

**Employment and Training Administration, Labor**

**§ 640.6**

Labor is satisfied that there is no longer any such \* \* \* failure to comply.

Until he is so satisfied, he shall make no further certification to the Secretary of the Treasury with respect to such State \* \* \*.

**§ 640.3 Interpretation of Federal law requirements.**

(a) *Section 303(a)(1)*. The Secretary interprets section 303(a)(1) of the Social Security Act to require that a State law include provision for such methods of administration as will reasonable insure the full payment of unemployment benefits to eligible claimants with the greatest promptness that is administratively feasible.

(b) *Section 303(b)(2)*. (1) The Secretary interprets section 303(b)(2) of the Social Security Act to require that, in the administration of a State law, there shall be substantial compliance with the provision required by section 303(a)(1).

(2) The greatest promptness that is administratively feasible will depend upon the circumstances in each State that impacts upon its performance in paying benefits. Factors reasonably beyond a State's control may cause its performance to drop below the level of adequacy expressed in the table below as criteria for substantial compliance applicable to all States. Where it is demonstrated that failure to meet the criteria of adequacy is attributable to factors reasonably beyond the State's control and, in light of those factors, the State has performed at the highest level administratively feasible, it will be considered that the State is in substantial compliance with the Standard for conformity. Whether or not the State is in substantial compliance, the remedial provisions of §§ 640.7 and 640.8 will be applicable when the pertinent criteria are not met.

**§ 640.4 Standard for conformity.**

A State law will satisfy the requirement of section 303(a)(1), if it contains a provision requiring, or which is construed to require, such methods of administration as will reasonably insure the full payment of unemployment benefits to eligible claimants with the greatest promptness that is administratively feasible.

**§ 640.5 Criteria for compliance.**

The criteria in the schedule below shall apply in determining whether, in the administration of a State law, there has been substantial compliance with the provision required by section 303(a)(1) in the issuance of benefit payments to eligible claimants for the first compensable weeks of unemployment in their benefit years:

	Percentage of first payments issued—days following end of first compensable week		
	14 days, waiting week States	21 days, non-waiting week States <sup>1</sup>	35 days, all States
<b>Intrastate Claims</b>			
Performance to be achieved for the 12-mo. period ending on March 31 of each year .....	87	87	93
<b>Interstate Claims</b>			
Performance to be achieved for the 12-mo. period ending on March 31 of each year .....	70	70	78

<sup>1</sup> A nonwaiting week State is any State whose law does not require that a non-compensable period of unemployment be served before the payment of benefits commences.

A State will be deemed to comply substantially, as set out in §§ 640.2(b) and 640.3(b), if its average performance, for the period of review, meets or exceeds the applicable criteria set forth above.

[43 FR 33225, July 28, 1978, as amended at 71 FR 35516, June 21, 2006]

**§ 640.6 Review of State compliance.**

(a) *Annual reviews*. The administration of each State law shall be reviewed annually for compliance, as set out in §§ 640.2(b) and 640.3(b). Annual reviews shall be for the 12-month period ending on March 31 of each year. An annual review with respect to any State shall be based upon the monthly reports of performance submitted to the Department by the State agency, any special reports of performance submitted to the Department by the State agency, any benefit payment performance plan applicable to the period being reviewed, any study or analysis of performance relevant to the period being reviewed, and any other audit,