

**BY ORDER OF THE SECRETARY
OF THE AIR FORCE**

AIR FORCE INSTRUCTION 34-309

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Services

**NONAPPROPRIATED FUND
UNEMPLOYMENT COMPENSATION
PROGRAM**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements DoDI 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees* and Air Force Policy Directive (AFPD) 34-3, *Nonappropriated Funds Personnel Management and Administration*. This Air Force Instruction (AFI) provides guidance on administering the Unemployment Compensation program for Nonappropriated Fund employees (UCNE) Program of Air Force Nonappropriated Fund Instrumentalities (NAFIs). The Department of Labor (DOL) has determined that disclosure of wage and separation information needed by a State Employment Security Agency (SESA) to adjudicate UCNE claims is a permitted routine use under the Privacy Act of 1974 and that a UCNE claimant's written release for the disclosure of such information is not required. This instruction does not apply to Army and Air Force Exchange Service (AAFES) employees. In collaboration with the Chief of Air Force Reserve (AF/RE) and the Director of the Air National Guard (NGB/CF), the Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1) develops personnel policy for NAF Unemployment Compensation Programs. This AFI may be supplemented at any level; all supplements must be approved by the Human Resource Management Strategic Council (HSC). The authorities to waive wing/unit level requirements in this publication are identified with a Tier ("T-0, T-1, T-2, T-3") number following the compliance statement. See AFI 33-360, *Publications and Forms Management*, Table 1.1. for a description of authorities associated with tier numbers. Submit requests for waivers to the Publication OPR for non-tiered compliance items. Ensure that all records created as a result of processes prescribed in this publication are maintained IAW Air Force Manual (AFMAN) 33-363, Management of Records, and disposed of IAW Air Force Records Information Management System (AFRIMS) Records Disposition Schedule (RDS). The use of the name or mark of any specific manufacturer, commercial product, commodity, or

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SUMMARY OF CHANGES

This document is substantially revised and must be completely reviewed. This revision outlines the roles and responsibilities for the operation of the UCNE program centrally managed by Air Force Services Activity (AFVSA) and the Air Force Personnel Center Unemployment Compensation and Appeals Office (AFPC/DPIEPC). This revision reformats the entire publication format to comply with current publishing standards.

1. AFSVA Program Responsibilities. The following responsibilities are designated to comply with the DOL UCNE Program for former and current Nonappropriated Fund (NAF) employees paid on the United States dollar payroll.

1.1. AFSVA, Insurance Branch (AFSVA/SVXHI) is responsible for overall administration of the UNCE Program to include:

1.1.1. Policy oversight of UNCE Program.

1.1.2. Revision and review of UNCE Program.

1.1.3. Fiduciary and budgetary authority of program and program resources.

1.1.4. Establishing installation NAFI premium assessment rate required to recover UC expenses.

1.1.5. Reviewing monthly managerial reports received from AFPC/DPIEPC to identify operational trends and risks.

2. AFPC/DPIEPC Program Responsibilities. The Unemployment Compensation and Appeals office centrally manages and directs the Unemployment Compensation and Appeals Program for all Air Force Appropriated and Nonappropriated Fund federal civilian employees as well as former service members.

2.1. AFPC/DPIEPC is responsible for day-to-day operation of the UC program, including:

2.1.1. Quarterly auditing of UC and State billings to pay the DOL bill and resolve errors. Payments are made using the appropriate NAFs, NAF process and system application designated by AFSVA.

2.1.2. Providing expertise in all matters relating to UC benefits, State determinations, and appeal actions. Provides management advisory services to the installations.

2.1.3. Formulating managerial statistics and information in the form of quarterly reports to AFSVA/SVXHI to assist in management of the UNCE Program.

2.1.4. Assisting the NAF Human Resource (HR) Section to identify problems with UC payments and State Employment Security Agencies (SESAs) decisions.

2.2. Upon announcement of installation closures, AFPC/DPIEPC shall coordinate with AFSVA Installation Support (AFVSA/SVI) to obtain the new AF mailing address where

wage and separation information of former employees can be obtained. Send inquires to afpc.unemployment@us.af.mil.

2.3. AFPC/DPIEPC will ensure proper administration at installation-level on components of the program and communicate with their local SESA and NAF-HR Section as necessary to efficiently operate the program.

2.4. Inputs all ES 931, *Request for Wage and Separation Information* and ES 931A, *Request for Separation Information for Additional Unemployment Compensation for Federal Employees (UCFE) Claim* forms received into the Defense Injury Unemployment Compensation System (DIUCS) and Right Now Technologies (RNT).

2.5. Completes State's request for wage and separation information and returns to State within time frame requested by the State.

2.6. Works with base NAF-HR Section and / or former supervisor to gather supporting documentation as required.

2.7. Conducts fact-finding interviews in collaboration with state adjudicators.

2.8. Reviews state "Notice of Determinations" and initiates an agency appeal if warranted.

2.9. Works within the framework of the state's instructions for submitting evidence.

2.10. Prepares appeal and serves as agency representative during appeal hearings.

2.10.1. Determines if witnesses are needed and notifies witnesses regarding date, time and call-in number to participate in the hearing.

2.10.2. Prepares cross-examination in advance of hearing. Reference the reason for employee separation and any State law regarding benefits for that type of separation.

2.10.3. Follows-up with SESA for questionable separation actions, as described below

2.10.3.1. State laws define questionable separations as:

2.10.3.1.1. Involuntary separation for cause.

2.10.3.1.2. Voluntary resignation without good cause.

2.10.3.1.3. Refusal to accept a suitable job offer.

2.10.4. Sends witnesses any cross-examination questions with sufficient time to respond before the hearing.

2.10.5. Ensures all witnesses know what to expect and are prepared for the hearing.

2.11. Affords Tier 2 customer support by responding to information tickets in RNT.

2.12. Completes Wage Audits as requested by the State to ensure correct monetary determinations.

2.13. Maintains and closes Unemployment Compensation case files for all claims.

2.14. Plans and prepares the Quarterly Benefits Report.

2.15. Receives quarterly reports from each State showing Unemployment Charges and credits for each claimant at the end of each quarter.

- 2.16. Reviews quarterly reports to identify former employees and amount of UC costs paid during the fiscal quarter, but actually incurred in previous quarters.
- 2.17. Utilizes quarterly reports to determine why claimant separated and where they last worked.
- 2.18. Audits Quarterly UC reports and State billing to pay the DOL bill and resolve errors.
- 2.19. Receives and audits invoice from DOL every 45-60 days for the amount the States have paid AF NAF claimants.
- 2.20. Receives DOL billing quarterly: 15 May (Jan-Mar), 15 August (Apr-Jun), 15 November (Jul-Sep), and 15 February (Oct-Dec).
- 2.21. Prepares bill for payment approval and processing by the appropriate AFVSA office, AFPC/DPIEPC actually pays the bill.

3. NAF-HR Responsibilities. The installation's NAF-HR Section is an integral part of this program. The NAF-HR Section ensures managers, supervisors, and employees know the UCNE program's requirements and responsibilities to include the following: (T-2)

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

3.1.1. Files the employee signed and dated Statement, in the employee's Official Personnel Folder.

3.1.2. Destroys the statement upon employment termination.

3.2. Installation NAF-HR's complete and provide to all NAF employees who are separated for any reason, or who are placed in a non-pay status of seven or more consecutive days, Standard Form (SF) 8, *Notice to Federal Employee About Unemployment Insurance*, on or before their last duty day.

3.2.1. NAF-HR's pre-populate the form SF 8 with the following information:

3.2.1.1. The name "NAF" followed by the complete organizational address of the NAF-HR Section where the employee's records are maintained.

3.2.1.2. The 3-digit identification (ID) number, "ID number 427"

3.2.1.3. Address the SF-8 to "Department of the Air Force, AFPC/DPIEPC-UNCE (427), 550 C St West Suite 57, JBSA-Randolph, TX 78150-4759"

3.2.2. Separated employees apply at SESA offices with the completed SF 8; their social security card; and AF Form 2545, *NAFI Notification of Personnel Action*.

3.2.2.1. See Attachment 2 "Sample Separation or NonPay Status Statements".

3.3. Employees may appeal or grieve separation actions in accordance with Air Force Manual (AFMAN) 34-310, *Nonappropriated Fund (NAF) Personnel Program Management and Administration Procedures*.

3.4. If a former employee refuses suitable employment, the NAF-HR determines whether the individual has an active UC claim. If affirmative, the NAF-HR notifies AFPC/DPIEPC indicating:

- 3.4.1. Date of job offer.
- 3.4.2. Nature of job offer.
- 3.4.3. Location of job.
- 3.4.4. Grade and salary of job offered.
- 3.4.5. Reason for refusal, if known.

4. Request for Wage and Separation Information. AFPC/DPIEPC, in conjunction with the servicing NAF Accounting Office (AO) completes the ES 931. For AF level NAF employees, requests for data should come to the AF NAF Central Fund Accounting Office

4.1. AFPC/DPIEPC completes basic information about employee:

- 4.1.1. Uses DIUCS to enter wage information as shown on the ES 931 for the base period requested. Enter zero under gross wages if no wages were paid during reportable quarters.
- 4.1.2. Enters name, social security number, reason for termination/separation, and activity code.

4.2. The servicing NAF AO provides certain required wages, as explained below.

4.2.1. The NAF AO completes the lump-sum terminal leave portion of ES 931. Lump-sum terminal leave payments are not included as wages, but reported separately as required.

4.2.2. When required, the NAF AO enters detailed severance pay information on ES 931.

4.3. AFPC/DPIEPC returns the completed ES 931 to SESA within 4 workdays after it arrives on the installation.

4.4. The effect of back-pay awards on UC benefit amounts differ depending on State law.

4.4.1. Some States require their SESA to collect overpayments resulting from back-pay awards.

4.4.2. Some States require the employer to recover overpayments.

4.4.3. A few States do not consider back-pay awards to cause an overpayment.

4.5. There are special situations for back-pay and overpayments as follows:

4.5.1. If a separated employee applies for UC benefits and is also entitled to back-pay, AFPC/DPIEPC contacts the SESA to obtain a revised UC benefit calculation.

4.5.2. When the SESA or the employer identifies an overpayment, the AFPC/DPIEPC assists the SESA by providing the following information:

4.5.2.1. Employee name and social security number and time period of the overpayment.

5. Handling Appeals. All SESAs provide UC appeal rights. The claimant or the separating activity may initiate an appeal. The procedures for appeal actions are discussed below:

5.1. The applicable Activity Manager is responsible for appealing SESA determinations. AFPC/DPIEPC provides technical and administrative assistance as needed.

5.1.1. SESAs should send all determinations and hearing notices to the AFPC/DPIEPC address listed on the SF 8.

5.2. When an unfavorable SESA determination is received, AFPC/DPIEPC ensures the following is completed:

5.2.1. Contacts the NAF Activity Manager to determine if an appeal is warranted.

5.2.2. Contacts the servicing Staff Judge Advocate (SJA) for assistance, when necessary.

5.2.2.1. Has a limited number of days to file an appeal (varies by State).

5.3. Hearings outside the local area are normally conducted by telephone.

5.3.1. AFPC/DPIEPC must contact the SESA for supporting documents including witness affidavits in lieu of personal appearance.

5.4. In-person hearings are usually conducted within commuting distance from the installation.

5.5. The following officials will participate in appeal hearings, as required:

5.5.1. Activity Manager or Supervisor.

5.5.2. UCNE Representative.

5.5.3. SJA Representative.

5.5.4. Any witnesses having first-hand knowledge of circumstances surrounding the separation.

5.6. SESAs normally send appeal determinations to AFPC/DPIEPC within 30 days after the appeal hearing date. If appeal determination is not received within 30 days, AFPC/DPIEPC initiates follow-up action with the appropriate SESA.

6. Cost, Assessment, and Payment. All NAFIs pay an assessment to the AF Insurance Fund to cover the cost of UC benefits paid to former and current employees.

6.1. AFPC/DPIEPC authorizes/initiates payment of quarterly DOL bill. AFSVA/SVX establishes the NAFI assessment rate required to offset costs.

6.2. Installation Commanders, Force Support Squadron Leadership, NAF Activity Managers and all supervisors must work together to eliminate improper UC benefit payments. (T-2)

6.2.1. Providing timely, accurate, and complete wage and separation information to SESA helps prevent incorrect eligibility decisions and improper payment of benefits.

6.3. AFPC/DPIEPC and AFSVA/SVX review claims paid verses assessment received to ensure the UC assessment rate is sufficient to cover claims paid. Changes to the rate, if needed, should be at a minimum on an annual basis.

7. DOL Forms. Each SESA will provide forms and other required documents to administer the UC Program, including ES 931 and Addendum ES 931A.

8. UCNE Program Information. AFPC/DPIEPC may contact the SESA for assistance in completing and returning UCFE forms. SESA representatives may be invited for on-site visits to assist in ensuring AFPC/DPIEPC, the NAF-HR Section and NAF Activity Managers comply with UCFE law (T-2).

9. Contingency Actions. The NAF-HR will counsel affected NAF employees about applying for UC benefits when they are displaced from work by reason of natural disaster, national emergency, armed conflict, or war (T-2).

10. Joint Basing Installations. The supporting component will contact the supported component for wages previously earned. The supporting component will record the employee's wages on ES 931. The supported component must provide the wages to the supporting component to meet the required 4-day turnaround.

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Force (Manpower and Reserve Affairs)

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

DoDI 1400.25 Volume 850, *DoD Civilian Personnel Management System: Unemployment Compensation (UC)*, January 9, 2002

DoDI 1400.25 Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*, July 21, 2009

AFPD 34-3, *Nonappropriated Funds Personnel Management and Administration*, 19 July 2012

AFI 33-360, *Publications and Forms Management*, 25 September 2013

AFI 34-301, *Nonappropriated Fund Personnel Management and Administration*, 16 April 2013

AFMAN 33-363, *Management of Records*, 1 March 2008

AFMAN 34-310, *Nonappropriated Fund Personnel Program Management and Administration Procedures*, 28 September 2011

Adopted Forms

AF Form 847, Recommendation for Change of Publication

AF Form 2545, NAFI Notification of Personnel Action

Standard Form (SF) 8, Notice to Federal Employee about Unemployment Insurance

Employment Security (ES) 931, Request for Wage and Separation Information-UCFE

Employment Security (ES) 931A, Request For Separation Information For Additional Claim-UCFE

Abbreviations and Acronyms

AF—Air Force

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFPC—Air Force Personnel Center

AFPC/DPIEPC—Air Force Personnel Center (Unemployment Compensation and Appeals Office)

AFPD—Air Force Policy Directive

AFSVA—Air Force Services Activity

AFVSA/SVI—Air Force Services Activity (Installation Support Division)

AFSVA/SVX—Air Force Services Activity (Plans and Force Management Division)

AFSVA/SVXHI—Air Force Services Activity (Insurance Branch)

AFRIMS—Air Force Records Information Management System

DOL—Department of Labor

DIUCS—Defense Injury Unemployment Compensation System

ES—Employment Security

NAF—Nonappropriated Fund

NAF AO—NAF Accounting Office

NAFI—Nonappropriated Fund Instrumentality

NAF HR—Nonappropriated Fund Human Resources

RDS—Records Disposition Schedule

RNT—Right Now Technologies

SESA—State Employment Security Agency

SF—Standard Form

SJA—Staff Judge Advocate

UC—Unemployment Compensation

UCFE—Unemployment Compensation for Federal Employees

UCNE—Unemployment Compensation Program for Nonappropriated Fund Employees

Attachment 2

SAMPLE SEPARATION OR NONPAY STATUS STATEMENTS

Table A2.1. Sample Separation or Nonpay Status Statements

If Reason Is	For	Then Sample Statement Should Read
1. Separation	1a. Inefficiency	Separation for Inefficiency—The employee was unable to pass a scheme-sorting test after four trials.
	1b. Disqualification	Separation for Disqualification—The employee through carelessness, repeatedly failed to meet the job requirement of preparing accurate, neat letters according to a standard format, even though the employee demonstrated the ability to do so and received supervisory warnings on three occasions during the probationary period. (Attach a copy of the separating letter to the employee indicating the reason for separation.)
	1c. Displacement	Separation for Displacement—Temporary employee was displaced by a permanent employee.
	1d. Abandonment of Position	Separation for Abandonment of Position—The employee walked off the job without giving notice before or after leaving the position.
	1e. Disability	Separation for Disability—The employee was unable to perform the duty of loading and unloading trucks. No less-strenuous work was available at the equivalent grade.
2. Resignation	2a. To move to another city	Resignation—To accompany spouse to a new duty station.
	2b. To return home	Resignation—To return home to care for an aged parent.
	2c. Personal reasons	Resignation—Transportation or child care problems, etc., and no other suitable job was available.
		<p style="text-align: center;">OR</p> Resignation—Employer was preparing charges to separate the employee for drinking on the job on four occasions within the 30-day period prior to separation.
	2d. Dissatisfied	Resignation—To seek other employment
3. Retirement (Optional)	3. Retirement (Optional)	Retirement (Optional)—To engage in a public accounting practice.
		Retirement (Optional)—Rather than accept a two-grade decrease in pay in another line of work as a result of a Business Based Action.
		Retirement (Optional)—Rather than move with unit from Texas to Colorado. (The employee was offered similar work at the same grade in Texas.)
		Retirement (Optional)—Because the employee was no longer able to perform regular job and no other job was available.
4. Business-Based Action (BBA)	4. Business-Based Action (BBA)	BBA—The employee was not offered another job.
		<p style="text-align: center;">OR</p> BBA—The employee, an NFII administrative assistant, was offered other NFI administrative work.

If Reason Is	For	Then Sample Should Read
5. Removal	5. Removal- Insubordination	Removal—For excessive tardiness. During the last 20 days prior to removal, the employee was tardy 1 hour on 8 days and 2 hours on 5 days with no explanation except, —Ioverslept!
		OR
		Removal—For giving false information on the employment application. (Common examples include misrepresenting education and work experience, as well as failure to disclose criminal violation as the employment application requires.)
		OR Removal—For security reasons. (Attach a copy of the separation letter to the employee that indicated the reason for separation.)
6. Termination	6. Termination— Lack of work	Termination—Lack of work.
		OR
		Termination—Expiration of the employee's 90-day appointment. The employee refused an extension of the appointment.