

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	<b>CLASSIFICATION</b> UI
	<b>CORRESPONDENCE SYMBOL</b> TEUL
	<b>DATE</b> July 19, 2000

**DIRECTIVE :** UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 41-98  
Change 1

**TO :** ALL STATE EMPLOYMENT SECURITY AGENCIES

**FROM :** GRACE A. KILBANE  
Administrator  
Office of Workforce Security



**SUBJECT :** Application of the Prevailing Conditions of Work Requirement -  
Questions and Answers

1. Purpose. To provide further information and guidance concerning the requirements of the prevailing conditions of work provisions of the Federal Unemployment Tax Act (FUTA) and to provide answers to questions raised by State Employment Security Agencies (SESAs) and other interested parties.

2. References. Section 3304(a)(5)(B), FUTA; Unemployment Compensation Program Letter (UCPL) No. 130; Unemployment Insurance Program Letter (UIPL) No. 984; UIPL No. 41-98; Sections 6010-6015, Part V, of the Employment Security Manual.

3. Background. Section 3304(a)(5)(B), FUTA, requires, as a condition of employers in a State receiving credit against the Federal unemployment tax, that the State shall not deny unemployment compensation (UC) to any otherwise eligible individual for refusing to accept new work:

if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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On August 17, 1998, the Department of Labor issued UIPL No. 41-98 to remind States of the requirements of the prevailing conditions of work provision of Section 3304(a)(5)(B), FUTA, and to provide additional guidance to States when adjudicating prevailing conditions issues. UIPL No. 41-98 reiterated the guidance previously issued in UCPL No. 130 and UIPL No. 984 and addressed a change in the labor market (since the issuance of those two program letters) - the increase in temporary work - and its relation to the prevailing conditions requirement. It also expanded on the guidance found in UIPL No. 984 that a change in the duties, terms, or conditions of the work is, in effect, an offer of "new work."

The Department has received several comments and questions requesting further information and guidance concerning the prevailing conditions of work requirement. Therefore, this Change 1, incorporating answers to common questions regarding this requirement, is issued to assist States in applying the provision.

4. Inquiries. Please direct inquiries to the appropriate Regional Office.

Attachment - Questions and Answers