



Fast Facts About Federal Layoffs

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1. Unemployment Compensation for Federal Employees (UCFE) is the main program to be aware of. The federal government does not pay unemployment tax on its workers because UCFE is a “reimbursable” benefit. That means that when an employee of the federal government is laid off, they can apply for unemployment benefits in the state their duty station is in and the federal government is supposed to reimburse them dollar for dollar for the amount the claimant is paid. UCFE benefits mirror regular unemployment benefits in the state the worker applies for benefits. A list of state UI offices is available at: <https://www.dol.gov/general/topic/unemployment-insurance>.

2. Regular unemployment insurance (UI) will apply to contractors and other non-federal employees. The basic UI program has historically been underfunded. While base funding increased incrementally in the past few years, many states are relying on outdated technology and are not staffed to prepare for a major crisis. Furthermore, states have been reducing access to benefits and the amount that they pay, so the base UI program does not serve the macroeconomic countercyclical stabilization purpose that it was meant to. Even in states that have not deliberately reduced benefits, the maximum weekly benefits are not keeping up with inflation. In Washington, DC the maximum weekly benefit is \$444. In Maryland it is \$430 and in Virginia it is \$348.

3. Unemployment Compensation for Ex-servicemembers (UCX) will apply to members of the military losing employment. It works largely the same as UCFE.

4. The forms that UCFE claimants will need are their SF-8 and SF-50 forms which federal employees should receive upon separation, as well as their paystubs from the past eighteen months. These documents should be saved in a place outside of their federally issued device.

5. The process will be slow. Once a claim is filed, state UI agencies check with a claimant’s former employer to verify the reason they became unemployed and their wages over the “base period” or the earnings timeframe that federal benefits are based on. Federal agencies are normally slow to provide this information to state UI agencies. They may not reply at all if the entire agency has been shuttered. In ordinary circumstances, states are supposed to pay benefits within 14 to 21 days per a 1971 Supreme Court decision in California Dept. of Human Resources v. Java regardless of whether the employer responded to the state agency’s verification request. States will likely not be meeting this standard for federal employees, but it is important to be aware of timeliness standards.

6. If the agencies do not respond, claimants should ask to file an affidavit. The U.S. Department of Labor in the past has issued guidance that lays out that the state UI agency should submit a form to the claimant's employing agency and if that form is not returned, "the UCFE claim should be filed using an affidavit if the state has not received a response to the ETA-931 within 12 days of submission."

7. "Fork in the road" resignations may or may not qualify for benefits. Federal employees were given the option to accept a deferred resignation. State agencies are going to have to examine these resignations on a case-by-case basis. People generally do not qualify for unemployment if they are still getting paid. If they stop getting paid, their resignation may or may not be considered a "good cause quit." People can quit their jobs under certain circumstance and qualify for unemployment. These vary by state, but some examples include being asked to do something that is illegal, change of duty station that requires an impractical commute, or reasonably expecting imminent termination.

8. Terminations for cause are a normal reason to qualify for unemployment. People who lose work for issues such as "performance" issues are often eligible for unemployment. Employers may find an employee to not be a good fit for their role and let them go. Unless their reason for termination rises to the level of "gross misconduct," they are generally eligible for unemployment benefits. This usually triggers an extra level of scrutiny, but it may be the case that once a state UI agency gets a significant number of claimants receiving similar form letters, there may be less cause for additional scrutiny.

9. Finally, several state UI agencies have added specific Frequently Asked Questions pages to their websites for federal workers that include help in applying for unemployment benefits and obtaining reemployment services. States also are accustomed to being the first economic responders during mass layoffs. While they are not sufficiently resourced to handle a major recession at this point, many are treating this as a rapid response event.

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