

EMPLOYMENT SECURITY COMMISSION OF NORTH CAROLINA
UNEMPLOYMENT INSURANCE DIVISION
RALEIGH, NORTH CAROLINA

JULY 27, 1982

UI Procedural Letter 35(82)

TO: Directors, Managers, and Supervisors

SPECIAL ATTN: Local Office Managers

FROM: Warren G. Wittmer, UI Director

RE: Monies Paid To Members Of The State National Guard or Air National Guard

Reference is made to UI Procedural Letter 24(80) dated June 6, 1980, and Interpretation Number 255 adopted by the Commission on April 19, 1982.

Since the extension of coverage to state and local government in 1978, we had considered wages from the State National Guard and/or Air National Guard as not being reportable as earnings nor useable to remove, or assist to remove an indefinite disqualification. The decision not to treat such wages as reportable earnings was based on their exclusion from coverage under our law base period wages. The same reasoning applied to other types of employment exempt from coverage (e.g., elected officials, legislators, etc.). However, Interpretation Number 255 reverses that procedure. Effective immediately, these wages are to be handled as follows:

1. They must be reported as earnings on continued claims when earned (weekend drill, etc.).
2. They can be used to remove, or assist to remove an indefinite disqualification.
3. They cannot be used as wages in order to establish, or help to establish a claim for benefits, and;
4. They cannot be used as wages to establish, or help to establish the ten times test for subsequent benefit years.

1. and 2. Are tied directly to Interpretation 255 because these wages are monies reported to the Internal Revenue Service and the N.C. Department of Revenue. 3. and 4. constitute no change – they are tied directly to Section 96-8(6)i of the law which

lists certain specific government positions which are excluded from the definition of employment.

UI Procedural Letter 24(80) also mentions income from a sideline venture. We are now reviewing just what constitutes a sideline venture, and a better interpretation of the term will soon be forthcoming. In the meantime, continue to handle income from sideline ventures just as you have in the past. Use your own judgment, based on your knowledge of the situation and your interpretation of the law.

If you have any questions, clear them through the usual channels.