.

(c) *Benefit information to workers.* (1) An amendment to section 225 of the Act requires individualized and published notices to workers covered by certifications issued pursuant to section 223 of the Act. This amendment became effective as a requirement on September 22, 1988, and is applicable to all certifications issued on and after that date. Individualized notices and published notices shall contain the information specifically set forth in this part 617.

(2) Section 239(f) of the Act requires cooperating State agencies to furnish four discrete items of information and advice to individuals about TAA Program benefits, commencing with such advice and information to every individual who applies for unemployment insurance under each State's unemployment compensation law. See § 617.4(e). This amendment became effective on August 23, 1988. Information and advice required by section 239(f) shall be provided in accordance with this part 617.

(d) *Training and eligibility requirements for TRA.* Effective on November 21, 1988, in general, enrollment and participation in, or completion of, a training program approved under subpart C is required as a condition of entitlement to basic TRA. Amendments to sections 231(a)(5), 231(b), and 231(c) of the Act incorporate this new requirement, replacing the job search program requirement which remains in effect

through November 20, 1988. Continuation of the job search program requirement through November 20, 1988, and installation of the training program requirement on and after November 21, 1988, is required of all applicants for basic TRA.

(e) *Eligibility period for basic TRA.* (1) Effective on August 23, 1988, and with respect to all decisions (*i.e.*, all determinations, redeterminations, and decisions on appeals) issued on or after that date, the eligibility period for basic TRA is changed from the prior law. Prior to the OTCA amendments, section 233(a)(2) provided that the eligibility period for an individual was a fixed 104-week period that immediately followed the week with respect to which the individual first exhausted all rights to regular benefits after the individual's first qualifying separation. Under section 233(a)(2) the new eligibility period is movable, and is the 104-week period that immediately follows the week in which the worker's most recent total qualifying separation occurs under the same, single certification. Under the effective date provisions of the OTCA, section 233(a)(2) applies to all decisions (*i.e.*, determinations, redeterminations, and decisions on appeals) issued on and after August 23, 1988. Further, the law to be applied in making any such decision is the law as in effect on the date such a decision is made. These interpretative rules apply in all cases, regardless of whether the total qualifying separation occurred before, on, or after August 23, 1988, except as noted in paragraph (e)(3) of this section.

(2) The major significance of the change in section 233(a)(2) is that, effective for all decisions (*i.e.*, determinations, redeterminations, and decisions on appeals) issued on or after August 23, 1988, it applies to the "most recent" total qualifying separation. This means that, after the first qualifying separation before August 23, 1988, or the first total qualifying separation on and after August 23, 1988, with each subsequent total qualifying separation of an individual under the same certification the individual's eligibility period must be redetermined as the 104-week period that immediately follows

the week in which such subsequent separation occurred.

(3) Section 1430(g) of the OTCA requires that the new eligibility period not be applied with respect to any total qualifying separation occurring before August 23, 1988, if as a result of applying section 233(a)(2) the individual would have an eligibility period with an earlier expiration date than the expiration date of the eligibility period established under the prior law and based on a first qualifying separation which occurred under the same certification before August 23, 1988. Therefore, for decisions (*i.e.*, determinations, redeterminations, and decisions on appeals) issued on or after August 23, 1988, for a worker who had a first qualifying separation under the same certification before August 23, 1988, it must be determined what the individual's eligibility period is based upon the prior law, and, if the individual also had a subsequent total qualifying separation, what the individual's eligibility period is based on the amended law. Only if the subsequent total qualifying separation occurred before August 23, 1988, and the expiration date of the new eligibility period ends on the same date or a later date than the expiration date of the old eligibility period may the new eligibility period be applied to the individual, and in that event it must be applied; if the new eligibility period would end on a date earlier than the ending date of the eligibility period based on the worker's first qualifying separation, section 1430(g) operates to preclude the application of amended section 233(a)(2).

(4) Computation of the weekly and maximum amounts of basic TRA do not change under the 1988 Amendments in the OTCA. They must continue to be based upon the first benefit period which is related to the worker's first total or partial separation under the same certification regardless of whether such first separation occurs before, on, or after August 23, 1988. Upon the occurrence of a second or subsequent separation under the same certification which is a total qualifying separation under this part 617, the individual's eligibility period will be 104 weeks after the week of such second or

subsequent (total qualifying) separation, but no change will be made in the weekly or maximum amounts of basic TRA as computed in relation to the first separation. Therefore, for any decision (*i.e.*, determination, redetermination, or decision on appeal) issued on or after August 23, 1988, whenever an individual files a new TRA claim it will be necessary to determine whether the individual's most recent separation was a total qualifying separation, and, if so, whether the individual had a prior partial or total separation within the certification period of the same certification which was a first qualifying separation. If such most recent (total qualifying) separation occurred before August 23, 1988, and was not the individual's first qualifying separation, then:

(i) The eligibility period will be the 104 weeks beginning with the week following the week in which the most recent total qualifying separation occurred *or* 104 weeks after the first exhaustion of regular UI following the first qualifying separation, whichever is longer, and

(ii) The individual's weekly amount of basic TRA, as computed under §617.13, and the individual's maximum amount of basic TRA, as computed under §617.14, are established or remain fixed as determined with respect to the individual's first benefit period following the first separation which is within the certification period of the certification covering the individual.

(f) *Eligibility period for additional TRA.* One technical and one conforming change are made by the OTCA in section 233(a)(3) of the Act, but have no effect on the 26-week eligibility period for additional TRA as the statute has been interpreted and applied in the past. Therefore, the 26-week eligibility period begins with the first week of training if the training begins after exhaustion of basic TRA. Further, if the training begins before approval is obtained under this part 617, the 26-week eligibility period begins with the week in which the determination of approval is issued, if there is any scheduled training session in that week after the date of the determination.

(g) *Eligibility for TRA during breaks in training.* (1) Paragraph (f) of section 233

of the Act, added by the OTCA, provides for the payment, under specified conditions, of both basic and additional TRA during scheduled breaks in a training program, provided the conditions for such payments are met as expressed in this part 617. By making this provision applicable to basic TRA as well as additional TRA, paragraph (f) of section 233 of the Act changes the prior law for both. Previously, basic TRA was payable during training breaks, but additional TRA was payable solely with respect to weeks of training. Under new section 233(f), both basic and additional TRA are payable during training breaks, but only if the break does not exceed 14 days. Now, as under the prior law, weeks when TRA is not payable will still count against the eligibility periods for both basic and additional TRA, and in the case of additional TRA it will also count against the number of weeks payable.

(2) Paragraph (f) of section 233 of the Act is effective with regard to all decisions (*i.e.*, all determinations, redeterminations, and decisions on appeals) made on or after August 23, 1988, regardless of when the training was approved under section 236 of the Trade Act, or whether the training was approved or is approvable under section 236 as amended by the 1988 Amendments, or when the break in training began or ended. In making any decision involving paragraph (f) of section 233 of the Act, the law to be applied is the law as in effect on the date the decision is made.

(h) *Retroactive eligibility for TRA.* (1) Effective on August 23, 1988, section 1425(b) of the OTCA provides for an open-ended waiver of the time limit in section 233(a)(2) on the eligibility period for basic TRA, and the 210-day time limit in section 233(b) on filing a bona fide application for training in order to qualify for additional TRA. This waiver provision applies solely to workers who experienced a total qualifying separation in the period which began on August 13, 1981 and ended on April 7, 1986. Other conditions must be met that are specified in section 1425(b) and in this part 617.

(2) Altogether, nine conditions must be met for workers to obtain TRA payments under this special provision.

(See § 617.11(a)(3).) Further, this special provision applies solely to weeks which begin after August 23, 1988; no retro-active payments may be made under this special provision. Finally, only the two specific time limitations are waived, and all other requirements of the prior and amended law apply, including the first separation rule (relating to computation of the weekly and maximum amounts of basic TRA payable), the 26-week eligibility period for additional TRA, and the break provision of section 233(f).

(i) *Training for adversely affected workers.* Extensive amendments to section 236 are made in the OTCA which, except for some technical and conforming changes that take effect on November 21, 1988, all became effective on August 23, 1988. These changes must be effectuated in accordance with this part 617.

(j) *Agreements with States.* Section 239 also was amended by the OTCA, to require new terms and conditions in the section 239 agreements. This requires new agreements to be executed between the States and the Secretary of Labor, and gives new emphasis to the contractual nature of the obligations entered into by the States to administer the TAA Program in strict accordance with the Act and the regulations and operating instructions issued by the Department.

(k) *Other.* Other matters covered by the OTCA amendments, as well as the matters discussed in the preceding paragraphs of this section, shall, to the extent that the States may be involved in their implementation, be effectuated in strict accordance with the Act and the regulations and operating instructions issued by the Department, and as of the respective effective dates of the various provisions of the OTCA.

[59 FR 941, Jan. 6, 1994]

APPENDIX A TO PART 617—STANDARD FOR CLAIM FILING, CLAIMANT REPORTING, JOB FINDING, AND EMPLOYMENT SERVICES

EMPLOYMENT SECURITY MANUAL (PART V,
SECTIONS 5000-5004)

5000-5099 *Claims Filing*

5000 *Standard for Claim Filing, Claimant Reporting, Job Finding, and Employment Services*

A. *Federal law requirements.* Section 3304(a)(1) of the Federal Unemployment Tax Act and section 303(a)(2) of the Social Security Act require that a State law provide for: "Payment of unemployment compensation solely through public employment offices or such other agencies as the Secretary may approve."

Section 3304(a)(4) of the Federal Unemployment Tax Act and section 303(a)(5) of the Social Security Act require that a State law provide for:

"Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation * * *"

Section 303(a)(1) of the Social Security Act requires that the State law provide for:

"Such methods of administration * * * as are found by the Secretary to be reasonably calculated to insure full payment of unemployment compensation when due."

B. *Secretary's interpretation of federal law requirements.*

1. The Secretary interprets section 3304(a)(1) of the Federal Unemployment Tax Act and section 303(a)(2) of the Social Security Act to require that a State law provide for payment of unemployment compensation solely through public employment offices or claims offices administered by the State employment security agency if such agency provides for such coordination in the operations of its public employment offices and claims offices as will insure (a) the payment of benefits only to individuals who are unemployed and who are able to work and available for work, and (b) that individuals claiming unemployment compensation (claimants) are afforded such placement and other employment services as are necessary and appropriate to return them to suitable work as soon as possible.

2. The Secretary interprets all the above sections to require that a State law provide for:

a. Such contact by claimants with public employment offices or claims offices or both, (1) as will reasonably insure the payment of unemployment compensation only to individuals who are unemployed and who are able to work and available for work, and (2) that claimants are afforded such placement

and other employment services as are necessary and appropriate to facilitate their return to suitable work as soon as possible; and

b. Methods of administration which do not unreasonably limit the opportunity of individuals to establish their right to unemployment compensation due under such States law.

5001 *Claim Filing and Claimant Reporting Requirements Designed To Satisfy Secretary's Interpretation*

A. *Claim filing—total or part-total unemployment*

1. Individuals claiming unemployment compensation for total or part-total unemployment are required to file a claim weekly or biweekly, in person or by mail, at a public employment office or a claims office (these terms include offices at itinerant points) as set forth below.

2. Except as provided in paragraph 3, a claimant is required to file in person.

a. His new claim with respect to a benefit year, or his continued claim for a waiting week or for his first compensable week of unemployment in such year; and

b. Any other claim, when requested to do so by the claims personnel at the office at which he files his claim(s) because questions about his right to benefits are raised by circumstances such as the following:

(1) The conditions or circumstances of his separation from employment;

(2) The claimant's answers to questions on mail claim(s) indicate that he may be unable to work or that there may be undue restrictions on his availability for work or that his search for work may be inadequate or that he may be disqualified;

(3) The claimant's answers to questions on mail claims create uncertainty about his credibility or indicate a lack of understanding of the applicable requirements; or

(4) The claimant's record shows that he has previously filed a fraudulent claim.

In such circumstances, the claimant is required to continue to file claims in person each week (or biweekly) until the State agency determines that filing claims in person is no longer required for the resolution of such questions.

3. A claimant must be permitted to file a claim by mail in any of the following circumstances:

a. He is located in an area requiring the expenditure of an unreasonable amount of time or money in traveling to the nearest facility established by the State agency for filing claims in person;

b. Conditions make it impracticable for the agency to take claims in person;

c. He has returned to full-time work on or before the scheduled date for his filing a claim, unless the agency makes provision for

in-person filing at a time and place that does not interfere with his employment;

d. The agency finds that he has good cause for failing to file a claim in person.

4. A claimant who has been receiving benefits for partial unemployment may continue to file claims as if he were a partially unemployed worker for the first four consecutive weeks of total or part-total unemployment immediately following his period of partial unemployment so long as he remains attached to his regular employer.

B. *Claim filing—partial unemployment.* Each individual claiming unemployment compensation for a week (or other claim period) during which, because of lack of work, he is working less than his normal customary full-time hours for his regular employer and is earning less than the earnings limit provided in the State law, shall not be required to file a claim for such week or other claim period earlier than 2 weeks from the date that wages are paid for such claim period or, if a low earnings report is required by the State law, from the date the employer furnished such report to the individual. State agencies may permit claims for partial unemployment to be filed either in person or by mail, except that in the circumstances set forth in section A 3, filing by mail must be permitted, and in the circumstances set forth in section A 2 b, filing in person may be required.

5002 *Requirement for Job Finding, Placement, and Other Employment Services Designed To Satisfy Secretary's Interpretation*

A. Claims personnel are required to assure that each claimant is doing what a reasonable individual in his circumstances would do to obtain suitable work.

B. In the discretion of the State agency:

1. The claims personnel are required to give each claimant such necessary and appropriate assistance as they reasonably can in finding suitable work and at their discretion determine when more complete placement and employment services are necessary and appropriate for a claimant; and if they determine more complete services are necessary and appropriate, the claims personnel are to refer him to employment service personnel in the public employment office in which he has been filing claim(s), or, if he has been filing in a claims office, in the public employment office most accessible to him; or

2. All placement and employment services are required to be afforded to each claimant by employment service personnel in the public employment office most accessible to him in which case the claims personnel in the office in which the claimant files his claim are to refer him to the employment service personnel when placement or other employment services are necessary and appropriate for him.

C. The personnel to whom the State agency assigns the responsibilities outlined in paragraph B above are required to give claimants such job-finding assistance, placement, and other employment services as are necessary and appropriate to facilitate their return to suitable work as soon as possible.

In some circumstances, no such services or only limited services may be required. For example, if a claimant is on a short-term temporary layoff with a fixed return date, the only service necessary and appropriate to be given to him during the period of the layoff is a referral to suitable temporary work if such work is being performed in the labor market area.

Similarly, claimants whose unemployment is caused by a labor dispute presumably will return to work with their employer as soon as the labor dispute is settled. They generally do not need services, nor do individuals in occupations where placement customarily is made by other nonfee charging placement facilities such as unions and professional associations.

Claimants who fall within the classes which ordinarily would require limited services or no services shall, if they request placement and employment services, be afforded such services as are necessary and appropriate for them to obtain suitable work or to achieve their reasonable employment goals.

On the other hand, a claimant who is permanently separated from his job is likely to require some services. He may need only some direction in how to get a job; he may need placement services if he is in an occupation for which there is some demand in the labor market area; if his occupation is outdated, he may require counseling and referral to a suitable training course. The extent and character of the services to be given any particular claimant may change with the length of his unemployment and depend not only on his own circumstances and conditions, but also on the condition of the labor market in the area.

D. Claimants are required to report to employment service personnel, as directed, but such personnel and the claims personnel required to so arrange and coordinate the contacts required of a claimant as not to place an unreasonable burden on him or unreasonably limit his opportunity to establish his rights to compensation. As a general rule, a claimant is not required to contact in person claims personnel or employment service personnel more frequently than once a week, unless he is directed to report more frequently for a specific service such as referral to a job or a training course or counseling which cannot be completed in one visit.

E. Employment service personnel are required to report promptly to claims personnel in the office in which the claimant files his claim(s): (1) his failure to apply for

or accept work to which he was referred by such personnel or when known, by any other nonfee-charging placement facility such as a union or a professional association; and (2) any information which becomes available to it that may have a bearing on the claimant's ability to work or availability for work, or on the suitability of work to which he was referred or which was offered to him.

5004 *Evaluation of Alternative State Provisions*

If the State law provisions do not conform to the "suggested State law requirements" set forth in sections 5001 and 5002, but the State law contains alternative provisions, the Manpower Administrator, in collaboration with the State agency, will study the actual or anticipated affect of the alternative provisions. If the Manpower Administrator concludes that the alternative provisions satisfy the requirements of the Federal law as construed by the Secretary (see section 5000 B) he will so notify the State agency. If he does not so conclude, he will submit the matter to the Secretary. If the Secretary concludes that the alternative provisions satisfy such requirements, the State agency will be so notified. If the Secretary concludes that there is a question as to whether the alternative provisions satisfy such requirements, the State agency will be advised that unless the State law provisions are appropriately revised, a notice of hearing will be issued as required by the Code of Federal Regulations, title 20, section 601.3.

[59 FR 943, Jan. 6, 1994]

APPENDIX B TO PART 617—STANDARD FOR CLAIM DETERMINATIONS—SEPARATION INFORMATION

6010 *Federal Law Requirements.* Section 303(a)(1) of the Social Security Act requires that a State law include provision for:

"Such methods of administration . . . as are found by the Secretary to be reasonably calculated to insure full payment of unemployment compensation when due."

Section 303(a)(3) of the Social Security Act requires that a State law include provision for:

"Opportunity for a fair hearing before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied."

Section 3304(a)(4) of the Federal Unemployment Tax Act and section 303(a)(5) of the Social Security Act require that a State law include provision for:

"Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation. . . ."

Section 3306(h) of the Federal Unemployment Tax Act defines "compensation" as

“cash benefits payable to individuals with respect to their unemployment.”

6011 *Secretary's Interpretation of Federal Law Requirements.* The Secretary interprets the above sections to require that a State law include provisions which will insure that:

A. Individuals who may be entitled to unemployment compensation are furnished such information as will reasonably afford them an opportunity to know, establish, and protect their rights under the unemployment compensation law of such State, and

B. The State agency obtains and records in time for the prompt determination and review of benefit claims such information as will reasonably insure the payment of benefits to individuals to whom benefits are due.

6012 *Criteria for Review of State Law Conformity with Federal Requirements:*

In determining the conformity of a State law with the above requirements of the Federal Unemployment Tax Act and the Social Security Act as interpreted by the Secretary, the following criteria will be applied:

A. Is it required that individuals who may be entitled to unemployment compensation be furnished such information of their potential rights to benefits, including the manner and places of filing claims, the reasons for determinations, and their rights of appeal, as will insure them a reasonable opportunity to know, establish, and protect their rights under the law of the State?

B. Is the State agency required to obtain, in time for prompt determination of rights to benefits such information as will reasonably insure the payment of benefits to individuals to whom benefits are due?

C. Is the State agency required to keep records of the facts considered in reaching determinations of rights to benefits?

6013 *Claim Determinations Requirements Designed To Meet Department of Labor Criteria:*

A. *Investigation of claims.* The State agency is required to obtain promptly and prior to a determination of an individual's right to benefits, such facts pertaining thereto as will be sufficient reasonably to insure the payment of benefits when due.

This requirement embraces five separate elements:

1. It is the responsibility of the agency to take the initiative in the discovery of information. This responsibility may not be passed on to the claimant or the employer. In addition to the agency's own records, this information may be obtained from the worker, the employer, or other sources. If the information obtained in the first instance discloses no essential disagreement and provides a sufficient basis for a fair determination, no further investigation is necessary. If the information obtained from other sources differs essentially from that furnished by the claimant, the agency, in order to meet its responsibility, is required to inform the claim-

ant of such information from other sources and to afford the claimant an opportunity to furnish any further facts he may have.

2. Evidentiary facts must be obtained as distinguished from ultimate facts or conclusions. That a worker was discharged for misconduct is an ultimate fact or conclusion; that he destroyed a machine upon which he was working is a primary or evidentiary fact, and the sort of fact that the requirement refers to.

3. The information obtained must be sufficient reasonably to insure the payment of benefits when due. In general, the investigation made by the agency must be complete enough to provide information upon which the agency may act with reasonable assurance that its decision is consistent with the unemployment compensation law. On the other hand, the investigation should not be so exhaustive and time-consuming as unduly to delay the payment of benefits and to result in excessive costs.

4. Information must be obtained promptly so that the payment of benefits is not unduly delayed.

5. If the State agency requires any particular evidence from the worker, it must give him a reasonable opportunity to obtain such evidence.

B. *Recording of facts.* The agency must keep a written record of the facts considered in reaching its determinations.

C. *Determination notices:*

1. The agency must give each claimant a written notice of:

a. Any monetary determination with respect to his benefit year;

b. Any determination with respect to purging a disqualification if, under the State law, a condition or qualification must be satisfied with respect to each week of disqualification; but in lieu of giving written notice of each determination for each week in which it is determined that the claimant has met the requirements for purging, the agency may inform the claimant that he has purged the disqualification for a week by notation on his applicant identification card or otherwise in writing.

c. Any other determination which adversely affects his rights to benefits, except that written notice of determination need not be given with respect to:

(1) A week in a benefit year for which the claimant's weekly benefit amount is reduced in whole or in part by earnings if, the first time in the benefit year that there is such a reduction, he is required to be furnished a booklet or leaflet containing the information set forth below in paragraph 2f(1). However, a written notice of determination is required if: (a) there is a dispute concerning the reduction with respect to any week (e.g., as to the amount computed as the appropriate reduction, etc.); or (b) there is a

change in the State law (or in the application thereof) affecting the reduction; or

(2) Any week in a benefit year subsequent to the first week in such benefit year in which benefits were denied, or reduced in whole or in part for reasons other than earnings, if denial or reduction for such subsequent week is based on the same reason and the same facts as for the first week, and if written notice of determination is required to be given to the claimant with respect to such first week, and with such notice of determination, he is required to be given a booklet or pamphlet containing the information set forth below in paragraph 2f(2) and 2h. However, a written notice of determination is required if: (a) there is a dispute concerning the denial or reduction of benefits with respect to such week; or (b) there is a change in the State law (or in the application thereof) affecting the denial or reduction; or (c) there is a change in the amount of the reduction except as to the balance covered by the last reduction in a series of reductions.

NOTE: This procedure may be applied to determinations made with respect to any subsequent weeks for the same reason and on the basis of the same facts: (a) that claimant is unable to work, unavailable for work, or is disqualified under the labor dispute provision; and (b) reducing claimant's weekly benefit amount because of income other than earnings or offset by reason of overpayment.

2. The agency must include in written notices of determinations furnished to claimants sufficient information to enable them to understand the determinations, the reasons therefor, and their rights to protest, request reconsideration, or appeal.

The written notice of monetary determination must contain the information specified in the following items (except h) unless an item is specifically not applicable. A written notice of any other determination must contain the information specified in as many of the following items as are necessary to enable the claimant to understand the determination and to inform him of his appeal rights. Information specifically applicable to the individual claimant must be contained in the written notice of determination. Information of general application such as (but not limited to) the explanation of benefits for partial unemployment, information as to deductions, seasonality factors, and information as to the manner and place of taking an appeal, extension of the appeal period, and where to obtain information and assistance may be contained in a booklet or leaflet which is given the claimant with his monetary determination.

a. *Base period wages.* The statement concerning base-period wages must be in sufficient detail to show the basis of computation of eligibility and weekly and maximum benefit amounts. (If maximum benefits are al-

lowed, it may not be necessary to show details of earnings.)

b. *Employer name.* The name of the employer who reported the wage is necessary so that the worker may check the wage transcript and know whether it is correct. If the worker is given only the employer number, he may not be able to check the accuracy of the wage transcript.

c. *Explanation of benefit formula—weekly and maximum benefit amounts.* Sufficient information must be given the worker so that he will understand how his weekly benefit amount, including allowances for dependents, and his maximum benefit amount were figured. If benefits are computed by means of a table contained in the law, the table must be furnished with the notice of determination whether benefits are granted or denied.

The written notice of determination must show clearly the weekly benefit amount and the maximum potential benefits to which the claimant is entitled.

The notice to a claimant found ineligible by reason of insufficient earnings in the base period must inform him clearly of the reason for ineligibility. An explanation of the benefit formula contained in a booklet or pamphlet should be given to each claimant at or prior to the time he receives written notice of a monetary determination.

d. *Benefit year.* An explanation of what is meant by the benefit year and identification of the claimant's benefit year must be included in the notice of determination.

e. *Information as to benefits for partial unemployment.* There must be included either in the written notice of determination or in a booklet or pamphlet accompanying the notice an explanation of the claimant's rights to partial benefits for any week with respect to which he is working less than his normal customary full-time workweek because of lack of work and for which he earns less than his weekly benefit amount or weekly benefit amount plus earnings, whichever is provided by the State law. If the explanation is contained in the notice of determination, reference to the item in the notice in which his weekly benefit amount is entered should be made.

f. *Deductions from weekly benefits:*

(1) *Earnings.* Although written notice of determinations deducting earnings from a claimant's weekly benefit amount is generally not required (see paragraph 1 c (1) above), where written notice of determination is required (or given) it shall set forth the amount of earnings, the method of computing the deduction in sufficient detail to enable the claimant to verify the accuracy of the deduction, and his right to protest, request redetermination, and appeal. Where a written notice of determination is given to the claimant because there has been a change in the State law or in the application

of the law, an explanation of the change shall be included.

When claimant is not required to receive a written notice of determination, he must be given a booklet or pamphlet the first time in his benefit year that there is a deduction for earnings which shall include the following information:

(a) The method of computing deductions for earnings in sufficient detail to enable the claimant to verify the accuracy of the deduction;

(b) That he will not automatically be given a written notice of determination for a week with respect to which there is a deduction for earnings (unless there is a dispute concerning the reduction with respect to a week or there has been a change in the State law or in the application of the law affecting the deduction) but that he may obtain such a written notice upon request; and

(c) A clear statement of his right to protest, request a redetermination, and appeal from any determination deducting earnings from his weekly benefit amount even though he does not automatically receive a written notice of determination; and if the State law requires written notice of determination in order to effectuate a protest, redetermination, or appeal, he must be so advised and advised also that he must request a written notice of determination before he takes any such action.

(2) *Other deductions:*

(a) A written notice of determination is required with respect to the first week in claimant's benefit year in which there is a reduction from his benefits for a reason other than earnings. This notice must describe the deduction made from claimant's weekly benefit amount, the reason for the deduction, the method of computing it in sufficient detail to enable him to verify the accuracy of such deduction, and his right to protest, request redetermination, or appeal.

(b) A written notice of determination is not required for subsequent weeks that a deduction is made for the same reason and on the basis of the same facts, if the notice of determination pursuant to (2) (a), or a booklet or pamphlet given him with such notice explains (i) the several kinds of deductions which may be made under the State law (e.g., retirement pensions, vacation pay, and overpayments); (ii) the method of computing each kind of deduction in sufficient detail that claimant will be able to verify the accuracy of deductions made from his weekly benefit payments; (iii) any limitation on the amount of any deduction or the time in which any deduction may be made; (iv) that he will not automatically be given a written notice of determination for subsequent weeks with respect to which there is a deduction for the same reason and on the basis of the same facts, but that he may obtain a written notice of determination upon re-

quest; (v) his right to protest, request redetermination, or appeal with respect to subsequent weeks for which there is a reduction from his benefits for the same reason, and on the basis of the same facts even though he does not automatically receive a written notice of determination; and (vi) that if the State law requires written notice of determination in order to effectuate a protest, redetermination, or appeal, he must be so advised and advised also that he must request a written notice of determination before he takes any such action.

g. Seasonality factors. If the individual's determination is affected by seasonality factors under the State law, an adequate explanation must be made. General explanations of seasonality factors which may affect determinations for subsequent weeks may be included in a booklet or pamphlet given claimant with his notice of monetary determinations.

h. Disqualification or ineligibility. If a disqualification is imposed, or if the claimant is declared ineligible for one or more weeks, he must be given not only a statement of the period of disqualification or ineligibility and the amount of wage-credit reductions, if any, but also an explanation of the reason for the ineligibility or disqualification. This explanation must be sufficiently detailed so that he will understand why he is ineligible or why he has been disqualified, and what he must do in order to requalify for benefits or purge the disqualification. The statement must be individualized to indicate the facts upon which the determination was based, e.g., state, "It is found that you left your work with Blank Company because you were tired of working; the separation was voluntary, and the reason does not constitute good cause," rather than merely the phrase "voluntary quit." Checking a box as to the reason for the disqualification is not a sufficiently detailed explanation. However, this statement of the reason for the disqualification need not be a restatement of all facts considered in arriving at the determination.

i. Appeal rights. The claimant must be given information with respect to his appeal rights.

(1) The following information shall be included in the notice of determination:

(a) A statement that he may appeal or, if the State law requires or permits a protest or redetermination before an appeal, that he may protest or request a redetermination.

(b) The period within which an appeal, protest, or request for redetermination must be filed. The number of days provided by statute must be shown as well as either the beginning date or ending date of the period. (It is recommended that the ending date of the appeal period be shown, as this is the more understandable of the alternatives.)

(2) The following information must be included either in the notice of determination

or in separate informational material referred to in the notice:

(a) The manner in which the appeal, protest, or request for redetermination must be filed, e.g., by signed letter, written statement, or on a prescribed form, and the place or places to which the appeal, protest, or request for redetermination may be mailed or hand-delivered.

(b) An explanation of any circumstances (such as nonworkdays, good cause, etc.) which will extend the period for the appeal, protest, or request for redetermination beyond the date stated or identified in the notice of determination.

(c) That any further information claimant may need or desire can be obtained together with assistance in filing his appeal, protest, or request for redetermination from the local office.

If the information is given in separate material, the notice of determination would adequately refer to such material if it said, for example, "For other information about your (appeal), (protest), (redetermination) rights, see pages ___ to ___ of the ___ (name of pamphlet or booklet) heretofore furnished to you."

6014 Separation Information Requirements Designed To Meet Department of Labor Criteria:

A. Information to agency. Where workers are separated, employers are required to furnish the agency promptly, either upon agency request or upon such separation, a notice describing the reasons for and the circumstances of the separation and any additional information which might affect a claimant's right to benefits. Where workers are working less than full time, employers are required to furnish the agency promptly, upon agency request, information concerning a claimant's hours of work and his wages during the claim periods involved, and other facts which might affect a claimant's eligibility for benefits during such periods.

When workers are separated and the notices are obtained on a request basis, or when workers are working less than full time and the agency requests information, it is essential to the prompt processing of claims that the request be sent out promptly after the claim is filed and the employer be given a specific period within which to return the notice, preferably within 2 working days.

When workers are separated and notices are obtained upon separation, it is essential that the employer be required to send the notice to the agency with sufficient promptness to insure that, if a claim is filed, it may be processed promptly. Normally, it is desirable that such a notice be sent to the central office of the agency, since the employer may not know in which local office the worker will file his claim. The usual procedure is for the employer to give the worker a copy of

the notice sent by the employer to the agency.

B. Information to worker:

1. Information required to be given. Employers are required to give their employees information and instructions concerning the employees' potential rights to benefits and concerning registration for work and filing claims for benefits.

The information furnished to employees under such a requirement need not be elaborate; it need only be adequate to insure that the worker who is separated or who is working less than full time knows he is potentially eligible for benefits and is informed as to what he is to do or where he is to go to file his claim and register for work. When he files his claim, he can obtain more detailed information.

In States that do not require employers to furnish periodically to the State agency detailed reports of the wages paid to their employees, each employer is required to furnish to his employees information as to (a) the name under which he is registered by the State agency, (b) the address where he maintains his payroll records, and (c) the workers' need for this information if and when they file claims for benefits.

2. Methods for giving information. The information and instructions required above may be given in any of the following ways:

a. Posters prominently displayed in the employer's establishment. The State agency should supply employers with a sufficient number of posters for distribution throughout their places of business and should see that the posters are conspicuously displayed at all times.

b. Leaflets. Leaflets distributed either periodically or at the time of separation or reduction of hours. The State agency should supply employers with a sufficient number of leaflets.

c. Individual notices. Individual notices given to each employee at the time of separation or reduction in hours.

It is recommended that the State agency's publicity program be used to supplement the employer-information requirements. Such a program should stress the availability and location of claim-filing offices and the importance of visiting those offices whenever the worker is unemployed, wishes to apply for benefits, and to seek a job.

6015 Evaluation of Alternative State Provisions with Respect to Claim Determinations and Separation Information. If the State law provisions do not conform to the suggested requirements set forth in sections 6013 and 6014, but the State law contains alternative provisions, the Bureau of Employment Security, in collaboration with the State agency, will study the actual or anticipated effects of the alternative provisions. If the Administrator of the Bureau concludes that the alternative provisions satisfy the criteria in

section 6012, he will so notify the State agency. If the Administrator of the Bureau does not so conclude, he will submit the matter to the Secretary. If the Secretary concludes that the alternative provisions satisfy the criteria in section 6012, the State agency will be so notified. If the Secretary concludes that there is a question as to whether the alternative provisions satisfy the criteria, the State agency will be advised that unless the State law provisions are appropriately revised, a notice of hearing will be issued as required by the Code of Federal Regulations, title 20, §601.5.

[51 FR 45848, Dec. 22, 1986. Redesignated at 59 FR 943, Jan. 6, 1994]

APPENDIX C TO PART 617—STANDARD FOR FRAUD AND OVERPAYMENT DETECTION

7510 *Federal Law Requirements.* Section 303(a)(1) of the Social Security Act requires that a State law include provision for:

“Such methods of administration . . . as are found by the Secretary to be reasonably calculated to insure full payment of unemployment compensation when due.”

Section 1603(a)(4) of the Internal Revenue Code and section 3030(a)(5) of the Social Security Act require that a State law include provision for:

“Expenditure of all money withdrawn from an unemployment fund of such State, in the payment of unemployment compensation . . .”

Section 1607(h) of the Internal Revenue Code defines “compensation” as “cash benefits payable to individuals with respect to their unemployment.”

7511 *The Secretary’s Interpretation of Federal Law Requirements.* The Secretary of Labor interprets the above sections to require that a State law include provision for such methods of administration as are, within reason, calculated (1) to detect benefits paid through error by the agency or through willful misrepresentation or error by the claimant or others, and (2) to deter claimants from obtaining benefits through willful misrepresentation.

7513 *Criteria for Review of State Conformity With Federal Requirements.* In determining State conformity with the above requirements of the Internal Revenue Code and the Social Security Act, as interpreted by the Secretary of Labor, the following criteria will be applied:

A. *Are investigations required to be made after the payment of benefits, (or, in the case of interstate claims, are investigations made by the agent State after the processing of claims) as to claimants’ entitlement to benefits paid to them in a sufficient proportion of cases to test the effectiveness of the agency’s procedures for the prevention of payments which are not due? To*

carry out investigations, has the agency assigned to some individual or unit, as a basic function, the responsibility of making or functionally directing such investigations?

Explanation: It is not feasible to prescribe the extent to which the above activities are required; however, they should always be carried on to such an extent that they will show whether or not error or willful misrepresentation is increasing or decreasing, and will reveal problem areas. The extent and nature of the above activities should be varied according to the seriousness of the problem in the State. The responsible individual or unit should:

1. Check paid claims for overpayment and investigate for willful misrepresentation or, alternatively, advise and assist the operating units in the performance of such functions, or both;

2. Perform consultative services with respect to methods and procedures for the prevention and detection of fraud; and

3. Perform other services which are closely related to the above.

Although a State agency is expected to make a full-time assignment of responsibility to a unit or individual to carry on the functions described above, a small State agency might make these functions a part-time responsibility of one individual. In connection with the detection of overpayments, such a unit or individual might, for example:

(a) Investigate information on suspected benefit fraud received from any agency personnel, and from sources outside the agency, including anonymous complaints;

(b) Investigate information secured from comparisons of benefit payments with employment records to detect cases of concurrent working (whether in covered or non-covered work) and claiming of benefits (including benefit payments in which the agency acted as agent for another State).

The benefit fraud referred to herein may involve employers, agency employees, and witnesses, as well as claimants.

Comparisons of benefit payments with employment records are commonly made either by post-audit or by industry surveys. The so-called “post-audit” is a matching of central office wage-record files against benefit payments for the same period. “Industry surveys” or “mass audits” are done in some States by going directly to employers for pay-roll information to be checked against concurrent benefit lists. A plan of investigation based on a sample post-audit will be considered as partial fulfillment of the investigation program; it would need to be supplemented by other methods capable of detecting overpayments to persons who have moved into noncovered occupations or are claiming interstate benefits.

B. *Are adequate records maintained by which the results of investigations may be evaluated?*

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Explanation. To meet this criterion, the State agency will be expected to maintain records of all its activities in the detection of overpayments, showing whether attributable to error or willful misrepresentation, measuring the results obtained through various methods, and noting the remedial action taken in each case. The adequacy and effectiveness of various methods of checking for willful misrepresentation can be evaluated only if records are kept of the results obtained. Internal reports on fraudulent and erroneous overpayments are needed by State agencies for self-evaluation. Detailed records should be maintained in order that the State agency may determine, for example, which of several methods of checking currently used are the most productive. Such records also will provide the basis for drawing a clear distinction between fraud and error.

C. Does the agency take adequate action with respect to publicity concerning willful misrepresentation and its legal consequences to deter fraud by claimants?

Explanation. To meet this criterion, the State agency must issue adequate material of claimant eligibility requirements and must take necessary action to obtain publicity on the legal consequences of willful misrepresentation or willful nondisclosure of facts.

Public announcements on convictions and resulting penalties for fraud are generally considered necessary as a deterrent to other persons, and to inform the public that the agency is carrying on an effective program to prevent fraud. This alone is not considered adequate publicity. It is important that information be circulated which will explain clearly and understandably the claimant's rights, and the obligations which he must fulfill to be eligible for benefits. Leaflets for distribution and posters placed in local offices are appropriate media for such information.

*7515 *Evaluation of Alternative State Provisions with Respect to Erroneous and Illegal Payments.* If the methods of administration provided for by the State law do not conform to the suggested methods of meeting the requirements set forth in section 7511, but a State law does provide for alternative methods of administration designed to accomplish the same results, the Bureau of Employment Security, in collaboration with the State agency, will study the actual or anticipated effect of the alternative methods of administration. If the Bureau concludes that the alternative methods satisfy the criteria in section 7513, it will so notify the State agency. If the Bureau does not so conclude, it will submit to the Secretary the results of the study for his determination of whether the

State's alternative methods of administration meet the criteria.

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