

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES (UCFE)

WHAT IS UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES (UCFE)?

The UCFE program provides unemployment compensation for Federal employees who lost their employment through no fault of their own. UCFE is administered by the states, the District of Columbia, Puerto Rico, and the United States Virgin Islands who act as agents of the Federal government. In general, the unemployment insurance (UI) law of the state in which the former Federal employee had his/her last official duty station in Federal civilian service will be used to determine eligibility for UCFE benefits. Accordingly, the same terms and conditions that apply to individuals eligible for regular state UI apply to UCFE claimants.

UCFE ELIGIBILITY REQUIREMENTS

The eligibility requirements for UCFE claims are the same as for regular UI claims. For general information on UI eligibility requirements, refer to the Unemployment Insurance Fact Sheet [Unemployment Insurance Fact Sheet](#). Web links to specific state eligibility requirements can be found on [Career One Stop](#).

FILING AN UCFE CLAIM

UCFE claims should be filed in the state where the Federal employee's last official duty station was located, with limited exceptions. If the individual has employment after separation from the Federal employer, the UCFE claim is filed in the state of last employment. If the last duty station was outside of the United States, the UCFE claim is filed in the state the individual resides. A UCFE claim may not be filed by an individual living outside of the United States.

States vary in how they accept applications for UCFE benefits. Contact information for state UI agencies can be found at [Career One Stop](#). The state will ask the claimant for a SF-8, *Notice to Federal Employee About Unemployment Insurance*, and a SF-50, *Notification of Personnel Action* to establish the UCFE claim. Federal employers provide these forms to their employees upon separation.

CONTINUED CLAIM CERTIFICATIONS

The individual must continue to file weekly or biweekly claims for UCFE benefits according to the instructions given by the state agency where the UCFE claim is filed.

THE UCFE WEEKLY BENEFIT AMOUNT (WBA) PAYABLE AND BENEFIT DURATION

Generally, benefits are based on a percentage of earnings over a recent 52-week period, and each state sets a maximum benefit amount. The WBA for UCFE claims is calculated in the same manner as regular UI claims and is based on the individual's earnings during a base period that is defined by the applicable state law. Once a claim is filed, it is valid for a year and within that year individuals, who are otherwise eligible, may receive the available benefits while unemployed. The number of weeks payable is based on state law and

is tied to the maximum benefit amount payable. Information on how states calculate the WBA can be found in the [Comparison of State UI Laws](#).

APPEALS

Individuals who are disqualified or denied benefits have the right to file an appeal. The employer may also appeal a determination if it does not agree with the state's determination regarding an individual's eligibility. Appeals must be filed within an established time frame as described in the written determination provided by the state UI agency.

FUNDING OF UCFE CLAIMS

States pay UCFE benefits on behalf of the Federal government to eligible former civilian Federal employees who have filed a claim and are eligible for benefits. Federal agencies reimburse state agencies dollar-for-dollar for all UCFE benefits paid. There is no payroll deduction from a Federal employee's wages to support payment of benefits under the UCFE program.

FEDERAL TAXES

UCFE benefits are subject to Federal income tax. Individuals may elect to have Federal withholding deducted from their UCFE payments. Individuals will receive Form 1099-G to file with their income tax return.

ADDITIONAL INFORMATION

Detailed information about the responsibilities of state UI agencies in administering the UCFE program can be found in [ET Handbook No. 391](#), *Unemployment Compensation for Federal Employees (UCFE) Instructions for State Agencies*.

Detailed information about the responsibilities of Federal Agencies as it pertains to the UCFE program can be found in [UCFE Instructions for Federal Agencies](#).

LEGAL AUTHORITY

The UCFE program is authorized by subchapter I of chapter 85, title 5 of the United States Code, as amended by Pub. L. 94-566, 90 Stat. 2667, 5 U.S.C. 8501-8508.

The regulations implementing the UCFE program are found at 20 CFR Part 609.