



State of New Jersey

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
PO BOX 110
TRENTON, NEW JERSEY 08625-0110

JON S. CORZINE
Governor

DAVID J. SOCOLOW
Commissioner

MAR 05 2009

Cheryl Atkinson, Administrator
Office of Workforce Security
200 Constitution Avenue
Room S-4231
Washington, DC 20210

Dear Ms. Atkinson:

In accordance with the Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5 enacted February 17, 2009 and as outlined in UIPL No. 14-09, I am making an application on behalf of the State of New Jersey for the distribution of the one-third portion of the Unemployment Modernization Incentive Payment available for the "base period" provision. My application on behalf of the State of New Jersey for distribution of the remaining two-thirds portion of the Unemployment Modernization Initiative Payment will follow shortly under separate cover.

Relative to eligibility for the one-third incentive payment N.J.S.A. 43:21-19(c)1 of the New Jersey Unemployment Compensation Law provides for an "alternate base year" for individuals who can not qualify for benefits under the "first four of the last five completed calendar quarters" definition of the base year. This provision defines the alternate base year as either the last four completed calendar quarters immediately preceding the individual's benefit year or, should the individual still not have sufficient wages to qualify for benefits, the alternate base year would be comprised of the last three calendar quarters completed immediately preceding the benefit year and the portion of the calendar quarter in which the benefit year commences.

This is to certify that the provision cited above has been in effect since July 1, 1995. This is a permanent feature of the New Jersey Unemployment Compensation Law. This provision was enacted by the New Jersey legislature and approved by the Governor and is subject to change or repeal only by action of that body and with the approval by the Governor. The New Jersey Department of Labor and Workforce Development (NJLWD) is unaware of any existing alternate base year provisions that will not qualify for these incentive payments. The regulations promulgated to carry out the alternate base year are attached following the body of the law.

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AD-18A (R-7-06)

It is the intention of the New Jersey Department of Labor and Workforce Development to use the funds provided for in this incentive to strengthen the New Jersey Unemployment Insurance Trust Fund. The objective of depositing these funds directly to the trust fund is to avoid triggering a rate increase upon New Jersey employers which would take effect on July 1, 2009. The experience rates paid by New Jersey employers are indexed to the trust fund balance on March 31st of each year. It is our objective to prevent or avoid any rate increase on New Jersey employers to the greatest extent possible.

Attached you will find the text of the law which defines a base year.

Please contact me if you have any need for additional information to process this application for the distribution of the first one-third of the Modernization Incentive Payment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul J. Seash". The signature is fluid and cursive, with a large initial "P" and "S".

COMMISSIONER

New Jersey Law

N.J.S.A. 43:21-19 Definitions

(c) (1) "Base year" with respect to benefit years commencing on or after July 1, 1986, shall mean the first four of the last five completed calendar quarters immediately preceding an individual's benefit year.

With respect to a benefit year commencing on or after July 1, 1995, if an individual does not have sufficient qualifying weeks or wages in his base year to qualify for benefits, the individual shall have the option of designating that his base year be the "alternative base year," which means the last four completed calendar quarters immediately preceding the individual's benefit year; except that, with respect to a benefit year commencing on or after October 1, 1995, if the individual also does not have sufficient qualifying or wages in the last four completed calendar quarters immediately preceding his benefit year to qualify for benefits, "alternative base year" means the last three completed calendar quarters immediately preceding his benefit year and, of the calendar quarter in which the benefit year commences, the portion of the quarter which occurs before the commencing of the benefit year.

The division shall inform the individual of his options under this section as amended by P.L. 1995, c.234. If information regarding weeks and wages for the calendar quarter or quarters immediately preceding the benefit year is not available to the division from the regular quarterly reports of wage information and the division is not able to obtain the information using other means pursuant to State or federal law, the division may base the determination of eligibility for benefits on the affidavit of an individual with respect to weeks and wages for that calendar quarter. The individual shall furnish payroll documentation, if available, in support of the affidavit. A determination of benefits based on an alternative base year shall be adjusted when the quarterly report of wage information from the employer is received if that information causes the quarterly report of wage information from the employer is received if that information causes change in the determination.

New Jersey Regulations

SUBCHAPTER 5. MONETARY REQUIREMENTS FOR BENEFIT ELIGIBILITY

12:17-5.1 Basic eligibility requirements

(a) To be eligible for benefits, an individual during his or her base year period, consisting of the first four of the most recent five completed calendar quarters preceding the date of the claim, shall have met the following requirements:

1. Established 20 base weeks as defined at *N.J.S.A. 43:21-19(t)(3)* as an amount equal to 20 times the State minimum hourly wage;
2. If the individual has not met the above requirement in (a)1 above, he or she must have earned an amount equal to 1,000 times the State minimum hourly wage; or
3. If the individual has not met the requirements in (a)1 or 2 above, he or she must have performed at least 770 hours of service in the production and harvesting of agricultural crops.

HISTORY:

Amended by R.2001 d.298, effective August 20, 2001.
See: *33 New Jersey Register 1849(a)*, *33 New Jersey Register 2814(b)*.
Rewrote section.
Amended by R.2003 d.276, effective July 7, 2003.
See: *35 New Jersey Register 1527(a)*, *35 New Jersey Register 2874(b)*.
In (a), amended the N.J.S.A. reference in 1.

12:17-5.2 Alternative base years

(a) If an individual does not qualify for benefits pursuant to *N.J.A.C. 12:17-5.1* during the base year, he or she may use wages paid during an alternative base year consisting of the most recent four completed calendar quarters preceding the date of the claim.

(b) If the individual does not qualify for benefits using wages paid in the alternative base year provided in (a) above, he or she may use wages paid during the current calendar quarter up to the date of the claim and the three previous completed calendar quarters.

12:17-5.3 Exceptions to the use of alternative base years

Alternative base year periods may be used to qualify for benefits only when an individual cannot qualify for benefits due to insufficient base weeks and/or wages during the regular base year period. An alternative base year period may not be used when an individual's ineligibility is caused by a wage credit reduction due to his or her disqualification for gross misconduct. Similarly, an alternative base year may not be used when an individual's ineligibility for benefits is caused by the individual's corporate officer or ownership status, or the individual's employment with an educational institution.

12:17-5.4 Use of wages to qualify for benefits

(a) If wages from a base year or an alternative base year are required to establish a valid claim, those wages cannot be used again to establish any future claim(s).

(b) If wages are required from the most recent completed calendar quarter, all the wages paid in that quarter shall be used.

(c) If wages are required from the quarter in which the claim was filed, only those wages paid prior to the date of the claim shall be used; any subsequent wages earned from the date of the claim in that quarter may be used to establish eligibility for future claims.

12:17-5.5 Requests for wage information and affidavits

(a) When wage information regarding base weeks and wages is not available in the Division's records, the Division shall request that information from employers needed to determine the claimant's eligibility for benefits.

(b) If necessary, the Division shall request base week and wage information from all employers that the claimant identifies up to the date of claim. This information may be used in any of the alternative base years in order to reduce the number of contacts to employers to determine eligibility. The Division shall also request information about the claimant's separation from work.

(c) If the wage information is not received by the Division within 10 calendar days of mailing, the Division may accept an affidavit of wages and time worked from the claimant. The claimant shall be advised to present appropriate documentation, including payroll stubs, W-2 forms, Federal and State income tax returns, etc., if available. A determination of benefits based on an alternative base year shall be adjusted when the quarterly wage report from the employer is received if that information causes a change in the determination.

1. Except in the event of fraud, if it is determined that any information provided by the claimant on an affidavit is erroneous, no penalty or refund of benefits shall be imposed on the claimant for periods prior to the calendar week in which an employer provides subsequent wage information.

2. When a benefit determination is based on information provided by the claimant on an affidavit because the employer failed to reply to the Division's request for information, the employer shall not be relieved of excess charges to the employer's account because of benefits paid prior to the close of the calendar week following the receipt of the employer's subsequent reply.

HISTORY:

Amended by R.2003 d.276, effective July 7, 2003.

See: 35 New Jersey Register 1527(a), 35 New Jersey Register 2874(b).

In (a), deleted "only" following "the Division shall request".

12:17-5.6 Alternative base years for individuals claiming benefits after a period of disability

(a) An individual, who files a claim for benefits immediately after a period of disability compensable under the provisions of the Temporary Disability Benefits Law, *N.J.S.A. 43:21-25* et seq. or compensable under the Workers' Compensation Law, *N.J.S.A. 34:1-1* et seq., may have the option of using an alternative base year consisting of the first four of the most recent five completed calendar quarters preceding the date his or her disability began, to establish eligibility for, or increase entitlement for, unemployment benefits. If the previous position is available, but the individual is no longer able to perform the duties of the position, the alternative base year provisions of this section shall not apply. If the individual does not qualify for benefits pursuant to *N.J.A.C. 12:17-5.1* during this base year, he or she may use wages paid during the alternate base years prescribed in *N.J.A.C. 12:17-5.2*, but defined as preceding the date of disability.

1. This section applies only to those individuals whose employment is not available at the conclusion of the disability period, provided the individual files his or her claim within four weeks of recovery, except where he or she has shown good cause as defined at *N.J.A.C. 12:17-4.1* for filing a claim after four weeks.

2. This section applies to individuals receiving Workers' Compensation for a period not to exceed two years.

(b) An individual who files a claim under the provisions of this section shall not be disqualified for benefits for voluntarily leaving work, provided the individual contacts the employer and his or her employment is not available.

HISTORY:

Amended by R.2003 d.276, effective July 7, 2003.

See: *35 New Jersey Register 1527(a)*, *35 New Jersey Register 2874(b)*.

In (a), inserted ", but defined as preceding the date of disability" following "N.J.A.C. 12:17-5.2" in the introductory paragraph.

CLARIFICATION OF ALTERNATE BASE YEAR ELIGIBILITY REQUIREMENT

The purpose of this bulletin is to clarify the impact of nonmonetary determinations on alternative base year eligibility. New Jersey unemployment law requires staff to establish monetary eligibility before any nonmonetary eligibility is determined. The alternate base year option allows a claimant to test for monetary validity in alternative base years.

The alternative base week and earnings tests must be applied in order within each possible base year period. Once the claim becomes valid, the process ends. The claimant does not have the choice of pursuing a later option. The following order of eligibility criteria is mandated.

- 1) Regular Base Year – 20 regular base weeks
- 2) Regular Base Year – 12 times the Statewide average weekly wage
- 3) Regular Base Year – 1000 times the State’s minimum hourly wage
- 4) Alternative Base Year 1 – 20 regular base weeks
- 5) Alternative Base Year 1 – 12 times the Statewide average weekly wage
- 6) Alternative Base Year 1 – 1000 times the State’s minimum hourly wage
- 7) Alternative Base Year 2 – 20 regular base weeks
- 8) Alternative Base Year 2 – 12 times the Statewide average weekly wage
- 9) Alternative Base Year 2 – 1000 times the State’s minimum hourly wage

Monetary eligibility is first tested with 20 base weeks in the regular base year (Option 1). Once a claim becomes valid with one of these options, the monetary process ends and the claimant may not use another alternative method. If a nonmonetary determination eliminates the use of wage credits in this base year and the claim is now monetarily invalid, claimants cannot establish monetary eligibility in alternative base years.

New Jersey Administrative Code (N.J.A.C.) 12:17-5.3 “Exceptions to the use of alternative base years” states:

“Alternative base year periods may be used to qualify for benefits only when an individual cannot qualify for benefits due to insufficient base weeks and/or wages during the regular base year period. An alternative base year period may not be used when an individual's ineligibility is caused by a wage credit reduction due to his or her disqualification for gross misconduct. Similarly, an alternative base year may not be used when an individual's ineligibility for benefits is caused by the individual's corporate officer or ownership status, or the individual's employment with an educational institution.”

A claimant who is ineligible due to a nonmonetary determination that causes a reduction of wage credits may not use an alternative base year after their disqualification. Reasons for wage credit reductions from a nonmonetary determination are: gross misconduct, corporate office or ownership status and employment with an educational institution.

Managers and supervisors shall ensure that all concerned personnel are familiar with and guided by this instruction.

Questions or Comments? <http://inform-prod/inform/ui/uimain/feedback.html>

**DEVELOPMENT OF MONETARY HANDBOOK MODULES
ALTERNATIVE BASE YEAR/BASE WEEK (ABY)**

Attached is the first of several modules being prepared by the Monetary Workgroup, a working committee chaired by Pat Adamo from the Office of UI Operations with members from the Bureau of Program Services and Standards, Benefit Payment Control, Adjustment Unit, Office of Training and several local unemployment offices. The committee is attempting to create a monetary handbook that will consolidate monetary-related reference materials into one location.

This first module, "Alternative Base Year/Base Week (ABY)," summarizes ABY concepts, contains the text of related procedures and bulletins and includes applicable form samples. The summary pages are organized into the following sections: *Description of Topic, Topic Background, Law and/or Regulation References or Citations, Order of Function in Claimstaking Process, Associated Forms, Associated LOOPS Transactions, Pertinent UIMS/Bulletins/Other Directives, Special Circumstances/Situations* and *Examples*. Subsequent modules will be presented in similar format.

Modules about Affidavits, Aliens, Benefit Computation Factors, Non-Registered Employers, Student Disqualification Issues and Requalification Requirements are being developed at this time. Later modules will include such topics as Agricultural Workers, Corporate Officers/Owners, and Dependency Allowances. Upon clearance approval, each module will be printed as a supplement to this Workforce New Jersey-Income Security bulletin. When all modules are complete, they will be reprinted and distributed as a monetary handbook.

ALTERNATIVE BASE YEAR/BASE WEEK (ABY)

Description of Topic

P.L. 1995, Chapter 234, amended portions of the New Jersey Unemployment Compensation Law and modified certain eligibility requirements. The law establishes alternative base year periods and an alternative base week amount to test the validity of claims for Unemployment and Disability During Unemployment benefits that are initially determined invalid under regular criteria.

The law provides for changes to the monetary determination process for claims determined invalid using the regular base year/base week amounts. Two alternative base years are established--the four most recently completed calendar quarters preceding the date of claim and the three most recently completed calendar quarters preceding the date of the claim and weeks in the filing quarter up to the date of claim (see example on page 6). In addition, an alternative base week amount that is equal to 20 times the State minimum hourly wage (currently \$101), and an alternate earnings test that is equal to 1,000 times the State minimum hourly wage (currently \$5,100), was established for individuals who do not meet the regular wage requirements.

The following order of eligibility criteria is mandated. The alternative base week and earnings tests must be applied in order within each possible base year period. Once the claim becomes valid, the process ends. The claimant does not have the choice of pursuing any further option.

- 1) Regular Base Year – 20 Regular Base Weeks
- 2) Regular Base Year – 20 Alternative Base Weeks
- 3) Regular Base Year – 12 times the Statewide Average Weekly Wage
- 4) Regular Base Year – 1000 times the State's Minimum Hourly Wage
- 5) Regular Base Year – 770 Hours (Agricultural Employment)

- 6) Alternative Base Year 1 – 20 Regular Base Weeks
- 7) Alternative Base Year 1 – 20 Alternative Base Weeks
- 8) Alternative Base Year 1 – 12 times the Statewide Average Weekly Wage
- 9) Alternative Base Year 1 – 1000 times the State's Minimum Hourly Wage
- 10) Alternative Base Year 1 – 770 Hours (Agricultural Employment)

- 11) Alternative Base Year 2 – 20 Regular Base Weeks
- 12) Alternative Base Year 2 – 20 Alternative Base Weeks
- 13) Alternative Base Year 2 – 12 times the Statewide Average Weekly Wage
- 14) Alternative Base Year 2 – 1000 times the State's Minimum Hourly Wage
- 15) Alternative Base Year 2 – 770 Hours (Agricultural Employment)

Topic Background

In 1984, the base year period that was used to establish monetary eligibility under the New Jersey Unemployment Compensation Law was the first 52 of the last 53 weeks preceding the

date of the claim. At that time, an individual would have had to have earned at least \$30 in each of 20 base weeks or a total of \$2,200 during the base year period in order to qualify for benefits.

In 1984, the New Jersey Unemployment Compensation Law was amended by Chapter 24, P.L. 1984, which ultimately changed the base year period to the first four of the last five completed calendar quarters and raised the base week amount to 20% of the Statewide Average Weekly Wage (\$126 in 1995) and the alternate earnings amount to 12 times the Statewide Average Weekly Wage (\$7,600 in 1995).

Although the 1984 changes to the base year period made the eligibility process faster and more efficient by enabling the Department of Labor to switch from a wage request to a wage record system, the amendments increased the amount of time required before an individual's wages could be used to establish claim eligibility. Also, while the new base week and alternate earnings criteria provided automatic adjustments without additional legislation, it resulted in large increases in the minimum monetary requirements for establishing claim eligibility.

A concern that New Jersey's base year period may have been unfair to those individuals recently entering the labor market and that the high base week amount may have been excluding low-wage earners, prompted the passage of these 1995 amendments.

Law and/or Regulation References or Citations

Chapter 234, P.L. 1995, modified certain New Jersey unemployment insurance benefit eligibility requirements by amending R.S.43:21-4, R.S.43:21-14 and R.S.43:21-19. Governor Whitman signed it into law on August 22, 1995.

Order of Function in Claimstaking Process (Prior Necessary Actions)

The process of exploring potential alternative base year periods and base week options is initiated at the time of initial claim filing and completed during the monetary process.

Counter personnel first identify potentially invalid or incalculable claims. Then, with the use of A200/C100*/C200*, claim documentation and questioning the claimant, missing employer(s), missing quarter(s), contested weeks and wages and other factors are identified. Individuals with undeterminable claims are informed that a monetary determination will not be issued until additional information is received and reviewed.

If additional review is required, the claimant is scheduled for a monetary interview. Monetary personnel review the claim information and determine which forms should be generated to appropriate employers. Data is entered accordingly and by the time of the first payment, the claim is redetermined as appropriate.

***NOTE:** Although LOOPS Conversations C100 and C200 are helpful in identifying **potential** eligibility, only regular base weeks are recorded and used in its monetary calculations. Alternative base weeks, the second alternate earnings test and wages already used in overlapping

quarters are not factored into the pre-monetary determination. The status of a claim, therefore, is not necessarily as it appears on these conversations.

Associated Forms

BC-2WR.1, "Request for Wage and Separation Information," asks for wage information in up to six quarters and requires a weekly breakdown.

BC-2WR.2, "Request for Wage and Separation Information," requests wage information in up to six quarters and requires a quarterly breakdown.

BC-22, BC-22.1, IB-22, "Claimant's Affidavit of Employment and Wages," requests employment history in the regular and appropriate alternative quarters, and asks for two base week amounts.

BC-2AG, "Request for Supplementary Wage Information – Agriculture Worker," requests wages and hours in up to six quarters.

BC-2/3Q, "Notice to employer of Monetary Determination," notifies a regular base year employer of an invalid claim under the regular base year and, at the same time, requests weekly wage information in six quarters.

BC-3C, "Notice To claimant of Benefit Determination," and *BC-3E, "Notice to Employer of Potential Liability,"* show the weeks and wages in all quarters which are used to establish monetary eligibility.

ES-931, "Request for Wage and Separation Information – UCFE," requests base week totals using both regular and alternative base week amounts.

ES-935, "Claimant's Affidavit of Federal Service Wages & Reason for Separation," requests base week totals using both regular and alternative base week amounts.

IB-4.2WR, "Request for Wage Information on Combined Wage Claim," requests base week totals in six quarters using both regular and alternative base week amounts.

BC-376, "Important Notice to Claimant – Eligibility Alternatives," advises the claimant that a monetary interview is being scheduled to investigate additional employment history.

BC-377, "Alternate Base Year Eligibility, Claimant Option," is an option form where the claimant indicates acceptance or rejection of a claim using an alternative base year period.

BC-378, BC-378V and BC-378D, "Alternate Base Year Eligibility, Claimant Notification and Option," is mailed to the claimant, advising that a claim based on the regular base year period may be invalid. The bottom of the form includes an option section where the claimant indicates whether the use of an alternative base year is acceptable.

Associated LOOPS Transactions

A200 - On the Basic 1 inquiry screen, the “MON CRITERIA” field shows the criteria used to calculate monetary entitlement and the “Employer Forms” screen shows, by employer, which wage request forms were generated to each employer and when (A200/#16/#4)

C100 – calculates a potential pre-monetary based on regular base weeks and wages in the regular base year period.

C200 – calculates a potential pre-monetary based on regular base weeks and wages in the lag and preceding 3 quarters (Alternative Base Year #1)

C010 – responds in accordance with the number of regular base weeks and wages brought over from Wage Record. . The claim becomes valid, invalid or undeterminable. Appropriate forms are generated.

C017 – directs the generation of weekly, rather than the defaulted quarterly wage request forms. (NOTE: Quarterly forms are automatically ordered via C010 unless LOOPS conversation C017 is transacted on the same day.)

D010 – generates wage and separation forms appropriate to the different monetary criteria indicators.

D020 – regenerates wage and separation forms appropriate to the different monetary criteria indicators and calculates monetary determinations for some UCFE, UCX and CWC claims.

D050 – redetermines the claim, allowing entry of regular and alternative base weeks and wages in up to six quarters.

Pertinent UIMS/Bulletins/Other Directives – Court/Board Decisions

UIM-0879, Revision 2 - “Implementation of Chapter 234, P.L. 1995 Providing for Alternate Eligibility Requirements”

UIM-0879, Supplement 2 – “Requesting Alternative Base Year Wage Information on CWC Claims”

UIM-0879, Revised, Supplement 3 – “Effect of Chapter 234, P.L. 1995 on Combined Wage Claim Processing”

UIM-0879, Revision 2, Supplement 4 – “New Claim Entry Affected by Prior Report of UCX/UCFE Wages”

UIM-0879, Revision 2, Supplement 5 – “LOOPS Programming Changes Effective With Claims Dated 10/6/96”

UIM-0879, Revision 2, Supplement 7 – “Effect of ‘ABY’ on Disability Base Year, Calendar Week Option and School Employee Situations”

UIM-0879, Revision 2, Supplement 8 – “Monetary Affidavits – Alternative Base Year/Base Week Claims (ABY)”

UI/DI 1123 – “Alternative Base Year Period Option Form Revisions for October, 1995”

UI/DI 1138 – “P.L. 1995, Chapter 234 Employer Update Article”

UI/DI 1161 - “ABY” Workflow Suggestions”

UI/DI 1170 – “Revision of Form BC-5 Opting Not To Use Alternative Base Year Period”

UI/DI 1186 – “Overlapping Base years Caused by ABY Processing”

UI/DI 1285 – “Processing ‘ABY’ CWC Claims – Reminders”

Special Circumstances/Situations

- Disability Base Year

The provision which allows the use of an alternate base year period determined by the date of a claimant’s disability rather than date of claim (see UIM-0859) is not negated by these amendments. Regardless of the monetary criteria used to calculate a current monetary determination, a qualified claimant would still have the option of using the alternate, disability-related base year. Within the disability base year, all “ABY” criteria apply. If the claim is invalid with regular base weeks and wages, alternative base weeks and wages are to be tested. If the claim continues to be invalid using a base year period of the first four of the last five completed calendar quarters preceding the date of the disability, the claim will be tested using the four most recent quarters preceding the date of disability and then the three most recent quarters and additional weeks through the date of disability.

- Calendar Week Option

The use of “ABY” criteria to validate a claim does not negate the claimant’s option of having his/her monetary determination calculated under the Calendar Week Option. If a claimant works for more than one employer during a calendar week resulting in more than one alternative base weeks (\$101 base weeks) being established for that calendar week, and if the claim has been validated using alternative base weeks, those weeks may be combined to form one base week.

- School Employees

“ABY” options do not apply to claims where school employment has been placed on hold because of a reasonable assurance of continuing employment. “Between Terms Denial” is a nonmonetary determination issued on a valid claim. It is not a monetary issue.

Examples

There are three possible base year periods, none of which contain more than four quarters. When alternative base year periods add a quarter or part of a quarter, they also drop one. Wages earned in up to six quarters may need to be reviewed.

2 nd Quarter Year 1	3 rd Quarter Year 1	4 th Quarter Year 1	1 st Quarter Year 2	2 nd Quarter Year 2	3 rd Quarter Year 2
April May June	July August September	October November December	January February March	April May June	July August September

An individual files a claim on August 22 of Year 2. Monetary eligibility is tested using weeks and wages in the first four of the last five completed quarters (the regular base year period).

Regular Base Year Period

<i>Completed Quarter #1</i>	<i>Completed Quarter #2</i>	<i>Completed Quarter #3</i>	<i>Completed Quarter #4</i>	<i>Completed Quarter #5 (Lag)</i>	<i>Incomplete Quarter (Filing)</i>
2 nd Quarter Year 1	3 rd Quarter Year 1	4 th Quarter Year 1	1 st Quarter Year 2	2 nd Quarter Year 2	3 rd Quarter Year 2
April May June	July August September	October November December	January February March	April May June	July August September

When the claim is determined invalid using the regular base year period, monetary eligibility is then tested in the last 4 completed quarters preceding the date of the claim (the first alternative base year period).

First Alternative Base Year Period

<i>Completed Quarter #1</i>	<i>Completed Quarter #2</i>	<i>Completed Quarter #3</i>	<i>Completed Quarter #4</i>	<i>Completed Quarter #5 (Lag)</i>	<i>Incomplete Quarter (Filing)</i>
2 nd Quarter Year 1	3 rd Quarter Year 1	4 th Quarter Year 1	1 st Quarter Year 2	2 nd Quarter Year 2	3 rd Quarter Year 2
April May June	July August September	October November December	January February March	April May June	July August September

When monetary eligibility still cannot be established, eligibility is tested in the last 3 completed quarters plus the weeks in the filing quarter up until the date of the claim (the second alternative base year).

Second Alternative Base Year Period

<i>Completed Quarter #1</i>	<i>Completed Quarter #2</i>	<i>Completed Quarter #3</i>	<i>Completed Quarter #4</i>	<i>Completed Quarter #5 (Lag)</i>	<i>Incomplete Quarter (Filing)</i>
2 nd Quarter Year 1	3 rd Quarter Year 1	4 th Quarter Year 1	1 st Quarter Year 2	2 nd Quarter Year 2	3 rd Quarter Year 2
April May June	July August September	October November December	January February March	April May June	July August 21

UIM 0879, REVISION 2

**IMPLEMENTATION OF CHAPTER 234, P.L. 1995 PROVIDING FOR ALTERNATE
ELIGIBILITY REQUIREMENTS**

PRINTED 12/21/95

On August 22, 1993, Chapter 234, P.L. 1995, an act modifying certain New Jersey unemployment insurance benefit eligibility requirements and amending R.S.43:21-4, R.S.43:21-14 and R.S.43:21-19 was signed into law by Governor Whitman. The new law establishes alternative base year periods, an alternative base week amount and a second alternate earnings test which will be used to test the validity of claims for unemployment and Disability During Unemployment (DDU) benefits which are initially determined invalid.

The purpose of this instruction is to explain the provisions of and to establish procedures for implementing the Act. Recent policy decisions direct that claims with less than 20 regular base weeks and at least \$2020 total earnings in the regular base year period are initially "undeterminable" and must therefore undergo investigation before a monetary determination is made. Further, all regular base year period employers must be given the opportunity to report alternative base weeks prior to the calculation of the monetary determination. These decisions plus the January provisions of the Act have resulted in form redesign, reprogramming and workflow changes. In addition, recent LOOPS enhancements have provided additional online sources of information.

This revision describes new and revised programming, workflow and forms which have been developed to adhere to these policy decisions and law changes and incorporates them into the original procedures. Major additions to the October version of this procedure are highlighted for easy identification. This instruction renders UIM-0879R obsolete.

Background

In 1984, the base year period which was used to establish monetary eligibility under the New Jersey Unemployment Compensation Law was the first 52 of last 53 weeks preceding the date of the claim. At that time, an individual would have had to have earned at least \$30 in each of 20 base weeks or a total of \$2,200 during the base year period in order to qualify for benefits.

In 1984, the New Jersey Unemployment Compensation Law was amended by Chapter 24, P.L. 1984, which ultimately changed the base year period to the first four of the last five completed quarters, raised the base week amount to 20% of the Statewide Average Weekly Wage (SAWW) (\$126 in 1995) and the alternate earnings amount to 12 times the Statewide Average Weekly Wage (\$7,600 in 1995).

Although the 1984 changes to the base year period made the eligibility process faster and more efficient by enabling the Department of Labor to switch from a wage request to a wage record system, the amendments increased the amount of time required before an individual's wages could be used to establish claim eligibility. Also, while the new base week and alternate earnings criteria provided automatic adjustments without additional legislation, it resulted in large increases in the monetary requirements for establishing claim eligibility.

A concern that New Jersey's base year period may have been unfair to those individuals recently entering the labor market and that the high base week amount may have been excluding low-wage earners, prompted the passage of these 1995 amendments.

I. Overview of the Bill

The Act provides for the following schedule of changes to the monetary determination process **for claims determined invalid using the regular base year/base week amount**. In all cases, once weeks and wages are used to establish monetary eligibility, they cannot be used on any other claim.

A. Effective July 1, 1995

An alternative base year (Alternative Base Year #1) that consists of the four most recently completed calendar quarters preceding the date of claim is established.

B. Effective October 1, 1995

A second alternative base year (Alternative Base Year #2) **to be used if the claim is still invalid after testing validity using the Regular and Alternative #1 Base Years** is established. Alternative Base Year #2 consists of the three most recently completed calendar quarters preceding the date of the claim and weeks in the filing quarter up to the date of the claim. This alternative base year will contain less than 52 weeks.

C. Effective January 1, 1996

1. An alternative base week amount that is equal to 20 times the State minimum hourly wage (\$101 in 1996) and an alternate earnings test that is equal to 1,000 times the State minimum hourly wage rounded up to the next \$100 (\$5,100 in 1996) is established. (Since April 1992, the minimum hourly wage in New Jersey has been \$5.05.) The regular base week amount for 1996 is \$128 and the regular alternate earnings test amount is \$7,700.
2. The following order of eligibility criteria is mandated. The alternative base week and earnings tests must be applied in order within each possible base year period. Once the claim becomes valid, the process ends. The claimant does not have the choice of pursuing a later option.
 - 1) Regular Base Year - 20 regular base weeks
 - 2) Regular Base Year - 20 alternative base weeks
 - 3) Regular Base Year - 12 times the Statewide average weekly wage
 - 4) Regular Base Year - 1000 times the State's minimum hourly wage
 - 5) Alternative Base Year 1 - 20 regular base weeks
 - 6) Alternative Base Year 1 - 20 alternative base weeks
 - 7) Alternative Base Year 1 - 12 times the State-wide average weekly wage
 - 8) Alternative Base Year 1 - 1000 times the State's minimum hourly wage
 - 9) Alternative Base Year 2 - 20 regular base weeks
 - 10) Alternative Base Year 2 - 20 alternative base weeks
 - 11) Alternative Base Year 2 - 12 times the State-wide average weekly wage
 - 12) Alternative Base Year 2 - 1000 times the State's minimum hourly wage

NOTE: The 770 hour qualification provision for agricultural workers remains in effect and must be tested, as necessary, in all three base year periods. Agricultural workers, therefore, have 15 tiers with the 770 hour provision falling in order after #4, #8, and #12 above.

NOTE: The provision which allows the use of an alternate base year period determined by the date of a claimant's disability rather than date of claim (see UIM-0859) is not affected by these amendments. Regardless of the monetary criteria used to calculate a current monetary determination, a qualified claimant would still have the option of using the alternate, disability-related base year.

II. Form Changes

A. BC-2WR.1 (See Attachment 1)

Form BC-2WR.1, "Request for Wage and Separation Information," will ask for wage information in up to six quarters and will require a weekly breakdown in all cases.

B. BC-2WR.2 (See Attachment 2)

Form BC-2WR.2, "Request for Wage and Separation Information," will request wage information in up to six quarters and will require a quarterly breakdown.

NOTE: Form BC-2WR will still be used to obtain wage and separation information when the claim is determined valid under regular criteria. LOOPS will automatically generate the appropriate version of the form.

C. BC-22, IB-25.2, IB-25V

Forms BC-22, IB-25.2 and IB-25V, "Claimant's Affidavit of Employment and Wages," will request employment history in the regular and appropriate alternative quarters, and will ask for two base week amounts.

D. BC-2AG

Form BC-2AG, "Request for Supplementary Wage Information - Agriculture Worker," will request wages and hours in up to six quarters.

E. BC-2/3Q (See Attachment 3)

Form BC-2/3Q, "Notice To Employer of Monetary Determination," will notify a regular base year employer of an invalid claim under the regular base year and, at the same time, request quarterly wage information in six quarters.

F. BC-2/3W (See Attachment 4)

Form BC-2/3W, "Notice To Employer of Monetary Determination," will notify a regular base year employer of an invalid claim under the regular base year and, at the same time, request weekly wage information in six quarters.

G. BC-3C/BC-3E

Forms BC-3C, "Notice To Claimant of Benefit Determination," and BC-3E, "Notice to Employer of Potential Liability," will show the weeks and wages in all quarters which are used to established monetary eligibility.

H. ES-931

Form ES-931, "Request for Wage and Separation Information - UCFE," will ask for base week totals using both regular and alternative base week amounts.

I. ES-935

Form ES-935, "Claimant's Affidavit of Federal Service Wages & Reason for Separation," will ask for base week totals using both regular and alternative base week amounts.

J. BC-5

Form BC-5, "Notice of Invalid Claim," will be revised to eliminate the definition of "base year period" so that it will apply to all possible base year periods under the new law.

K. IB-4.2WR

Form IB-4.2WR, "Request for Wage Information on Combined Wage Claim," will ask for base week totals in six quarters using both regular and alternative base week amounts.

III. LOOPS System Changes

A. A200

1. A new field, "MON CRITERIA," showing the criteria used to calculate monetary entitlement, will be added to the Basic 1 inquiry screen. The codes shown in this field will have the following definitions:

0	No Monetary/Claim Invalid
1	Regular Base Year & Regular Base Weeks
2	Regular Base Year & Alternative Base Weeks
3	Regular Base Year & 12 times the SAWW
4	Regular Base Year & 1000 times the minimum hourly wage
5	Regular Base Year & 770 Hours (Agricultural)
6	Alternative Base Year 1 & Regular Base Weeks
7	Alternative Base Year 1 & Alternative Base Weeks
8	Alternative Base Year 1 & 12 times the SAWW
9	Alternative Base Year 1 & 1000 times the minimum hourly wage
10	Alternative Base Year 1 & 770 Hours (Agricultural)
11	Alternative Base Year 2 & Regular Base Weeks
12	Alternative Base Year 2 & Alternative Base Weeks
13	Alternative Base Year 2 & 12 times the SAWW
14	Alternative Base Year 2 & 1000 times the minimum hourly wage

15 Alternative Base Year 2 & 770 Hour (Agricultural)

NOTE: The MON CRITERIA field on claims dated prior to July 1, 1995 will show a "0" regardless of claim status unless LOOPS conversation D050 is subsequently transacted.

2. A new screen, "Employer Forms," will show, by employer, which wage request Forms were generated to each employer and when. From the A200 main menu, choose #16, "Detail/History Menu," and then choose #4.

B. C200

A conversation, similar to the C100 will show regular base weeks and wages in the lag and preceding 3 quarters (Alternative Base Year #1) when the information has been entered into the Wage Record database.

C. C010

1. Upon claim entry, a valid monetary determination will not be automatically made based on an alternate earnings test. When there are fewer than 20 regular base weeks, LOOPS conversation C010 will proceed depending on the amount of total earnings recorded on the Wage Record database in the regular base year period.

- a) Upon entry of a claim with less than 20 regular base weeks but \$5100 or more total wages in the regular base year period:

- 1) The invalid indicator on LOOPS will be set to "9"; and
- 2) Form BC-2WR.2 will be automatically generated to each regular base year employer, requesting quarterly wage information in the four quarters of the regular base year period. The form will list the regular base weeks and total wages already reported by the employer.

- b) Upon entry of a claim with less than 20 regular base weeks, less than \$5100 total wages but \$2020 (20 times the alternative base week amount) or more total wages in the regular base year period:

- 1) The invalid indicator on LOOPS will be set to "9"; and

- 2) Form BC-2WR.2 will be automatically generated to each regular base year employer, requesting quarterly wage information in the six quarters of the claim's three possible base year periods. The form will list the regular base weeks and total wages already reported by the employer (including lag quarter wages when available).
- c) Upon entry of a claim with less than 20 regular base weeks and less than \$2020 total wages in the regular base year period:
- 1) An invalid monetary determination will be calculated;
 - 2) Form BC2/3Q will be automatically generated to each regular base year employer; and
 - 3) An invalid determination, Form BC-3C, will be generated to the claimant.

D. C017

LOOPS conversation C017 will direct the generation of weekly, rather than the defaulted quarterly wage request forms which have already been ordered by C010.

1. The conversation must be transacted the same day as the C010.
2. The conversation will result in the generation of either Form(s) BC-2WR.1 or BC-2/3W as appropriate.
3. The conversation will cause all requests for wage information which are being generated through C010 to be sent in weekly format. There is no way to specify a weekly breakdown for one employer but not another.
4. Once conversation C017 is transacted, it cannot be reversed. Forms will be generated in weekly format.

D. D010

1. Requesting Wage and Separation Information

"Monetary Criteria Indicators" (See III.A.1) of 1, 3 and 5.

- a. When a regular request for wage and separation information is entered on valid claims which use the regular base year and the regular base week amount, the regular alternate earnings test or the

770 hour provision for agricultural workers, Form BC-2WR will be generated. The form will request wage information in only the regular base year period.

- b. When a request for Form BC-2ST is entered on valid claims which use the regular base year and the regular base week amount, the regular alternate earnings test or the 770 hour provision for agricultural workers, Form BC-2WR will be generated requesting a weekly breakdown of wages.

2. Requesting Wage and Separation Information

"Monetary Criteria Indicators" other than 1, 3 and 5.

- a. When a regular request for wage and separation information is entered on invalid claims or on valid claims using an alternative base year and/or alternative base weeks or the alternate earnings test, Form BC-2WR.2 will be generated. The form will request a quarterly breakdown of wages in the regular base year, the lag quarter (effective July, 1995) and the filing quarter (effective October, 1995).
- b. When a request for Form BC-2ST is entered on invalid claims or on valid claims using an alternative base year and/or alternative base weeks or the second alternate earnings test, Form BC-2WR.1 will be generated. The form will request a weekly breakdown of wages in the regular base year, the lag quarter (effective July, 1995) and the filing quarter (effective October, 1995).

3. Calculating UCX & UCX/NJ Monetary Determinations

When calculating monetary entitlement for 100% UCX and UCX/NJ claims, the conversation will not automatically validate the claim based on the regular alternate earnings test. The system will check the number of alternative base weeks in the regular base year period, accessing the military information through the regular DD214 entries.

4. Generating Forms IB-4.2 (CWC Transferring, PC=45)

IB-4.2 requests will request quarterly wages in six quarters and will ask for both alternative and regular base weeks.

E. D020

1. Generation of Forms

a. BC-2WR, BC-2WR.1 and BC-2WR.2

1) Claims with "Monetary Criteria Indicators" of 1, 3 and 5.

- a) When a request for wage and separation information is requested on valid claims using the regular base year and the regular base week amount, the regular alternate earnings test or the 770 hour provision for agricultural workers, Form BC-2WR will be generated (or regenerated). The form will request wage information in only the regular base year period.
- b) When a request for Form BC-2ST is entered on a valid claim which uses the regular base year and the regular base week amount, the regular alternate earnings test or the 770 hour provision for agricultural workers, Form BC-2WR will be generated requesting a weekly breakdown of wages.

2) Claims with "Monetary Criteria Indicators" other than 1, 3 and 5.

- a) When a request for wage and separation information is requested on invalid or undeterminable claims or on valid claims using an alternative base year and/or alternative base weeks, Form BC-2WR.2 will be generated (or regenerated). The form will request a quarterly breakdown of wages in the regular base year, the lag quarter and the filing quarter.
- b) When a request for Form BC-2ST is entered on invalid or undeterminable claims or on valid claims using an alternative base year and/or alternative base weeks, Form BC-2WR.1 will be generated. The form will request a weekly breakdown of wages in the regular base year, the lag quarter and the filing quarter.

b. BC-2AG

Wages and hours in six quarters will be requested.

2. Monetary Determinations

LOOPS conversation DO20 calculates monetary determinations for claims filed under the following programs:

- 20 UCFE
- 21 NJ/UCFE
- 22 NJ/UCFE/UCX
- 23 UCFE/UCX
- 31 UCX/NJ (if NJ employer is missing)
- 40 CWC-NJ Paying
- 41 CWC/UCFE-NJ Paying
- 42 CWC/UCX-NJ Paying
- 43 CWC/UCFE/UCX-NJ Paying

Effective January 1, 1996 a valid monetary determination will not automatically be made based on an alternate earnings test as the system will postpone the calculation of a monetary determination for investigation of alternative base weeks.

- a. On claims with less than 20 weeks but \$2020 or more total wages in the regular base year period, the invalid indicator will be set to "9" until the claim is redetermined via LOOPS conversation D050.
- b. On claims with less than 20 weeks and less than \$2020 total wages in the regular base year period:
 - 1) An invalid monetary determination will be calculated.
 - 2) Invalid monetary determinations will be mailed to regular base year employers depending on program type (e.g. BC-3E/E.1 will be generated to New Jersey employers).
 - 3) An invalid determination, Form BC-3C, will sent to the claimant.

3. Monetary Redeterminations on UCX claims.

When recalculating monetary entitlement for 100% UCX and UCX combination claims, the conversation will check for alternative base weeks before validating the claim based on the regular alternate earnings test. The system will check the number of alternative base weeks in the regular base year period, accessing the military information through the regular DD214 entries.

F. D050

The following changes will be made to LOOPS conversation D050:

1. The D050 screen will allow entry of regular and alternative base weeks and wages in up to six quarters.
2. The conversation will calculate the monetary determination using the 12 tests (see page 4), in order, until the claim becomes valid.
3. The conversation will insist on entry of appropriate information (such as alternative base weeks) before testing the next in-line criteria for claim validity.
4. The conversation will automatically change the base year period when necessary to establish claim validity.
5. The conversation will assign an indicator to the claim which will record the monetary criteria used to validate it and which will appear on the A200 Basic 1 inquiry screen.
6. The conversation will transmit employer penalty records resulting from the use of alternative base year/week employment to Wage Record for review and disposition.

NOTE: When data entering information into LOOPS conversation D050, the number shown in the alternative base week column, "REG & ALT BASE WEEKS," must always be equal to or greater than the number of regular base weeks. The number of alternative base weeks include the regular base weeks.

IV. Workflow

A. Claims Filed in UI Local Offices

1. Counter Personnel
 - a. Following existing wage record procedures, use LOOPS Conversation C100, to identify potentially invalid or undeterminable claims.
 - b. By reviewing the C100, claim documentation and by questioning the claimant, identify:
 - 1) Missing employer(s);
 - 2) Missing quarter(s);

- 3) Contested weeks and wages;
 - 4) Part-time employment;
 - 5) Employers on C100 for which the claimant did not work;
 - 6) Obvious keypunch errors involving weeks/wages;
 - 7) Discrepancies between work locations and state to which the wages were reported;
 - 8) Successive claims needing requalifying wages (check last day worked);
 - 9) Out-of-state or Federal employment; and
 - 10) Eligibility for disability alternate base year period.
- c. If additional review is required, schedule the claimant for an in-depth monetary interview. Depending on office set-up and resources, this interview may be held at the counter or in the monetary section and either on the same or following day as the filing of the claim.

NOTE: The interview, which will probably result in sending wage request forms to employers, must be held quickly so that the employers will have 10 days to respond to the forms before affidavits are taken at the next interview. Time lapse criteria must be adhered to.

2. Monetary Personnel/Initial Interview

Review LOOPS conversation C100 to determine whether or not the claim appears to be definitely valid, potentially valid, or definitely not valid in the regular base year period.

- a. If the claim is undeterminable but definitely valid in the regular base year period (less than 20 regular base weeks with total earnings in the regular base year period of \$5100 or more):
 - 1) Review claim forms, LOOPS conversation C100 and question claimants to identify missing employers/quarters/contested weeks and wages in the regular base year period.

- 2) Upon entry of the claim, LOOPS will automatically send appropriate wage and separation requests to all regular base year employers on the data base to determine the number of alternative base weeks.
 - 3) If weekly wage information is required of the employers affected by 1) and 2) above, indicate "C017" on the claim jacket.
 - 4) Make notations on the claim form to alert data entry personnel to enter new regular base year employers and to send appropriate wage requests as follows:
 - a) Record "D010 - Quarterly" when quarterly information will be sufficient.
 - b) Record "D010 - Weekly" when weekly information is required.
 - 5) Make notations on the claim form to alert data entry personnel to send Form(s) BC-28 to lag period employer(s).
- b. If the claim is potentially valid (less than 20 regular base weeks with total earnings of less than \$5100 but \$2020 or more) in the regular base year period or definitely invalid in the regular base year period (less than 20 regular base weeks with total earnings of less than \$2020) in the regular base year period:
- 1) Review claim forms, LOOPS conversations C100 and C200 and question the claimant to identify missing employers/quarters/ contested weeks and wages in the regular, first and second alternative base year periods.
 - 2) LOOPS will automatically send appropriate wage and separation requests to all regular base year employers on the data base to determine the number of alternative base weeks.
 - 3) If weekly wage information is required of the employers affected by 1) and 2) above, indicate "C017" on the claim jacket.
 - 4) Make notations on the claim form(s) to alert data entry personnel to enter new employers and to send appropriate forms to obtain missing/additional/contested employment information and to determine the number of alternative base weeks in all possible base year periods.

- a) Record "D010 - Quarterly" when quarterly information will be sufficient.
 - b) Record "D010 - Weekly" when weekly information is required.
- c. In all cases, whenever additional information will be requested and where there is a possibility of a valid determination:
- 1) Explain that additional information is being requested;
 - 2) Give claimant a copy of Form BC-376, "Important Notice to Claimant - Eligibility Alternatives." (See Attachment 5.)
 - 3) When appropriate, advise the claimant that the use of wage credits in an alternative base year period may affect his eligibility on future claims and that to avoid this he may choose not to pursue the claim.
 - 4) Schedule the claimant for a second monetary interview and tell him/her to bring proof of missing/additional/ contested employment with him when he reports.

NOTE: Ideally, the second interview should be held when the claimant reports for his/her first payment.

3. Special Provisions for Fringe Claims

The monetary determinations on fringe and combination claims (program codes 20, 21, 22, 23, 30, 31, 40, 41, 42 and 43) are calculated via LOOPS conversations D010 or D020, rather than C010, requiring some different processing steps when a claim is potentially valid in the regular base year period as follows:

- a. Wage and separation requests will **not** automatically be generated to regular base year employers.
- b. Manual wage request forms (e.g. ES-931) will continue to be manually sent per existing procedure.
- c. LOOPS generated wage request forms, Forms BC-2WR.1 and BC-2WR.2, to New Jersey base year employers will be requested via D010 or D020 and recorded on the claim form as follows:
 - 1) Record "D010 - Quarterly" when quarterly information will be requested of a missing employer.

- 2) Record "D020 - Quarterly" when quarterly information will be requested of an employer who already exists on the claim.
- 3) Record "D010 - Weekly" when weekly information is required of a missing employer.
- 4) Record "D020 - Weekly" when weekly information is required of an employer who already exists on the claim.

4. Data Entry Personnel

a. Using existing Wage Record procedures, enter the claim. Request the generation of appropriate forms for each employer as follows:

- 1) If "D010-Quarterly" is written on the claim document, enter the employer via LOOPS conversation D010. Indicate that the employer is "chargeable."
- 2) If "D010-Weekly" is written on the claim document, enter the employer via LOOPS conversation D010, typing a "Y" in the "BC-2ST" field. Indicate that the employer is "chargeable."
- 3) If "D020-Quarterly" is written on the claim document, request a quarterly wage request form via LOOPS conversation D020.
- 4) If "D020-Weekly" is written on the claim document, request a weekly wage request form via LOOPS conversation D020.
- 5) If "C017" is recorded, transact LOOPS conversation C017.

NOTE: Operators are reminded to follow existing procedures to enter an "001" list number on the separating employer's record.

NOTE: If the need for Form BC-28 is indicated follow existing procedures for entering the claim, identifying the employer as "non-chargeable."

5. Monetary Personnel/Second Interview

Review all regular UI claim monetary information to determine if the claim can be redetermined and if an alternate base year must be used to validate the claim.

a. If the claim may become valid using an alternative base year period:

- 1) Give claimant a copy of Form BC-377, "Alternate Base Year Eligibility, Claimant Option" (Attachment 6).
- 2) Ask claimant to complete the bottom of the form.
- 3) If the claimant chooses not to pursue the claim if the use of an alternative base year is necessary for validation, record this information in an A300 Remark.

NOTE: If the claimant chooses not to pursue a claim which uses an alternative base year, the claim should be left in invalid status or invalidated. If a redetermination is done in error, or if a redetermination is necessary to determine the claim or to advise the claimant of his monetary possibilities, a second redetermination should be done via D040, Code 1, "Insufficient Weeks and Wages." The result will be an invalid claim. Remarks should always accompany these actions. The claim should not be cancelled. If the invalid indicator is set to "9," a D040 must be transacted.

- 4) File the form in the claim jacket.
- b. If additional wage information has been received, redetermine the claim via LOOPS conversation D050 (unless the claim will use the alternative base year for validation and the claimant has chosen not to pursue those alternatives).

NOTE: At this stage of the monetary process, wages recorded on Form BC-2WR.1 or BC-2WR.2 will take precedence over Wage Record data.

- c. If wage request forms have not been received timely:
- 1) Check LOOPS Conversations C100/C200 to ascertain whether the wages in question have been added to the wage database. If so, redetermine the claim [see (3) below]. (An affidavit cannot be taken if wage information has been submitted by the employer.)
 - 2) Following existing procedures, take necessary affidavit(s) from the claimant.

NOTE: Steps are being taken to secure notary status for at least one individual in each office. If there is no notary in the office, the affidavit will be signed by a claim representative.

NOTE: Affidavits may not be taken without some proof that the claimant was employed during the appropriate time period by the employer. It is not necessary, however, for the claimant to supply proof of all of the wages he earned with the employer. Proof may be in any format including employer, union or claimant records. If the claimant cannot furnish any proof of employment, the affidavit may not be used in the calculation of the monetary determination. The claimant, if he chooses, may then file an appeal.

- 3) Redetermine the claim via LOOPS conversation D050, unless the claim will use the alternative base year for validation and the claimant has chosen not to pursue those alternatives.
- d. If the claim remains invalid, notify the claimant, explain his/her appeal rights and take an appeal if the claimant so chooses.
- e. If the monetary redetermination cannot be made (e.g. claimant reports employment not previously mentioned) set the pend indicator on the claim so that certifications can be entered for pended credit and forms generated bi-weekly.
- f. Redeterminations on Claims Determined with Affidavits
 - 1) When appropriate forms are received in the office, redetermine the claim following existing procedures.
 - 2) The regular "Scheduled" and "Non-scheduled" reports will indicate Wage Record receipt of subsequent employer records. Process these lists in accordance with existing procedures. If the claim was determined based on an affidavit, the claim must be redetermined. The invalid indicator will be set to "9" forcing the redetermination.

6. Tracking Claims

In order to ensure that monetary determinations are eventually calculated on all claims, the following steps will be taken on claims initially pended (current claim indicator 9) for additional information.

- a. If the employer response is not received by the second interview, the claimant will be asked to complete an affidavit, even if only to assert that no alternative base weeks exist.

NOTE: If the affidavit affirms, rather than changes, the information already recorded on the claim, leave the "N" in the cause field on the D050 screen. The system will not accept any other entries.

- b. When the employer response is not received and the claimant does not report to the interview:
 - 1) Redetermine the claim using available information.
 - 2) Set the pend indicator on the claim.
 - 3) Indicate in the pend remark that should the claimant reopen the claim, the monetary determination must be further investigated.
 - 4) Should the employer response later be received, redetermine the claim and lift the pend indicator.
- c. A new LOOPS report, showing all claims with an invalid indicator of "9" will be generated weekly. The list will be reviewed to investigate the status of any claim not determined within 21 days of entry. (Claims related to this procedure will be identifiable by the "0" monetary criteria indicator.)

B. Special Processing

1. Local Office Claims Not Processable By LOOPS

Effective January 1, 1996, LOOPS should be able to process monetary determinations and redeterminations using alternate base years and/or alternate base week amounts for all programs. It should no longer be necessary to process fringe and combination claims through the Adjustment Unit. However, if it does become necessary to enlist the assistance of the Adjustment Unit to issue a monetary determination on a claim affected by these provisions, the following procedures will be used:

- a. Local Office Responsibilities
 - 1) Complete Form BC-379, "Monetary Worksheet, Alternative Base Year/Weeks" (See Attachment 8).

- 2) Fax the monetary worksheet and copies of the BC-2WR.1 and any other documentation, to the Adjustment Unit at (609)292-1287.
- 3) Maintain a tickler file in date order.
- 4) Pend the claim and enter a remark or if the claim is already pended just enter a remark.

Title: ALT BY/BW - ADJ UNIT

Remark: VALID UNDER MONETARY CRITERIA CODE
_____/ BASE YEAR FROM 00-00-00 TO 00-00-00/
FAXED TO ADJ UNIT 00-00-00/ A. CLERK

- 5) Once the local office has been notified that processing has been completed by the Adjustment Unit:
 - a) Review the claim for any issue which must be resolved.
 - b) If there are no issues, remove the pend indicator and pay.
 - c) If there is any other issue to be resolved, refer the claim to the appropriate personnel.

b. Adjustment Unit Responsibilities

- 1) Review all material.
- 2) Complete monetary processing.
- 3) Enter a remark.

Title: ADJ UNIT ACTION

Remark: MONETARY REDETERMINATION
COMPLETED/ OKAY TO PAY/ ANN ADJUSTER

- 4) Notify local office via fax of completed claims.

2. Interstate/Disability During Unemployment

- a. Follow current procedures to identify initially invalid claims and missing employment and/or additional employers.

- b. Request employment information in current and alternative base years and base weeks, as appropriate, using the revised forms.
 - c. Request affidavits of the claimant at the same time as employment information is requested of the employer(s) to minimize time lapse problems.
 - d. Send Form BC-378, "Alternate Base Year Eligibility, Claimant Notification and Option," (see Attachment 7) to the claimant with the affidavit(s). If the claimant does not return the form within 10 days, assume that he chooses to pursue it.
3. Disability During Unemployment-Transfers Involving Employment Which Is Not Covered For Disability
- a. Claims which are valid under the UI program are sometimes invalid when transferred to DDU because of excluded employment. On such claims, the DDU section will investigate alternate base years and weeks to try to validate the DDU claim under the alternatives of the new law. Instructions recorded above will be used to process the claim.
 - b. Claims originating in the DDU section, because of employment exclusions, may use alternate monetary criteria which are unnecessary when the claim is transferred to UI. In these cases, the claim must be redetermined to the appropriate step.
 - c. Claimants with both UI and DDU claims will be entitled to receive up to 1 1/2 times the higher maximum benefit amount (which will usually be the UI rate).

4. CWC Claims

- a. P.C. 40

These claims are filed through the local offices and the local office workflow described above will be followed. It may be necessary to send out up to 2 additional IB-4s to get all appropriate out-of-state information because according to the rules of the program, only one base year period may be requested at a time. The wages must be returned via IB-5 with each new wage request. Supplement 2 of this procedure records in-depth instructions for processing these claims.

b. P.C. 45

Program rules require that we inform the paying state of potential New Jersey entitlement. It will not be necessary, however, to make an exhaustive search of all validity tests unless manual forms are being requested of the New Jersey employer(s). Otherwise, the information relayed will be based on basic eligibility criteria.

Effective July 1, 1995, whenever Forms IB-4.2 are mailed to New Jersey employers, alternative base year and base week amounts will be requested, as appropriate, and potential eligibility will be based on all information on-hand.

* * * *

Managers and supervisors shall ensure that all concerned claims personnel are familiar with and guided by this instruction.

* * * *

Attachments:

1. BC-2WR.1, "Request for Wage and Separation Information," (Quarterly Format)
2. BC-2WR.2 "Request for Wage and Separation Information," (Weekly Format)
3. BC-2/3Q "Notice To Employer of Potential Liability" (Quarterly Format)
4. BC-2/3W "Notice To Employer of Potential Liability" (Weekly Format)
5. BC-376 "Important Notice To Claimant - Eligibility Alternatives"
6. BC-377 "Alternate Base Year Eligibility, Claimant Option"
7. BC-378 "Alternate Base Year Eligibility, Claimant Notification and Option"
8. BC-379 Monetary Worksheet, Alternative Base Year/Weeks