

## CHAPTER 06

## MISCELLANEOUS ACTIONS (SPECIAL ACTIONS)

0601 UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

060101. General. The Secretary of Labor administers the Unemployment Compensation for Federal Employees (UCFE) Program under 5 U.S.C. Chapter 85 (reference (b)), and prescribes regulations necessary to carry out its provisions. See 20 C.F.R. Part 609 (reference (w)). Each Component has responsibility for the UCFE program within the DoD. The civilian personnel offices at all DoD employing activities have primary responsibility for UCFE management. The civilian payroll office has the responsibility to assist the civilian personnel office by providing wage data needed to complete Department of Labor ES Form 931, "Request for Wage and Separation Information" and any other information within its control requested by a State, the Department of Labor, other Federal agencies, or other DFAS offices. State Employment Security agencies determine entitlement to compensation and the amount of benefits payable to unemployed Federal civilian employees under the applicable State unemployment insurance law. See 20 C.F.R. 609.9 (reference (w)).

060102. Civilian Payroll Office Responsibilities

A. The civilian payroll office must report accurate wages to the civilian personnel office to support an accurate State determination. Monetary information that can affect the claim such as lump-sum annual leave payments and severance pay, must also be reported accurately.

B. The State agency prepares an ES Form 931 from information gathered during the claimant's interview and the employee's copy of the SF 8, "Notice to Federal Employee About Unemployment Compensation. Three copies of the ES Form 931 are mailed to the appropriate civilian personnel office and a response must be returned within 4 workdays after receipt. If a response cannot be made within the time limits, the civilian payroll office must notify the civilian personnel office immediately and the procedures

in 20 C.F.R. 609.21(b) (reference (w)) must be followed.

1. The civilian payroll office shall provide wage information within 2 work days of receiving the request. The civilian payroll office shall control and approve wage data furnished the civilian personnel office. A file copy shall be maintained of all data furnished, for at least 2 years. At the end of 2 years, it may be destroyed in accordance with the General Records Schedule 2 (reference (g)).

2. The central point of contact for all UCFE matters is the civilian personnel office. The civilian payroll office shall refer all State queries, telephone calls, and UCFE documentation to the civilian personnel office. For example, if the State wants clarification of wage data, the query must go first to the civilian personnel office for control purposes. The civilian personnel office shall then contact the civilian payroll office for needed information.

060103. Base-Period Wages and Annual Leave Information

A. Base-Period Wages. State agencies determine the amount and duration of unemployment compensation entitlement from the amount of Federal employment performed and gross Federal wages paid (or earned) in a 52-week base-period (1-year period specified by the State law) which precedes the date of claim. Some states may require 6 or 8 quarters of information to be reported. The civilian personnel office shall furnish the base-period to the civilian payroll office when requesting wage information.

1. Federal wages are defined as allowances and pay in any medium (5 U.S.C. 8501) (reference (b)). This includes all payments for leave. Do not report lump-sum payments for annual leave and severance payments as base-period wages. These items are reported separately.

2. The amounts to be reported as base-period wages are gross wages before deductions for Social Security/Medicare, CSRS or FERS, TSP, and Federal, State, and local taxes. Gross wages include allowances and pay in any medium. Do not include expenses for official business, such as taxi fares, other cost, per diem, or mileage. Also, do not include payments for uniform allowances. The following shall be included in gross wages:

a. Foreign and nonforeign differentials and allowances. Exemption from Federal income tax does not exclude any such item from gross wages for the purposes of unemployment compensation.

b. Payments for sick leave. These constitute wages in the period paid.

c. Back Pay. This includes wages paid during the base-period, even though earned prior to that period.

d. Salaries paid by the DoD to reemployed annuitants. This is the amount equal to the difference between the salary of the position and the annuity received. OPM continues to pay the annuity.

e. Increases in rates of compensation authorized by acts of Congress. Such increases shall be reported as wages for the pay period in which paid. This is required even if the first payment covers a retroactive period. If the base period begins or ends during the pay period in which this payment was made, the entire payment should be allocated to the second week of the pay period.

3. Report wages the same way the records are kept. Do not attempt to add or subtract wages earned by the employee for any days before the beginning of the quarter or the remaining days between the last payroll cutoff date and the end of the quarter. For example, if the pay period ends March 28, do not add March 29 through 31 to the wages reported for the January 1-March 31 quarter. Do not report wages for periods other than, or in addition to, those periods requested. If the claimant had no base-period wages, so indicate.

**B. Lump-Sum Annual Leave and Severance Pay.** Report these items separately from gross wages (base-period wages).

1. If the employee received a lump-sum payment for annual leave after the beginning date of the base period, furnish the following:

a. Amount of payment; date(s) of payment; amount of annual leave (days and hours); and period of annual leave (for example, from 0700, July 3, 1992, to 1400, July 27, 1992).

2. If the employee received or is entitled to receive severance pay, report this to the civilian personnel office. States whose laws require an offset of severance pay against unemployment benefits must be advised whether the former employee is receiving or will receive severance pay. The civilian payroll office reports a “yes” or “no” to the civilian personnel office. The State agency obtains severance pay details from the employee’s copy of the SF 50 or ES Form 931, if appropriate.

3. If annual leave is payable, but has not been paid, report “annual leave payment due, but not paid,” and provide details (period covered, amount of payment, when it will be paid) if known.

060104. Employees on LWOP. Upon the civilian personnel office’s receipt of an ES Form 931, the nonpay status of an employee must be reported to the State agency. Upon receipt of the ES Form 931, the civilian personnel office shall report the employee on LWOP from (starting date), through (ending date), and any other pertinent data. If the employee is in a nonpay status for more than 30 days, the SF 50 explains the LWOP status. For LWOP of 30 days or less, the civilian payroll office shall furnish this information to the civilian personnel office.

A. The civilian personnel office shall indicate whether employees on LWOP are awaiting OWCP for an on-the-job injury or disability retirement.

B. If an employee is awaiting an OWCP determination, the State agency is responsible for contacting the OWCP for any necessary data it needs.

060105. Backpay Notification

A. If an employee is entitled to backpay, the civilian personnel office shall determine if the employee applied for UCFE within the last 52 weeks. If the employee applied for or received UCFE, the civilian personnel office shall promptly notify the State agency of the date of backpay payment, amount, and period covered. The State agency may be required to redetermine benefits. The civilian personnel office shall suspend its notification for State reply. If a reply is not received in 60 days, the civilian personnel office shall send a follow up. If no answer to the follow up is received from the State in 30 days, request assistance for resolution.

B. The DoD will not deduct from the backpay the amount of UCFE paid during the period covered by the backpay. However, UCFE must be deducted from backpay awards when State law requires the employer, rather than the employee, to reimburse the State for overpayments and when appropriate, the State agency has determined that an overpayment has occurred and has notified the employing agency (65 Comp. Gen. 865 (1986)) (reference (p)).

060106. Obtaining Data From the National Personnel Records Center (NPRC)

A. How Obtained. If records necessary to furnish wage data to the civilian personnel office have been sent to NPRC, they should be obtained via the telephone or facsimile. Since this information is subject to the Privacy Act of 1974 (reference (e)), it must be handled in accordance with the provisions of that Act. NPRC gives priority to such requests. The request must:

1. Be addressed to NPRC, 111 Winnebago Street, St. Louis, MO 63118.
2. Clearly identify the office sending the request.

3. Read 'Unemployment insurance request for wages for 4 calendar quarters, beginning (date), and statement of reasons for separation for (last name, first name, and middle initial), (name under which employed, if different), (date of birth), and SSN.'

B. Prohibited Actions. The civilian Personnel office or civilian payroll office shall not send the ES Form 931 to the NPRC for completion. The State agency should not be asked to obtain data from the NPRC. State agencies shall be advised when the information is being requested.

C. Record Center Reply. A written reply will be received from the NPRC. The NPRC will mail a photo copy of the individual pay record to the civilian payroll office. The civilian payroll office shall furnish wage data to the civilian personnel office on the basis of data furnished in the NPRC reply. Upon receipt of the pay record, wage data furnished the civilian personnel office shall be compared with the pay record. If an error is discovered, the civilian personnel office shall be notified and it shall in turn notify the State agency.

0602 UNEMPLOYMENT INSURANCE FOR CANADIAN EMPLOYEES

060201. The Canadian Unemployment Insurance Program

A. The U.S. Government takes part in the Canadian Unemployment Insurance Program for Canadians employed in Canada by the DoD

B. U.S. participation in this program began at the start of the first pay period after June 30, 1956.

C. The civilian payroll office shall follow the procedures in this section for unemployment insurance withholdings and contributions for covered employees.

D. Installations that employ or might employ personnel in Canada shall request the following publications from the nearest Unemployment Insurance Commission Office:

1. 443C (Information Regarding the Bulk Payment Method of Making Contributions).

2. 651A (Workers Handbook on Unemployment Insurance).

3. 651B (Employer's Handbook on Unemployment Insurance).

If these publications are not available locally, copies may be requested from the Unemployment Insurance Commission Office, Vancouver, British Columbia, Canada.

#### 060202. Policies Governing DoD Participation

A. Modifications. The civilian payroll office shall follow procedures in UIC 443C, however, the following requirements do not apply to the DoD

1. Standing deposit of 1 month's combined contribution;

2. Application to operate on a calendar year basis. DoD installations will operate on the basis of a payroll year which, for this purpose, will be a calendar year; and

3. Remittance of contributions and withholding by certified check.

#### B. Coverage

1. The civilian payroll office shall use UIC 651B to determine insurable employment and earnings for withholding. Exceptions are in item 2 below.

2. Contributions shall not be withheld for Canadian employees who are spouses of U.S. citizens employed by the DoD and for U.S. civilians paid from appropriated and nonappropriated funds.

a. The Canadian employee must notify the civilian payroll office, through the civilian personnel office, -of any change in marital status that affects insurability.

b. Deductions for Canadian Unemployment Insurance will stop at the end of the pay period in which notice of marriage is received.

c. Deductions shall start at the beginning of the next pay period after notice of divorce is received.

C. Refund of Deductions. If refund of deductions is required, DoD installations will refund only amounts totaling \$1 or more.

D. Retroactive Payments. The DoD shall not make retroactive payments of deductions to the Canadian Unemployment Insurance Commission if the employee concerned has not given true information to the employing installation. This includes cases that have been adjudicated.

E. Audit by the Canadian Unemployment Insurance Commission. DoD's records of deductions, contributions, and remittances are subject to audit. The audit requirements can be met by sending copies of records of covered personnel and insurance remittance documents to the proper District Audit Office. The civilian payroll office shall send copies of records required by Canadian authorities on request.

#### 060203. Amount of Contributions

A. Employee's Share. Funds shall be withheld from the pay of all insurable employees at rates set in UIC 651B.

B. Employer's Share. The employer's share shall equal the amount withheld from the employees' pay on each payroll voucher. The contribution shall be charged to the fund from which the employees' salaries are paid.

#### 060204. Disposition of Contributions

A. Payroll Collection. The employee's and employer's contributions shall be made as a voucher deduction on the payroll voucher. For example, the accounting classification for the DoD civilian payroll offices will be deposit fund account 97X6875, "Suspense, Department of Defense."

B. Remittance to Canadian Unemployment Insurance Commission. The civilian payroll office shall request a bulk payment permit and information on deviation from remittance procedures from the Chief Coverage Officer, Unemployment Insurance Commission, Ottawa 1, Ontario, Canada. An SF 1049, "Public Voucher for Refunds," shall be used to make the biweekly remittance to the Commission from the deposit fund account -X6875.

0603 MASS TRANSFER OF PAY ACCOUNTS

060301. A mass transfer is the movement of a number of employee accounts from one civilian payroll office to another, and the losing civilian payroll office remains operational. Refer to section 0105 for procedures concerning DoD civilian payroll operations which are being disestablished in accordance with consolidation initiatives.

060302. Requests for mass transfer or transfer of payroll function must be sent, with justification, to the Director, DFAS. The Director, or designated official, must approve all such requests in writing. These actions may also be initiated by the Director to improve efficiency and economy of the payroll operation.

060303. Losing Civilian Payroll Office Responsibilities

A. The losing civilian payroll office affected by the mass transfer must notify all affected parties receiving support. It is recommended that these parties be notified at least 90 days in advance of the proposed transfer but not less than 45 days prior to the date of the actual transfer. Below is a list of affected parties:

1. The civilian personnel offices that provide support to the employees being transferred.

2. Each IRS District to which payments for tax levies are remitted for employees affected by a mass transfer.

3. Each court to which alimony, child support, and bankruptcy payments are

remitted for employees affected by a mass transfer.

4. Other Federal Agencies for whom debts are being collected, e.g., Department of Veterans Affairs or Department of Education.

5. Defense Manpower Data Center (DMDC).

6. State and local taxing authorities if the transfer closes out the account.

7. The TSP recordkeeper at NFC.

8. FEHB insurance carriers by preparation of the SF 2810 and SF 2811.

9. Losing liaison offices.

B. The losing civilian payroll office shall prepare employee substantiating document files as stated in subparagraph 010504.B.1. through 4. Every effort shall be made to transfer data electronically through automated conversion processes. Hard-copy documents, original or copy as appropriate, shall be forwarded to the gaining civilian payroll office for the following even if the data has been transferred electronically:

1. Indebtedness to the U.S. Government. A copy of documentation to support current collections with the unpaid balance of the debt on the transfer date and the remittance address.

2. Form 668-W. Forward the original IRS tax levy showing the unpaid balance on the transfer date.

3. Court-Ordered Bankruptcy. Forward the original court order and addendums with balance due on the current order on the transfer date.

4. Court-Ordered Garnishment. Forward a copy of the most current garnishment for alimony, child support and /or commercial debt including addendums. If the garnishment

is for a set amount, furnish the unpaid balance on the transfer date.

5. NAF 401k Authorizations. Forward a copy of the authorization which supports employee contributions to an NAF 401k plan allowable by the Portability of Benefits for NAF Employees Act (reference (e)).

6. Form TSP-1-NAF "TSP Election Form for Retroactive Contributions - NAF Employees." Forward a copy of the TSP-1-NAF for any employee who is currently making retroactive TSP contributions allowable by the Portability of Benefits for NAF Employees Act (reference (e)).

7. SF 1190. Forward a copy of the latest SF 1190.

8. Form TSP-22. Forward a copy of all Forms TSP-22 which support TSP loan information.

9. SF 1150 and SF 1150A. Prepare an SF 1150 in accordance with The Guide to Processing Personnel Actions, Subchapter 21 (reference (aq)) to reflect all leave balances as of the end of the last pay period paid by the losing civilian payroll office. Prepare an SF 1150A for the transfer of donated leave. Forward the original of the SF 1150/1150A to the losing civilian personnel office to be included in the OPF and forwarded to the gaining civilian personnel office. After receipt in the gaining civilian personnel office, the SF 1150/1150A will be forwarded to the gaining civilian payroll office. File a copy in the employee's substantiating document file.

10. LES. Forward a copy of the LES used to establish temporary leave balances for recent employee accessions when an SF 1150 has not been received by the losing civilian payroll office.

11. Physician's Comparability Authorization. Forward a copy of the service agreement (or equivalent) annotated with the unpaid balance as of the transfer date.

12. Statement of Annual Annuity Amount for Reemployed Annuitants Forward a copy of the SF 50 or other documentation to support the collection from the employee.

13. OPM Form 1514. Forward all OPM Form 1514 information, including unpaid balance and biweekly deduction, to reestablish if there is an unpaid balance on the day prior to transfer.

14. Form W-5. Forward a copy of the Form W-5 to support payment of the advance earned income credit. If the transfer date is at the end of the pay year, do not transfer the Form W-5. A new Form W-5 must be submitted by the employee.

15. Severance Pay Authorization. Forward a copy of the documentation for each employee authorized and receiving severance pay if not provided in the automated conversion process. Annotate the document with the number of weeks remaining in the severance period, and the remaining severance pay to be paid.

16. Unprocessed Documents. Forward originals or copies of all unprocessed documents with future effective dates.

17. COP, Worker's Compensation and Buy Back of Leave. Forward copies of documentation, if available, which support the payment of COP and/or places an employee on worker's compensation. Forward copies of documentation to support buy back of leave.

**C. Complete Final Pay Period Processing.** The losing civilian payroll office must complete processing for the last pay period for which it has responsibility for the employees affected by the mass transfer. Completion of these actions will allow the employee's records to contain the most current information.

1. Compute and process final salary and other payments. Prior to processing the final pay period, ensure that all time and attendance reports and all documentation from civilian personnel offices have been processed.

2. Reconcile and clear/remit any deposit fund account for the employees affected by the mass transfer.

3. Produce SFs 2806/3100.

a. SFs 2806/3100 shall be forwarded to OPM when the transfer is from one Component's to another Component's civilian payroll office, or from a Component's civilian payroll office to a DoD (code 97) civilian payroll office.

b. SFs 2806 shall be forwarded to the gaining civilian payroll office when the transfer is from a losing civilian payroll office within the same Component or between DoD (code 97) civilian payroll offices. SFs 3100 shall be forwarded to OPM.

4. Bond balances shall be transferred and not refunded to the employees for a transfer from a Component's civilian payroll office to the consolidated civilian payroll office and from one consolidated civilian payroll office to another consolidated civilian payroll office. Bond balances shall be refunded and not transferred when the transfer is from:

a. Civilian payroll offices of the same Component;

b. Civilian payroll offices of different Components; and

c. Consolidated civilian payroll offices to a Component's civilian payroll office

5. Compensatory hours, religious compensatory hours, and credit hour balances shall be paid for all transfers from one employing activity to another employing activity.

6. If a mass transfer of employees occurs involving the payment of only 1 week of pay for the losing or gaining civilian payroll office because of a change of pay period cycles, deductions for health benefits and group life insurance shall be made in accordance with instructions in sections 0408 and 0409. Leave shall be credited in accordance with instructions

in subparagraph 050104.B. The following actions shall be taken by the losing civilian payroll office when payment for employees is made for 1 week:

a. All outstanding bond balances as of the date of transfer shall be handled in accordance with subparagraph 060303.C.4.

b. All compensatory time balances and credit hour balances must be paid if the employees' employing activity changes.

c. All percentage withholdings (retirement, Social Security/Medicare, TSP, Federal, State, and local taxes, etc.) shall be withheld at the correct percentage, based on the 1 week pay amount.

d. All standard deductions (health benefits, life insurance, dollar-based TSP, union, etc.) shall be withheld at one-half the regular amount.

e. Garnishments and other involuntary deductions (child support, tax levies, etc.) shall be withheld at one-half the biweekly amount.

f. There shall be no withholdings for savings allotments, savings bonds, charity, or other voluntary allotments.

g. There shall be no withholding for TSP loans.

If the gaining civilian payroll office is to make the 1 week payment for employees, items c. through g. above apply.

7. The losing civilian payroll office shall make any retroactive adjustments necessary for an employee previously paid by their office.

060304. Gaining Civilian Payroll Office Responsibilities. The gaining civilian payroll office shall establish employee substantiating document files with the employee's SSN and name.

0604 DOUBTFUL OR QUESTIONABLE CLAIMS

060401. General. Under title 4 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies (reference (ar)) and Volume 5 of this Regulation, claims are received on a continuing basis from present or former civilian employees for additional compensation for various reasons. All such claims must receive individual processing to determine administratively whether or not the employee is entitled to the amount claimed. If the claim relates to the determination of an entitlement or similar matter which is the responsibility of the civilian personnel office, it should be negotiated and documented through the employing activity's personnel channels. If the matter remains unsettled and the employee wishes a GAO review, the civilian payroll office shall fully document the case, including the review processes, and forward the file to the Defense Debt and Claims Management office of the appropriate DFAS Center.

060402. Procedures

A. Filing a Claim. Claims should be filed with the activity at which the individual was /is employed during the period for which additional compensation is claimed. The claim shall be fully documented and sent to the address identified in paragraph 060401. for all claims related to civilian pay matters which cannot be resolved at the base or major command /claimant level.

B. Processing Claims

1. Approved Claims. Claims received by the civilian payroll office from the claimant may be approved and paid when there is no question of law or fact and the claim is originated within 6 years from the date the right to payment accrued, provided the claim can be approved promptly and paid in the full amount. Any claim received from GAO, including those originally received by the offices identified in paragraph 060401. but forwarded to GAO for approval, shall be acted upon in accordance with instructions in the letter transmitting the claim to the civilian payroll office. These claims shall be paid only at the direction of GAO or the appro-

priate office identified in paragraph 060401. When payment is to be made by the civilian payroll office, the claim shall be paid as part of the regular payroll.

2. Disapproved Claims. Claims not received through GAO which are disapproved administratively by the civilian payroll office shall be returned to the claimant with a letter containing the basis for the disapproval. If the employee appeals the disapproval, the claim shall be forwarded to GAO via the appropriate office identified in paragraph 060401.

C. Documents. Generally, documents required to support a claim are:

1. A letter of transmittal prepared by the civilian payroll office, addressed to the appropriate office identified in paragraph 060401. The following shall be included:

a. The claimant's name, SSN, address and agency or branch of service;

b. A statement of the pertinent facts out of which the claim arose;

c. A statement of the doubt or other reason for forwarding the claim;

d. A recommendation for the proper disposition of the claim;

e. A citation to pertinent supporting documents;

f. A statement that the claim has not been and will not be paid until certified in the name of the Comptroller General;

g. A complete symbol citation to the applicable appropriation or fund.

2. A claim letter submitted by the claimant, legal representative, or other lawful claimant. The letter includes name, SSN, and address of the claimant.

3. The original and one copy of any supporting documents. These documents



include the following depending on the type of claim involved:

- a. Any pertinent vouchers;
- b. Any pertinent time and attendance reports;
- c. Individual pay record;
- d. Certified copy of the SF 1150;
- e. Certified copies of the SF 50;
- f. Transcript of service history;
- g. overtime authorizations;
- h. Leave applications, doctor's statement, etc.;
- i. Other required documents.

4. An unpaid voucher from the civilian payroll office, in original and the appropriate number of copies, for all cases when the amount may be due, including doubtful cases. One copy is kept on file. The appropriate Federal, State, and local tax withholdings, life insurance, retirement, or Social Security/Medicare deductions are to be indicated in the appropriate places on the voucher. The employer's contribution to retirement, life insurance, and Social Security/Medicare, etc., are also to be indicated. The complete accounting classification is to be included, whether the recommendation is for or against the claim.

5. If an attorney presents a claim for an employee, verification that he or she has authority to act for the employee, e.g., a copy of a signed fee agreement, a letter from the employee or a duly executed power of attorney.

060403. Payment. Claims that have administratively been determined correct by GAO are settled and paid by the civilian payroll office.

060404. Claims Required To Be Submitted To GAO. The following classes of claims may not be paid or denied administratively, but must be forwarded to the Claims Division, U.S. General Accounting Office, Washington, DC 20548. These claims are forwarded to GAO via the offices identified in paragraph 060401. for adjudication unless otherwise specifically provided by law. See title 4, sections 5.1 and 7.1, of the GAO Policy and Procedures Manual for Guidance of Federal Agencies (reference (ar)).

A. Claims which involve doubtful questions of law or fact, except those under \$25, and claims which have been the subject of an advance decision of the Comptroller General, in which case, a reference to the decision must appear on the voucher supporting the payment. When a claim contains items which involve doubt, and items which the DFAS Centers can settle administratively, only the doubtful portions over \$25 should be referred to GAO for settlement.

B. Claims, regardless of doubt, which are required by statute, by regulation appearing in other chapters of title 4 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies (reference (ar)), or by decision of the Comptroller General, to be settled by the GAO before payment is made or denied.

C. Reclaims of items previously denied in an administrative review by the DFAS Centers, unless it is determined administratively that the action taken was clearly in error and properly can be corrected by the DFAS Centers.

D. Claims which appear to be barred by the applicable statute of limitation at the time of receipt for administrative review by the DFAS Centers. If the statutory period of limitations will soon expire, claimants shall submit their claims directly to the Claims Division of GAO. In order to protect the interests of claimants, claims received as to which the right of payment accrued 4 years or more before the date of receipt and which cannot promptly be approved and in the full amount claimed shall immediately be referred to the Claims Division of GAO. These claims shall be recorded in GAO, after

which they shall be returned for payment, denial, or referral back to the GAO for adjudication.

060405. Advance Decisions. Requests for an advance decision from the Comptroller General of the United States shall be processed as prescribed in Volume 5 of this Regulation. In addition to normal submission channels prescribed in Volume 5 of this Regulation, requests to the Comptroller General involving the determination of an entitlement or similar matter which is the responsibility of the civilian personnel office shall be negotiated and documented through the civilian personnel channels.