PART 39—AIRWORTHINESS DIRECTIVES

■ 1. The authority citation for part 39 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]

■ 2. The FAA amends § 39.13 by:
■ a. Removing Airworthiness Directive 2024–05–07, Amendment 39–22698 (89 FR 24686, April 9, 2024); and
■ b. Adding the following new airworthiness directive:

Leonardo S.p.a.: Docket No. FAA–2026–13796; Project Identifier MCAI–2026–00015–R.

(a) Comments Due Date

The FAA must receive comments on this airworthiness directive (AD) by December 28, 2026.

(b) Affected ADs

This AD replaces AD 2024–05–07, Amendment 39–22698 (89 FR 24686, April 9, 2024).

(c) Applicability

This AD applies to all Leonardo S.p.a. Model AW189 helicopters, certificated in any category.

(d) Subject

Air Transport Association (ATA) of America Code 05, Time Limits/Maintenance Checks.

(e) Unsafe Condition

This AD was prompted by a determination that new or more restrictive airworthiness limitations are necessary. The FAA is issuing this AD to address fatigue cracking, damage, and corrosion in principal structural elements. The unsafe condition, if not addressed, could result in failure of a part and loss of control of the helicopter.

(f) Compliance

Comply with this AD within the compliance times specified, unless already done.

(g) Required Actions

Within 30 days after the effective date of this AD, revise the Airworthiness Limitations Section of the existing helicopter maintenance manual or instructions for continued airworthiness and the existing approved maintenance or inspection program, as applicable, by incorporating the actions and associated thresholds and intervals, including life limits, specified in Air vehicle maintenance planning information AW189 89–B–AMPI–00–P, Chapter 04, Airworthiness Limitations, Issue 009, dated November 26, 2025, as applicable for your helicopter.

(h) Provisions for Alternative Actions and Intervals

After the action required by paragraph (g) of this AD has been accomplished, no alternative actions and associated thresholds and intervals, including life limits, are allowed unless they are approved by the Manager, International Validation Branch, FAA; or the European Union Aviation Safety Agency (EASA); or Leonardo S.p.a.'s EASA Design Organization Approval (DOA). If approved by the DOA, the approval must include the DOA-authorized signature.

(i) Alternative Methods of Compliance (AMOCs)

(1) The Manager, International Validation Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or local Flight Standards District Office, as appropriate. If sending information directly to the manager of the International Validation Branch, send it to the attention of the person identified in paragraph (j) of this AD and email to *AMOC@faa.gov.*

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the local flight standards district office/certificate holding district office.

(j) Additional Information

For more information about this AD, contact George Weir, Aviation Safety Engineer, FAA, 1600 Stewart Avenue, Suite 410, Westbury, NY 11590; phone: (817) 222–4045; email: *george.a.weir@faa.gov*.

(k) Material Incorporated by Reference

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the material listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this material as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Air vehicle maintenance planning information AW189 89–B–AMPI–00–P, Chapter 04, Airworthiness Limitations, Issue 009, dated November 26, 2025.

(ii) [Reserved]

(3) For Air vehicle maintenance planning information material identified in this AD, contact Leonardo Helicopters, Via Giovanni Agusta 520, 21017 Cascina Costa di Samarate (Va) Italy; phone: (+39) 0331–229111; email: *helicoptersinfo@leonardo.com.*

(4) You may view this material at the FAA, Airworthiness Products Section, Operational Safety Branch, 10101 Hillwood Parkway, Fort Worth, TX 76177. For information on the availability of this material at the FAA, call (817) 222–5110.

(5) You may view this material at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, visit *www.archives.gov/federal-register/cfr/ibr-locations* or email *fr.inspection@nara.gov.*

Issued on November 6, 2026.

Steven W. Thompson,

Acting Deputy Director, Compliance & Airworthiness Division, Aircraft Certification Service.

[FR Doc. 2026–22928 Filed 11–9–26; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF LABOR

Employment and Training Administration

20 CFR Part 604

[Docket No. ETA–2026–0100]

RIN 1205–AC31

Unemployment Insurance Program National Minimum Weekly Work Search Requirements

AGENCY: Employment and Training Administration, Labor.

ACTION: Proposed rule, request for comment.

SUMMARY: The U.S. Department of Labor (Department), through the Employment and Training Administration (ETA), is proposing to amend 20 CFR part 604 both to reflect a 2012 update in Federal law in which Congress, by amending section 303(a) of the Social Security Act (SSA), established a Federal work search requirement; and to establish a national minimum weekly work search requirement standard for the Federal-State unemployment compensation (UC) program. This proposed rule would mandate, among other things, that States require individuals claiming UC to complete at least five qualifying work search activities or, where applicable, meet State-adopted points-based system requirements amounting to five qualifying activities or satisfy equivalent labor force attachment criteria, each week for which UC is claimed; that individuals report their work search activities as part of their certification process prior to payment being issued; and that State law allow for certain qualifying work search activities beyond simply employer contacts. This action is necessary to reduce inconsistencies beyond those created by local labor markets in State-level requirements for individuals to actively seek work. The intended effect is to hold States accountable for administering a UC program that provides temporary wage replacement to eligible individuals while they are actively seeking work through a meaningful engagement with the labor market.

DATES: Interested persons are invited to submit written comments on this notice of proposed rulemaking (NPRM *or* proposed rule) on or before January 11, 2027.

ADDRESSES: You may submit comments electronically by the following method:

• *Federal eRulemaking Portal: https://www.regulations.gov.* Search for docket number ETA–2026–0100 or RIN 1205–AC31, open the proposed rule,

select the ''Comment'' option, and follow the instructions for submitting comments.

Instructions: Include the agency name, docket number ETA–2026–0100, and RIN 1205–AC31 in your comment.

Please be advised that the Department will post comments received that relate to this proposed rule to *https://www.regulations.gov,* including any personal information provided. All comments posted to *https://www.regulations.gov* are available and accessible to the public. Please do not submit comments containing trade secrets, confidential or proprietary commercial or financial information, personal health information, sensitive or personally identifiable information (for example, Social Security numbers, driver's license or State identification numbers, passport numbers, or financial account numbers), or other information that you do not want made available to the public. Should the Department become aware of such information, the Department reserves the right to redact or refrain from posting: sensitive information, libelous content, or otherwise inappropriate comments, including those that contain obscene, indecent, or profane language; comments that contain threats or defamatory statements; or comments that contain hate speech. Please note that depending on how information is submitted, the Department may not be able to redact the information and instead reserves the right to refrain from posting the information or comment in such situations.

Docket: For access to the docket to read background documents, comments received, or the plain-language summary (of not more than 100 words in length) of the proposed rule required by the Providing Accountability Through Transparency Act of 2023, go to *https://www.regulations.gov* (search using docket number ETA–2026–0100 or RIN 1205–AC31). If you need assistance to review the comments, contact the Office of Policy Development and Research at 202–693–3637 (this is not a toll-free number).

FOR FURTHER INFORMATION CONTACT: Luke Murren, Acting Administrator, Office of Policy Development and Research, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Room N–5641, Washington, DC 20210; email: *Murren.Luke@dol.gov,* 202–693–4711.

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I. Acronyms and Abbreviations

2012 Act Middle Class Tax Relief and Job Creation Act of 2012
A&A able and available (for work)
BAM Benefit Accuracy Measurement
BLS U.S. Bureau of Labor Statistics
CFR Code of Federal Regulations
Department U.S. Department of Labor
E.O. Executive Order
ETA Employment and Training Administration
EUCA Federal-State Extended Unemployment Compensation Act of 1970
FR Federal Register
FY Fiscal Year
IT information technology
NPRM *or* proposed rule notice of proposed rulemaking
OIRA Office of Information and Regulatory Affairs
OMB Office of Management and Budget
PRA Paperwork Reduction Act of 1995
Pub. L. Public Law
RESEA Reemployment Services and Eligibility Assessment
RFA Regulatory Flexibility Act
RIN Regulatory Identification Number
SEA Self-Employment Assistance
Secretary U.S. Secretary of Labor
SOC Standard Occupational Classification
SSA Social Security Act
STC Short-Time Compensation
TEGL Training and Employment Guidance Letter
TEN Training and Employment Notice
UC unemployment compensation
UIPL Unemployment Insurance Program Letter
UMRA Unfunded Mandates Reform Act of 1995
U.S.C. United States Code

II. Executive Summary

Purpose of the Rule and Summary of the Rule's Major Provisions

In 2012, Congress amended the SSA at section 303(a) to require that an individual must be actively seeking work to be eligible for UC. However, implementation across States of the requirement to actively seek work has demonstrated inconsistencies in expectations for individuals receiving UC. This rule will operationalize the statutory requirement at section 303(a)(12) of the SSA that States require that, to be eligible for UC, individuals are able to work, available to work, and are actively seeking work for each week that benefits are claimed.

To implement the statutory changes, the Department is proposing this rule, which would establish a national minimum weekly work search standard for the UC program. This proposed regulation would establish that:

- State law must require individuals to complete a minimum of five qualifying work search activities or, where applicable as defined later in this preamble, meet State-adopted points-based system requirements amounting to five qualifying activities or satisfy equivalent labor force attachment criteria, each week for which UC is claimed. Circumstances under which individuals may be deemed to have met the minimum work search requirement are when work search activities would not serve to promote labor force attachment, when the timing of an initial claim does not provide time to complete the minimum number of work search activities, or when there are other limited extenuating circumstances that would preclude an individual from meeting the minimum number of work search activities in a week.
- State law must require individuals to report work search activity as part of the continued claim certification process prior to payment being released.
- State law must allow for certain qualifying work search activities beyond simply employer contacts, to include registration and ongoing contact with placement agencies or unions for the purposes of seeking employment. States may designate additional activities as satisfying the requirement as enumerated in the proposed text. These

examples are illustrative, non-exhaustive, and include qualifying activities that are reasonably calculated to lead to reemployment.

These standards codify and provide consistency across the UC system for best practices and standards that the Department has previously placed in subregulatory guidance. The proposed rule also would:

- Require States to provide notice to individuals regarding the applicable work search requirements; and
- Prohibit States from giving formal or informal warnings to individuals who fail to complete the required work search activities for each benefit week claimed, in lieu of determining their ineligibility.

Under the proposed framework, States would have latitude to adapt the work search requirement to labor market conditions by adopting a points-based system for satisfying the minimum weekly work search requirement. Under such a system, States may assign point values to qualifying work search activities and require individuals to accumulate a minimum of five points per benefit week.

The proposed rule would not require a specific reporting method, form, or questions. States could continue to accept work search activity reporting using existing reporting methods within their systems, provided the work search activities are reported for each benefit week claimed and before payment is issued. States will continue to follow their existing UC record retention policies, as required in 20 CFR part 604, with respect to work search activity reported data. Additionally, the proposed rule does not mandate how States verify reported work search activities, the frequency or scope of audits, or the adjudication procedures applied when an individual fails to complete or report the required work search activities or fails to demonstrate equivalent labor force attachment. These operational and enforcement decisions would remain within the discretion of States, consistent with applicable Federal law.

The Department acknowledges that these proposed provisions could temporarily increase the UC program's estimated improper payment rate as States and individuals adapt to the new requirements and asserts that such risk is necessary to ensure the UC system is effectively meeting its mission of providing temporary assistance to eligible individuals while they become reemployed.

III. Background

To qualify for UC, an individual must have demonstrated recent attachment to the labor market and be unemployed through no fault of their own. As such, they have also demonstrated skills that enabled them to maintain employment, though such skills may be dated or no longer relevant to the labor market within which they are seeking work. The UC system plays a critical role in connecting these recently unemployed individuals with tools and resources and jobs to become reemployed. State work search requirements must recognize the individual within this context and allow for a broad array of activities to connect the individual with the broader workforce system.

Eligibility for UC is determined on a week-to-week basis. Once an individual files their initial claim for UC, they are required to submit continued claim certifications for confirmation of their continued eligibility. Most States require such certification on a weekly basis and some States provide for submission on a biweekly basis, though this still requires that the individual confirm their continued eligibility for each separate week within the biweekly period.

States currently implement the Federal ''actively seeking work'' requirement under section 303(a)(12) of the SSA using a wide range of inconsistent work search standards. A comparative compilation of State UC laws shows that minimum required weekly work search activities vary substantially across States, including numeric requirements, qualitative standards (*e.g.,* ''quality not quantity''), and circumstances in which the number of required activities is unspecified or varies based on labor market, individual circumstances, or policy preferences.[1] Policy preferences also vary by State in whether they are set by the State UC agency, Governor's office, or State legislature.

Across States, acceptable work search activities are typically defined broadly and may include, among other actions: direct employer contacts and employment applications; resume creation or updates; use of online job search tools and job matching systems; participation in American Job Center services and workshops; job fairs and recruitment events attendance; and other activities reasonably calculated to lead to reemployment. In many States, contact with an individual's union is also an acceptable work search activity.

States monitor compliance with work search requirements through multiple channels, including program integrity sampling (*e.g.,* Benefit Accuracy Measurement (BAM)) and reemployment engagement processes (*e.g.,* Reemployment Services and Eligibility Assessment (RESEA)). Many States also conduct eligibility reviews, random or targeted audits, interviews, or other State-defined checks.

The proposed rule would not require a specific reporting method. States could continue to accept work search activity reporting using existing reporting methods within their systems, provided the work search activities are reported for each benefit week claimed and before payment is issued. Additionally, the proposed rule does not mandate how States verify reported work search activities, the frequency or scope of audits, or the adjudication procedures applied when an individual fails to meet a work search requirement. These operational and enforcement decisions would remain within the discretion of States, consistent with applicable Federal law.

A. Need for Rulemaking

Federal law requires individuals receiving UC to be able to work, available to work, and actively seeking work as a condition of eligibility. Section 303(a)(12) of the SSA (42 U.S.C. 503(a)(12)). States have developed differing standards to enforce this requirement that speak to both the number and type of required activities, as well as the frequency and methods of reporting them. States range from simply requiring an affirmative statement of conducting work search activities to requiring upwards of five activities in any given week. States also vary in what they consider to be a qualifying activity.

As of January 1, 2025, a few States already generally require five work search activities per week, a few States generally require four work search activities per week, nearly one-half of States generally require three work search activities per week, some States generally require two work search activities per week, and the remaining States generally require one work search activity per week.

These inconsistencies can create confusion for individuals, lead to uneven enforcement when allowable activities are not clearly defined, and increase the likelihood that otherwise eligible individuals may fail to meet requirements simply because expectations are unclear. Additionally,

[1] U.S. Department of Labor, ''Comparison of State Unemployment Insurance Laws'' (2023), Chapter 5, Nonmonetary Eligibility, Table 5–14, Work Search Requirements, *https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/complete.pdf.*

variability in how States notify individuals of work search requirements can result in individuals engaging in activities that may not support reemployment or may not satisfy the State's rules.

Despite the issuance of guidance and model legislation, work search errors continue to be one of the primary drivers of improper payment rates across the UC system and the UC improper payment rate remains above the 10-percent performance target established by the Payment Integrity Information Act (31 U.S.C. 3351–3358). Significant improvement was made in addressing work search errors in the year leading up to the March 2020 start of the pandemic. However, Congress enacted legislation to temporarily waive the work search requirement during the pandemic; once reinstated, work search errors again increased significantly. This proposed rule would specifically increase program integrity by requiring individuals claiming UC to report their work search activities prior to the payment of benefits, and by establishing consistency in the way that States apply equivalent labor force attachment.

Given these challenges, this proposed rule would establish a national minimum weekly work search standard that provides a clear and consistent expectation for individuals to be ''actively seeking work'' across the Federal-State UC program. The proposed approach supports meaningful engagement with the labor market and reflects modern job search practices, which can involve multi-day or clustered activities such as interviews, job fairs, or assessments. By requiring individuals to complete at least five weekly work search activities—with limited and specified exceptions—and to report such activities prior to issuing payment, the proposed rule would improve program integrity and strengthen labor market attachment. The proposed rule also supports an assurance that individuals are informed of the requirements and have access to a broader set of qualifying activities.

In drafting this proposed regulation, the Department is also addressing the risk of prolonged unemployment due to an insufficient search for work, a risk that may arise from a potential moral hazard [2] associated with UC. UC provides temporary partial wage replacement and, by replacing a portion of lost wages, reduces some of the immediate financial cost of continued unemployment, which may marginally reduce the financial incentive to search for or accept suitable work.

The proposed rule would help address this risk by establishing a clear national minimum weekly work search requirement and requiring individuals to report qualifying work search activities as part of the continued claim certification process before payment is issued. Requiring activities that are specific, identifiable, and reasonably calculated to lead to reemployment would help unemployed individuals find work more quickly. Conditioning eligibility for a claimed week on satisfaction of the applicable work search requirement would also strengthen the incentive for individuals claiming UC to remain meaningfully engaged with the labor market, thus helping them return to work faster. The reporting requirements in the proposed regulation would provide States with contemporaneous information regarding compliance and a record that States can use for eligibility reviews, audits, and other program integrity activities.

The Department expects that establishing a national minimum weekly work search standard as proposed would also result in a reduction in the duration of unemployment because individuals would obtain reemployment more quickly. A randomized controlled trial by Lachowska, Meral, and Woodbury (2016) examined the long-term effects of more stringent work search requirements on individuals claiming UC in Washington State over a 9-year follow-up period. The study found that individuals subject to more intensive work search requirements exited the UC program sooner and experienced higher employment rates in the year following their claims. Specifically, individuals with standard or modified work tests received approximately $429-$484 (1986 and 1987 nominal dollars) less in UC and experienced roughly 3 fewer weeks of benefit receipt compared with individuals who were not subject to work test requirements.[3]

B. Statutory and Regulatory History and Authority

Statutory and Regulatory History

Section 303 of the SSA (42 U.S.C. 503) provides that specific conditions must be included under State UC law for the State to be certified by the U.S. Secretary of Labor (Secretary) to receive Federal administrative grants (42 U.S.C. 502(a)), including requirements related to eligibility conditions and methods of administration. Under 42 U.S.C. 1302(a) the Secretary has authority to promulgate regulations that are ''necessary to the efficient administration of the functions'' the Secretary is responsible for under chapter 7 of the SSA, which includes title III (42 U.S.C. 501 *et seq.*).

The Department and its predecessors have consistently interpreted provisions of Federal UC law to require that individuals be able and available (A&A) for work. This longstanding interpretation was codified on January 16, 2007, when the Department issued a final rule, set forth at 20 CFR part 604 (72 FR 1890) (Part 604 Final Rule). Based on the Federal statutory authority in place at that time, the Part 604 Final Rule provided that an active work search provision was not required, although a State could require an individual to actively seek work as part of the requirement to be available for work or could impose a separate State law requirement that the individual must actively seek work as a condition of weekly eligibility.

The Department's July 22, 2005, proposed rule (70 FR 42474) preceding the Part 604 Final Rule also noted that almost every State had an active work search requirement (70 FR 42479). In the Part 604 Final Rule, when addressing public comments submitted regarding work search, the Department expressed agreement as a policy matter that States should require an active work search but explained that a Federal ''work search requirement would need to be legislated by Congress'' (72 FR 1891).

On February 22, 2012, the Middle Class Tax Relief and Job Creation Act of 2012 (2012 Act), Public Law 112–96, was signed into law. Title II of the 2012 Act amended section 303(a) of the SSA to add a new paragraph (12), which specifies that a State must require, as a condition of eligibility for regular compensation, that ''a claimant must be able to work, available to work, and actively seeking work,'' thereby establishing a Federal work search requirement.

Passage of the 2012 Act both established the Federal mandate that States require individuals to actively search for work as a condition of UC eligibility and directly set out the Federal A&A requirement that previously had been implicit.

[2] Merriam-Webster defines ''moral hazard'' as ''a situation in which a party is incentivized to risk causing harm because another party is obligated to remedy the consequences of the harm caused.'' See *https://www.merriam-webster.com/dictionary/moral%20hazard* (last accessed Aug. 21, 2026).

[3] Marta Lachowska, Merve Meral, and Stephen A. Woodbury, ''Effects of the Unemployment Insurance Work Test on Long-Term Employment Outcomes'' (2016), Labour Economics, vol. 41, pp. 246–265.

Subregulatory Guidance and Agency Policy

Following enactment of the 2012 Act specifying that ''actively seeking work'' was a required condition of eligibility for UC, ETA played an active role in creating best practices and facilitating State implementation of the work search requirement, including publishing subregulatory guidance, conducting webinars with States, and providing model legislative language.

Soon after Congress enacted the 2012 Act, the Department published Unemployment Insurance Program Letter (UIPL) No. 05–13, ''Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012'' (issued Jan. 10, 2013). This subregulatory guidance informed States of the codified work search requirement and advised that ''States will exercise their discretion consistent with the strong expectation that UC beneficiaries will be engaged in concerted and effective efforts calculated to find a suitable job in the shortest period of time that is practicable. . . . Any requirements established by [States] on the type or number of work search contacts must be closely tied to an expectation that the claimant will be quickly reemployed.'' However, the regulation promulgated to address the A&A requirement has not been updated to reflect this statutory change to incorporate the work search requirement.

Since this time, ETA has issued several advisories to States regarding work search requirements for individuals claiming UC. The guidance issued included: Training and Employment Notice (TEN) No. 18–16, ''Pathways to Reemployment Tools and Resources'' (issued Nov. 21, 2016); TEN No. 02–17, ''Enhanced My Reemployment Plan Tools and Resources'' (issued July 14, 2017); and TEN No. 17–19, ''Model Unemployment Insurance State Work Search Legislation'' (issued Feb. 10, 2020).

TEN No. 18–16 announced the Pathways to Reemployment framework and introduced the My Reemployment Plan as a resource for job seekers and workforce professionals. The framework ''re-envisions'' work search requirements for individuals claiming UC to support their successful reemployment in the 21st-century labor market. The guidance encouraged States to modernize work search policies and expand the scope of activities that meet the work search requirement but did not mandate any changes. States were ''encouraged to access, review and use'' the tools, and to ''assess current reemployment policies and procedures to identify areas in need of modernization.''

TEN No. 02–17 announced enhanced tools the Department developed to implement the My Reemployment Plan, including a companion video series for job seekers and a reference guide for workforce professionals in American Job Centers. The notice ''encouraged'' State workforce agencies to use these resources but did not require compliance.

TEN No. 17–19 announced the availability of Model Unemployment Insurance State Work Search Legislation and ''strongly encouraged'' States to adopt the model language and framework. The notice requested State administrators to ''consider working with the [State's] legislature and [UC] stakeholders to adopt the model legislative language,'' but specified that States ''may implement'' the model legislation, which was ''developed to assist [States].'' ETA provided this model legislation as technical assistance and ''encourage[d] [States] to review their work search laws, regulations, and policies, and to consider adopting the approach.'' Attachment I to TEN No. 17–19 provided detailed model statutory language for work search requirements, including definitions of acceptable work search activities and documentation requirements. The language was presented as a model for States to consider, not as a Federal mandate.

The advisories provided suggestions for States to improve work search models, including expanding the scope of acceptable work search activities, encouraging the use of individualized reemployment plans, promoting integration of workforce services and technology, providing tools and resources for job seekers and workforce professionals, and offering model legislative language for States to adopt. However, States were not required to comply with the guidance, and adoption of the suggestions remained voluntary.

Additionally, the RESEA program includes a review of each individual's work search activities for purposes of assessing UC eligibility and providing reemployment support as part of the individualized RESEA engagement. The Department has regularly published annual guidance specifically applicable to grants available for States to administer their RESEA programs and not the broader UC program. This operating guidance is generally published as a joint UIPL and Training and Employment Guidance Letter (TEGL) to ensure awareness across the UC and workforce systems, most recently including: UIPL No. 02–23/TEGL No. 08–22 for Fiscal Year (FY) 2023 (issued Feb. 23, 2023); UIPL No. 08–24/TEGL No. 11–23 for FY 2024 (issued Feb. 21, 2024); and UIPL No. 12–25/TEGL No. 14–24 for FY 2025 (June 10, 2025). Within this scope, States are advised to ensure communication feedback loops between their UC and workforce operations to ensure support for swift reemployment and to use evidence-based strategies for helping individuals return to work.

The Department views the publication of this proposed regulation as the next step in effectuating the requirements of the 2012 Act. The Department is proposing to amend 20 CFR part 604 to reflect the Federal work search requirement created by the 2012 Act, which is set out in section 303(a)(12) of the SSA.

IV. Section-by-Section Discussion of the Proposed Changes

Section IV of this NPRM's preamble describes how the proposed rule would operationalize the statutory requirement at section 303(a)(12) of the SSA that individuals must actively seek work to be eligible for UC. This proposed rule also includes a definition of the term ''employer contact'' and sets forth a national minimum weekly work search standard.

The Department recognizes that certain provisions of the proposed rule would require States to amend their laws. In recognition of varying State legislature schedules, the Department proposes a compliance date of 1 year from the effective date of the final rule for States to comply with the requirements of the final rule. To facilitate a smooth transition, the Department expects States to discontinue both formal and informal warnings to individuals who fail to complete the required work search activities upon publication of this final rule, or as soon as possible if State law must be amended, as such warnings are inconsistent with Federal law.

A. Proposed Changes to §§ 604.1, 604.2, and 604.5

Section 604.1 Purpose and Scope

The Department is proposing a revision to § 604.1 from the current requirement that individuals are ''able to work and available for work'' to add the phrase ''and actively seeking work.'' This would codify the existing requirement in section 303(a)(12) of the SSA that, as a condition of eligibility,

States require that individuals are able to work, available to work, and are actively seeking work each week. The existing regulation applies to all State UC programs. To the extent that Federal UC programs, such as Unemployment Compensation for Federal Employees or Unemployment Compensation for Ex-Servicemembers, defer to State requirements with respect to A&A and work search, this regulation would also be applicable.

Section 604.2 Definitions

Section 604.2 provides definitions for this part. The Department is proposing to add a new definition of the term ''employer contact.'' As proposed, employer contacts are communications between an individual and an individual employer by various means. The Department is proposing to define employer contact broadly to encompass the various ways in which individuals may contact employers and not solely limited to in person contact.

Section 604.5 Application—Availability for Work

The Department is proposing to remove paragraph (h), which addresses work search, from § 604.5. When paragraph (h) was adopted, there was no Federal work search requirement explicitly in statute and so it provides that States may include a work search requirement, which would be included either as an element of satisfying the available for work requirement or as a separate State requirement. As noted earlier in this NPRM's preamble, the 2012 Act amended section 303(a) of the SSA to require that an individual claiming UC be able to work, available to work, and actively seeking work. With this NPRM, the Department is proposing to align the Federal regulatory requirements with the statutory requirement by removing existing paragraph (h).

B. Section 604.6 Work Search Requirement

Proposed § 604.6 would establish a national minimum framework for work search standards applicable to all States as a condition of certification of its State UC law under title III of the SSA. Paragraphs (a) through (i) would define the minimum weekly work search activity requirement, identify permissible methods of satisfying that requirement, explain reporting expectations, provide guardrails designed to promote consistency across States, and require clear communication of work search expectations to individuals.

C. Paragraph 604.6(a) In General

Paragraph (a) would establish a requirement that States implement and administer a work search requirement for individuals consistent with § 604.6 to qualify for certification under title III of the SSA. This proposed paragraph would introduce the framework for the specific requirements, which are set forth in proposed paragraphs (b) through (i).

Paragraph (a) would also make clear that this new work search requirement would defer to existing work search requirements under 20 CFR part 615 that apply to the Federal-State Extended Benefits program. The Department is not seeking to contravene the work search regime that States implement under section 202(a)(3)(A)(ii) of the Federal-State Extended Unemployment Compensation Act of 1970 (EUCA). To the extent that the proposed provisions would conflict with the regulations at 20 CFR part 615 as they apply to the Extended Benefits program, 20 CFR part 604 would not apply. Conversely, to the extent that 20 CFR part 615 defers to State law, then State law must, at a minimum, align with the proposed revisions to 20 CFR part 604.

Under this paragraph, a State would not be permitted to pay UC for a claimed week of unemployment unless the individual completes the work search requirement under § 604.6 or demonstrates an equivalent labor force attachment as provided in State law, consistent with paragraph (g).

The Department is proposing this paragraph to establish a clear national baseline, consistent with section 303(a)(12) of the SSA. Section 303(a)(12) requires State law to condition the payment of UC on an individual actively seeking work. This proposed paragraph is intended to clarify that the obligation to implement and enforce work search requirements rests with the State. This approach is consistent with the Department's authority to regulate State law for conformity and compliance under the Federal-State UC program.

D. Paragraph 604.6(b) Work Search Requirement

Paragraph (b) would establish that States must condition individual eligibility to receive UC only if the individual satisfies the applicable work search requirement for that week under proposed paragraphs (c) and (d) or demonstrates equivalent labor force attachment under proposed paragraph (g), in addition to meeting the other eligibility requirements set forth in State and Federal law.

E. Paragraph 604.6(c) Minimum Number of Work Search Activities

Paragraph (c) would establish the minimum number of weekly work search activities required for individuals to demonstrate that they are actively seeking work, as required under section 303(a)(12) of the SSA. Under this proposed paragraph, an individual must complete at least five qualifying work search activities during each week of unemployment for which UC is claimed, unless the individual satisfies the requirement through a State-adopted points-based system under paragraph (f) or meets the requirements under paragraph (g).

In determining the minimum number of work search activities in this proposed rule, the Department reviewed State work search requirements nationwide. While there is variability in the number of work search activities required in States, there are a few States that already require five work search activities per week. Therefore, the Department has concluded that proposing a minimum of five work search activities per week is a reasonable and implementable requirement. The Department believes that establishing a clear minimum of five work search activities per week, with consideration for alternative demonstrations of sufficient labor force attachment described in paragraphs (f) and (g), provides a consistent and understandable baseline for active work search while remaining reasonable, achievable, and administratively feasible. The proposed requirement reflects a reasonable minimum demonstration of active labor market engagement.

F. Paragraph 604.6(d) Work Search Activity Reporting

Paragraph (d) would add a requirement that State law must require individuals to report the details of each completed work search activity, or the details of the individual's equivalent labor force attachment under paragraph (g) of this section, as part of the certification process prior to the payment of UC for a claimed week.

Some States already include this reporting requirement at the time of continued claim certification. All States currently require reporting work search activities when a claim is selected for a BAM audit, with the exception of one territory that does not operate a BAM program. Some States may also request work search information, or equivalent labor force attachment information, after payment through randomized audits, targeted reviews, or post-payment

verification processes. Requesting work search activities, or equivalent labor force attachment information, post-payment creates challenges for individuals, States, and employers to accurately recall, document, and verify such activities weeks or months after the activities, or equivalent labor force attachment, occurred. This delayed reporting contributes to improper payments and administrative inefficiencies.

States would retain flexibility in how they implement this proposed requirement, provided that such reporting is required for each week of claimed UC before payment is released. States would also retain discretion to determine what specific information individuals must report to the State, consistent with State law and administrative practices. The proposed provision would allow States to determine the information that individuals would be required to report with respect to their work search activities, or equivalent labor force attachment, as part of the continued claim certification process. States should only collect information that is necessary for the proper administration of the UC program. The Department recommends States collect enough information to facilitate any future audit of work search activity, or equivalent labor force attachment. The proposed provision does not prescribe specific information that must be reported to the State. The Department anticipates that most States would implement this requirement through existing certification systems and processes.

For States that administer the continued claim certification on a biweekly basis, this proposed paragraph clarifies that the work search requirement must be satisfied separately for each week of unemployment for which UC is claimed. However, States with continued claim certifications administered biweekly may satisfy the proposed requirements in § 604.6 by obtaining weekly work search activity, or equivalent labor force attachment, information from individuals on a biweekly basis and before a biweekly payment is made.

G. Paragraph 604.6(e) Work Search Activity

Paragraph (e) would establish the general requirements governing what constitutes a qualifying work search activity for purposes of satisfying the work search requirement under § 604.6. Under this proposed paragraph, State law would be required to include only those work search activities that allow individuals to meet the requirement by completing specified work search activities that are specific, identifiable and reasonably calculated to lead to reemployment. States must provide for certain activities, including employer contacts, as well as registration and ongoing contact with placement agencies or unions for the purposes of seeking employment. States would retain discretion to define additional qualifying work search activities consistent with § 604.6.

The Department is proposing the work search activity provisions in paragraph (e) to reflect modern job search behavior, which generally comprises many types of activities, not only employer contacts, and to provide room for such activities to evolve over time. The Department considers these types of activities, when specific, identifiable, and reasonably calculated to lead to reemployment, to be legitimate work search activities.

The Department intends for this provision to provide States with flexibility to tailor work search requirements to local labor market conditions, individual populations, and administrative capacity, while ensuring that individuals are able to understand and comply with the requirement. The Department further intends to reduce procedural denials that may occur when work search requirements are vague, inconsistently applied, or difficult for individuals to understand.

The Department expects that an individual may perform multiple activities of the same type in a given week. Some examples of how this requirement might be applied include:

- An individual makes five discrete employer contacts for the purpose of seeking work in a given week; or
- An individual does two job interviews, attends a job fair, takes a professional assessment, and submits an employment application in a given week.

Paragraph (e)(1)

As proposed, paragraph (e)(1) would provide that State law must not limit qualifying work search activities solely to employer contacts. The Department recognizes that modern work search behavior includes a broader range of activities as described in subsequent paragraphs.

Paragraph (e)(2)

Paragraph (e)(2) is a proposed list of work search activities that States would be required to recognize as work search activities in State law for purposes of the work search requirement set out in paragraph (b): employer contacts (as defined in § 604.2) for the purpose of seeking employment, specifically including employment application submissions, job interviews, and skill, aptitude, or competency assessments with a specific employer; registration and ongoing contact with placement agencies for the purpose of seeking employment; and contact with the individual's union for a job referral. The Department has determined that these work search activities are integral to the reemployment process and thus individuals should always be given credit toward the work search requirement for completing them in a given week.

Employer contacts are an important and effective component of active work search and are reasonably calculated to lead to reemployment. The Department believes requiring States to recognize employer contacts as qualifying work search activities would promote more rapid reemployment and ensure that direct employer engagement remains a core component of the work search requirement.

The Department's intent in requiring that skill, aptitude, or competency assessments with a specific employer be recognized as qualifying work search activities in State law is that such activities are important evaluation tools used to assess individuals for employment. Skills assessments measure an individual's technical or functional ability to perform tasks related to a specific job. Aptitude assessments are intended to measure an individual's potential to succeed in a given job. Competency assessments are intended to evaluate an individual's skills and knowledge, generally, for a particular role within an organization. The Department proposes to include registration and ongoing contact with placement agencies because such contacts are important routes to obtaining employment. Much like contacting an individual employer for work, contacting a placement agency is a useful way to obtain a job.

Additionally, contact with the individual's union for a job referral would be a qualifying work search activity for the purpose of the work search requirement in paragraph (b). Contact with a union would be recognized in State law as a qualifying work search activity regardless of whether the union offers a hiring hall. Therefore, the Department proposes that a union member contacting their union for a job referral must also be considered a valid work search activity.

The Department recognizes that for an individual who is a member of a union that prohibits members from taking non-union work, accepting non-union work

may result in the individual violating the terms of their union membership agreement. Under such circumstances, an individual who otherwise does not meet the requirement in accordance with paragraph (g)(2) may meet the minimum work search requirement by making contact with their union for job referrals and completing any other work search activities described in paragraph (e)(2), such as skill and competency assessments, as well as work search activities that may be recognized by the State consistent with paragraph (e)(3), such as training, that do not require contacting non-union employers for the purpose of obtaining work.

The Department is considering including a requirement that at least one of the individual's work search activities each week be an activity from the list in paragraph (e)(2) and welcomes comment on this approach.

Paragraph (e)(3)

The Department strongly encourages States to allow a wide variety of work search activities to satisfy the work search requirement. Paragraph (e)(3) proposes a non-exhaustive list of additional activities that States may include as qualifying work search activities. These include:

- Attending job fairs or hiring events (proposed paragraph (e)(3)(i));
- Utilizing career center or employment services (proposed paragraph (e)(3)(ii));
- Attending workshops, training, or skill-building educational events (proposed paragraph (e)(3)(iii));
- Taking professional assessments or certification examinations (proposed paragraph (e)(3)(iv)); and
- Other activities reasonably calculated to lead to reemployment, as determined by the State (proposed paragraph (e)(3)(v)).

All of these activities may be considered to be reasonably calculated to lead to reemployment. An individual taking a professional assessment may more easily obtain employment in a specific industry and the assessment may contain aspects of skill, aptitude, or competency assessments. The Department believes professional assessments and certifications are valuable work search activities and can lead an individual to reemployment. However, because professional assessments and certificate exams can vary widely from industry to industry and State to State, the Department does not propose to make these activities mandatory for inclusion in State law. This optional category is distinct from the skill, aptitude, or competency assessments related to employment that States must recognize under proposed paragraph (e)(2)(i)(C).

The Department proposes including the illustrative list in paragraph (e)(3) to preserve State flexibility to account for differences in labor markets, industries, geography, and administrative systems. This approach allows States to define additional qualifying activities as appropriate and also provides room for such activities to evolve over time, based on economic conditions within the State, changes in technology, or other factors that would require the State to add or delete acceptable work search activities.

The Department recognizes that there may be other government programs that involve work search requirements. For example, the Department notes that the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services issued an interim final rule on June 3, 2026, regarding the requirement for certain Medicaid applicants and beneficiaries to demonstrate community engagement through specific qualifying activities as a condition of their Medicaid eligibility (91 FR 33348). Accordingly, the Department encourages States to work with their State Medicaid agency to align, to the extent appropriate, their work search requirements so that the work search activities that individuals applying for UC may complete align with the mandatory community engagement activities required by their State Medicaid agency.

H. Paragraph 604.6(f) Points-Based System

The Department included proposed regulatory text under paragraph (f) to solicit comments on a proposed points-based system. The Department is considering whether such a system aligns with the goals of this proposed rule and, if included in the final rule, how it might be implemented. Paragraph (f) would permit a State to adopt a points-based system as a method for satisfying the weekly work search requirement proposed in paragraph (b). Proposed paragraph (f) offers States flexibility to establish a points-based system to accomplish the requirement in proposed paragraph (c). Under a points-based system, qualifying work search activities would be assigned point values, as determined by the State, and an individual would satisfy the weekly work search requirement when the total point value of completed and reported activities equals or exceeds the minimum threshold of five points established by this paragraph. Nothing would preclude an individual from completing five one-point work search activities in a claimed week—the adoption of a points-based system simply encourages an individual to do certain activities over others by providing those activities a greater weight in completing the work search requirement.

The option for States to adopt a points-based system is intended to provide a tool for prioritizing activities that connect individuals to sectors and localities with greater job openings—the specific application of which can change over time. A carefully developed points-based system may act as an incentive for individuals to engage in activities that are more likely to result in rapid reemployment, especially employment in occupations that are experiencing worker shortages. It also may incentivize individuals to broaden their work search to geographical areas that may have more or better reemployment opportunities and mitigate work search difficulties when work where the individual resides may be limited.

The Department intends this provision to preserve flexibility for States while ensuring that any points-based system remains substantially equivalent to the minimum weekly work search requirement established in paragraph (c).

Paragraph (f)(1)

Paragraph (f)(1) would establish the minimum requirements for a State points-based system. Under this proposed paragraph:

- Qualifying work search activities would be assigned point values by the State (proposed paragraph (f)(1)(i)) and must be consistent with the qualifying work search activities described in paragraph (e);
- The weekly work search requirement would be satisfied only when the total number of points assigned to qualifying work search activities an individual has completed for the benefit week claimed equals at least five points (proposed paragraph (f)(1)(ii)); and
- Each work search activity is assigned a value of one, two, or three points (proposed paragraph (f)(1)(iii)).

The Department believes these minimum requirements for a State points-based system are necessary to ensure consistency, transparency, and equivalency across States. Establishing a points-based system provides States flexibility in structuring and incentivizing work search activities while maintaining a consistent baseline nationwide.

The limitation that each work search activity must be assigned a value of one,

two, or three points is intended to establish guardrails that prevent States from assigning disproportionately high or low values to individual activities in ways that could undermine the consistency or integrity of the work search requirement.

The Department believes a one-to-three-point range appropriately balances flexibility and consistency by allowing States to differentiate among activities based on their relative value while ensuring that no single activity alone satisfies the weekly requirement.

Paragraph (f)(2)

Paragraph (f)(2) would provide that, when assigning more than one point to a qualifying work search activity, States must determine that the activity either:

- Connects individuals to specific industries and geographic locations that need workers; or
- Has strong evidence for directly leading to reemployment.

These mandatory criteria ensure that activities receiving more than one point meaningfully promote reemployment and reflect current labor market needs. For instance, the State may incentivize job search activities in growth sectors with more plentiful employment options by assigning additional points to such activities. This approach encourages individuals to broaden their search and focus job search efforts on occupations where their skills are most needed.

The Department is particularly interested in comments from States, industry leaders, and other relevant stakeholders on the points-based system option proposed in paragraph (f). The Department recognizes that some States currently include flexibility in how they implement their work search requirement (*i.e.,* requiring a different number of work search activities based upon geographic factors such as whether the individual claiming UC is in an urban or rural area). The Department welcomes comments on the factors that should be used to allow greater weighting of activities.

The Department is considering the points-based approach as a potential flexibility for States and welcomes comments about additional considerations for ensuring that such a points-based system does not circumvent the underlying intent of the proposed rule (*i.e.,* a permanent workaround to avoid requiring five work search activities in any given week) and whether such a system should be included in the final rule.

I. Paragraph 604.6(g) Equivalent Labor Force Attachment

Paragraph (g) proposes to establish circumstances under which an individual may be considered to have an equivalent attachment to the labor force and therefore is deemed by the State to have satisfied the State's minimum work search requirement for a week.

The Department recognizes that certain individuals remain sufficiently attached to the labor force through participation in approved programs or because of specific employment-related circumstances such that requiring completion of the minimum weekly work search requirement may be unnecessary or duplicative. The Department also recognizes that there may be extenuating circumstances that would prevent an individual from conducting the required minimum weekly work search activities while the individual should otherwise be eligible for UC. This paragraph is intended to preserve consistency with other Federal UC requirements and maintain existing State practices where they align with the goal of this proposed rule in facilitating reemployment. The Department also seeks comments on other circumstances that are not represented in the draft text but might be in place under current State law and align with the goals of this proposed regulation.

Paragraph (g)(1)

Paragraph (g)(1) identifies circumstances in which an individual would be deemed to have met the minimum number of work search activities required under paragraph (c). The following equivalent labor force attachment circumstances would meet the minimum work search requirement under proposed paragraph (c) when the individual is:

- Enrolled in, and making satisfactory progress in, State-approved training under 26 U.S.C. 3304(a)(8) (proposed paragraph (g)(1)(i));
- Participating in the Self-Employment Assistance (SEA) program under 26 U.S.C. 3306(t) (proposed paragraph (g)(1)(ii));
- Participating in the Short-Time Compensation (STC) (also known as ''Workshare'' or ''Shared Work'') program under 26 U.S.C. 3306(v) by being available for their workweek (proposed paragraph (g)(1)(iii)); or
- Participating in a Registered Apprenticeship program (proposed paragraph (g)(1)(iv)).[4]

The circumstances referenced in proposed paragraphs (g)(1)(i) through (iii) are determined by other provisions of Federal law that provide that the individual cannot be denied for failure to complete work search when they are participating in State-approved training or the SEA program or when they are deemed to have met the minimum work search requirement by being available for their workweek under the STC program.

The Department further proposes that individuals participating in a Registered Apprenticeship program, under 29 U.S.C. 50, also be deemed to have satisfied the minimum work search requirement. Individuals engaged in a Registered Apprenticeship program are engaged in activities specifically designed to prepare them for employment in a particular field. These programs combine on-the-job learning with related instruction, equipping participants with new skills that will lead to employment in occupations offering higher wages.

Additionally, at the conclusion of the Registered Apprenticeship program, individuals may be hired by the company where they completed their apprenticeship. An individual earning wages during the Registered Apprenticeship program must, in accordance with State law, report such wages, which could impact the amount of UC available in the week. Separate from this monetary impact, requiring apprentices to seek additional work while participating in the program would interfere with the intended purpose and goals of the Registered Apprenticeship program and with the workforce attachment the program fosters. The reasoning for this exception aligns with similar provisions for individuals enrolled in State-approved training programs.

Paragraph (g)(2)

Paragraph (g)(2) identifies a specific category of individuals who would be deemed to have met the minimum work search requirement under paragraph (c). This provision would apply when an individual is a member in good standing with their union, that union utilizes a hiring hall for job referrals, and the individual follows the requirements of their union regarding contact with the union's hiring hall, provided the individual must contact their hiring hall at least once a week. The Department recognizes that for an individual who is

[4] A Registered Apprenticeship is an industry-driven, high-quality career pathway where employers train and prepare their future workforce while giving individuals the opportunity to gain paid work experience, progressive wages, mentorship, and a portable, nationally recognized credential.

a member of a union that utilizes a hiring hall for job referrals, looking for work outside of the hiring hall may result in the individual violating the terms of their union membership agreement.

For individuals who otherwise contact their union for work but do not meet the parameters described in paragraph (g)(2), such contact would qualify as an acceptable work search activity under paragraph (e)(2), though it would only be sufficient for satisfying one of the minimum five activities in any given week.

Paragraph (g)(3)

The Department proposes in paragraph (g)(3) to specify limited circumstances in which a State may deem an individual to have met the weekly work search requirement because the individual either maintains clear attachment to the labor force or faces specific conditions that make conducting work search activities unreasonable or impractical. By outlining these circumstances directly in the regulation, the Department aims to ensure national consistency, provide clarity for States administering UC programs, and appropriately recognize situations in which individuals should be deemed to have satisfied the weekly work search requirement for the applicable week.

Paragraph (g)(3) would permit a State to deem an individual to have met the work search requirement for a week if one of these limited circumstances applies.

- *The individual has a definite return-to-work date with their separating employer within 8 weeks of the separation date (proposed paragraph (g)(3)(i)).* If an individual is on a short-term layoff with a definite return-to-work date from their separating employer, requiring that individual to nonetheless conduct a work search may harm the employer by risking the loss of a skilled member of their workforce if the individual receives and accepts a different offer of employment. This may result in the individual being required to accept a less desirable job or risk being found ineligible to receive UC.
- *The individual is a Federal employee, is unemployed due to a lapse in Federal appropriations, and is expected to return to work when the lapse ends (proposed paragraph (g)(3)(ii)).* A similar argument for short-term layoffs applies to Federal employees who are unemployed due to a lapse in appropriations. In this situation, the employee does not have a definite return-to-work date—pending congressional action—but is still considered job-attached and is expected to be recalled to work after the lapse in appropriations ends.
- *The individual files an initial claim less than 72 hours prior to the end of the week (proposed paragraph (g)(3)(iii)) and therefore has insufficient time to both receive notification of the work search requirement and conduct the associated activities before filing their first continued claim certification.* Generally, an individual may file an initial claim at any point during a week. If there is insufficient time for the State to advise the individual of the work search requirement and for the individual to complete the work search activities for the week claimed, it creates an unreasonable burden for the individual. For example, if the individual files their initial claim with less than three full days remaining in the benefit week, it may not be reasonable to expect the individual to complete the minimum work search activities before the end of the week. Likewise, if the State backdates the individual's initial claim, the individual may be precluded from meeting the State's minimum work search requirement for that week.
- *The individual is serving on jury duty (proposed paragraph (g)(3)(iv)), and the individual's jury duty service precludes the individual from completing the minimum number of work search activities.* The Department recognizes that under section 202(a)(3)(A)(ii)(I) of EUCA, individuals who are lawfully issued summons to appear for jury duty may be exempted from seeking work if State law provides this exception under the Federal-State UC program. Therefore, a State may deem an individual to have met the State's minimum work search requirement for a claimed week, if the individual's jury duty service precludes the individual from meeting the minimum number of work search activities under proposed paragraph (c). For example, if the individual is only called for one day of jury duty, the jury duty might not preclude them from completing the minimum number of work search activities. States must determine if the jury duty service precluded the individual from completing the minimum number of work search activities. The individual must continue to meet all other eligibility requirements for the week, including being able to work and available for work under State law.
- *The individual is hospitalized for treatment of an emergency or life-threatening condition (proposed paragraph (g)(3)(v)), and the hospitalization precludes the individual from completing the minimum number of work search activities.* Similarly, the Department recognizes that under section 202(a)(3)(A)(ii)(II) of EUCA, individuals who are hospitalized for treatment of an emergency or life-threatening condition may be excepted from work search if the Federal-State UC program provides for an exception. This rule would implement this exception where the hospitalization precludes the individual from completing the minimum number of required work search activities under proposed paragraph (c) for a claimed week. In these circumstances, the minimum work search requirement may only be deemed to have been met if the State determines the hospitalization precludes them from meeting the requirement. For example, if the individual is hospitalized for one day and then is discharged and was fully able to look for work either before or after the hospitalization, the hospitalization might not preclude them from meeting the minimum number of work search activities and thus the individual would need to meet the work search requirement in paragraph (c). The individual must continue to meet all other eligibility requirements for the week, including being able to work and available for work under State law.

These proposed provisions are intended to provide employers, individuals, and States some flexibility while preserving the overall integrity of the weekly work search requirement. Individuals who are determined to meet one of the circumstances in paragraph (g)(3) must continue to meet other applicable State and Federal eligibility requirements to receive UC for a claimed week. The Department welcomes public comment on these and other possible circumstances from stakeholders.

Paragraph (g)(4)(i)

This proposed provision would allow States the flexibility to deem individuals to have met the work search requirement in this section for a claimed week when there is a federally declared major disaster as defined under the Stafford Act, 42 U.S.C. 5122(2). This provision is only applicable where States have laws that allow them to modify an individual's work search requirements during major disasters. This provision is meant to grant States the flexibility to make modifications to work search requirements based on the circumstances surrounding disasters. The Department understands that during disasters work search activities may be difficult or impossible for

individuals to complete and that businesses in affected areas may be temporarily closed or unable to accept new employment applications or new hires. Further, resources that individuals could use to complete work search activities, such as training providers, placement agencies, and workforce development organizations, may be impacted as well.

Paragraph (g)(4)(ii)

This proposed provision would cap the amount of time that paragraph (g)(4)(i) may apply. The proposed rule would cap the period during which individuals may suspend their work search to no more than 26 weeks following the week in which the disaster period commences to align the regulation with existing Disaster Unemployment Assistance program requirements and practices. The Department intentionally uses the term ''incident period'' in the proposed regulatory text because that term is defined in the Federal Emergency Management Agency's regulations at 44 CFR 206.32(f). The Department intends this term to have the meaning assigned to it in 44 CFR 206.32(f) because federally declared disasters involve both the State and several Federal agencies. The Department proposes this duration limitation to provide individuals affected by federally declared major disasters with appropriate flexibilities while balancing the goal of the work search requirement, which is to require active labor market participation for individuals seeking benefits.

Paragraph (g)(5)

The purpose of requiring an active search for work is to facilitate reemployment. Proposed paragraph (g)(5) recognizes that an individual who has accepted a bona fide offer of employment with a definite start date in the near future is demonstrating that purpose. Once an individual has accepted such an offer, requiring that individual to continue searching for other work during the short period before the new job begins may be unnecessary and create avoidable complications. For example, if the individual receives and is required to accept another offer or lose UC eligibility, that may result in the individual being forced to accept a less desirable job with lower wages and forces the employer offering the position to search for other candidates. Furthermore, if the individual receives and refuses an additional offer of employment, the State may need to adjudicate whether the refusal affects eligibility, despite the fact that the individual has already secured employment.

The proposed provision is limited and would apply on a week-by-week basis. A State may deem an individual to have met the minimum work search requirement under paragraph (c) for a claimed week only if the individual has accepted a bona fide offer of employment and the start date of such employment is within 4 weeks of the week being claimed. For any claimed week that falls outside of that 4-week period, the individual would be required to continue to satisfy the applicable minimum work search requirement under paragraph (c). When the conditions of paragraph (g)(5) are met for a claimed week, the State may deem the individual to have met the minimum work search requirement for the entire week. The State need not impose a separate, partial-week work search requirement under this paragraph.

For those weeks before the individual qualifies under paragraph (g)(5), the individual must satisfy the work search requirement through any qualifying work search activities permitted by the State under paragraph (e). The Department is setting a timeframe because an extended period during which an individual is not seeking work is inconsistent with the principles of the Federal work search requirement. This provision is intended to provide employers, individuals, and States a limited level of flexibility while preserving the overall integrity of the weekly work search requirement.

J. Paragraph 604.6(h) Notification Requirements

Proposed paragraphs (a) and (b) would establish that a State may not pay UC for a week claimed unless the individual satisfies the applicable work search requirement under § 604.6 or has an equivalent labor force attachment as provided in State law, consistent with paragraph (g). Proposed paragraph (h) sets out the proposed requirement that States notify individuals of the work search requirement at certain points during the continued claim certification process.

Paragraph (h)(1)

Paragraph (h)(1) would require States to provide clear notice to individuals regarding the pertinent aspects of the work search requirement for their continued eligibility for UC. Clear communication about work search requirements is essential to ensuring compliance, reducing inadvertent eligibility violations, and supporting program integrity.

Under section 303(a)(1) of the SSA, a State's UC law must provide for methods of administration that are reasonably calculated to ensure full payment of UC when due. The Department has determined that section 303(a)(1) of the SSA requires that individuals claiming UC are able to obtain, complete, and submit information related to their initial and continued claims, appeals, reemployment services, and any other available program functions or services. All individuals must have the opportunity to be informed of and take appropriate action(s) to apply for UC, maintain their entitlement to UC, and access services without undue burdens or barriers.

Appendix A to 20 CFR part 602 (Standard for Claim Determination—Separation Information) requires State laws to include provisions that will ensure that ''[i]ndividuals who may be entitled to [UC] are furnished such information as will reasonably afford them an opportunity to know, establish, and protect their rights under the [UC] law of such State.'' The Department is proposing to add this work search notification provision to the existing notifications the State sends individuals as part of the requirement that States provide individuals with sufficient information ''to know, establish, and protect their rights'' to UC. The goal of this provision is to support individual reemployment, program integrity, transparency, and accountability.

Under this proposed paragraph, States would be required to provide enough information to individuals to ensure they are aware of the work search requirements that apply to the individual's claim. Such notice would be required to be provided in writing at the time the initial claim is filed and at any time during the benefit year that such requirements applicable to the individual substantially change.

The Department recognizes that many States already provide benefit rights and responsibilities information to individuals through handbooks, online portals, continued claim certification systems, and other communications. This provision is intended to ensure that work search requirements are clearly and consistently communicated through existing channels or other communication methods reasonably calculated to ensure awareness.

At a minimum, the notice provided under this paragraph (h) would be required to include the following information:

- The acceptable types of work search activities (proposed paragraph (h)(1)(i));

• That a minimum of five qualifying work search activities are required during each week of unemployment for which UC is claimed (proposed paragraph (h)(1)(ii));

• If the State has adopted a points-based system under paragraph (f), an explanation of that system in plain language (proposed paragraph (h)(1)(iii));

• That the individual must report work search activities each time the individual files a continued claim certification and be prepared to provide additional documentation of their work search activities upon request (proposed paragraph (h)(1)(iv)); and

• That UC will not be paid for any week if the individual does not complete and report the required work search activities or demonstrate an equivalent labor force attachment under paragraph (g) (proposed paragraph (h)(1)(v)).

Paragraph (h)(2)

Paragraph (h)(2) would require the State to notify individuals: (1) when the State determines that the circumstances under paragraph (g) apply (*i.e.,* the individual meets an equivalent labor force attachment provision); and (2) when the individual's circumstances have substantially changed and different work search requirements now apply. This individualized notification requirement would only be applicable when the State has enough information to determine that paragraph (g) applies to an individual. As such, the Department expects States would put in place methods of obtaining enough information from individuals to ascertain whether proposed paragraph (g) applies to the individuals.

The Department proposes this provision to ensure that States make individuals aware of their situation-specific requirements so that they may provide the information necessary for the State to accurately apply paragraph (g), to ensure that individuals understand what is required of them, and to ensure that individuals are notified when their work search requirements change.

The Department believes this provision would improve the individuals' understanding of the State's work search requirements and reduce procedural denials caused when individuals fail to complete the required work search activities or fail to keep a record of their weekly work search activities.

K. Paragraph 604.6(i) Prohibition on Formal and Informal Warnings

Some States have used formal or informal warnings in lieu of holding an individual accountable for weeks in which the individual failed to actively seek work, with States oftentimes advising the Department that this rationale is based on the premise that the individual was not properly aware of the work search requirement. Paragraph (i) would state that individuals who do not complete the minimum number of required work search activities are ineligible for UC for that week. Under this proposed paragraph, States may not issue formal or informal warnings in lieu of determining ineligibility when an individual fails to complete and report the minimum required work search activities or does not meet the requirements in paragraph (g).

The Department proposes this paragraph to codify its longstanding legal interpretation that the SSA does not permit States to give individuals claiming UC a warning—whether formal or informal—when they fail to meet the statutory requirement to actively seek work for a claimed week. Section 303(a)(12) of the SSA provides that State law must require an individual to actively seek work as a condition of eligibility for each week claimed.

The Department is aware that some States have historically issued warnings to individuals upon identifying a potential work search eligibility issue. A State law or policy that permits such warnings, whether formal or informal, would be inconsistent with this proposed regulation and would, under this paragraph, be out of conformity with the SSA and the Federal Unemployment Tax Act. These laws and policies would need to be changed to conform with this proposed regulation. When a State determines that an individual did not complete and report the required work search activities and did not qualify under paragraph (g) for a claimed week, the State would be required to find the individual ineligible for that week and establish an overpayment when appropriate.

Recognizing the policy rationale often cited by States to the Department that individuals are not aware of the work search requirement, the proposed rule seeks to mitigate such occurrences by facilitating regular reporting of work search activities before UC is paid. Additionally, the Department is proposing that States may include certain circumstances under paragraph (g) allowing for equivalent labor force attachment such as when an individual files their initial claim less than 72 hours prior to the benefit week ending date. The proposed rule also requires that the State provide notification to individuals when the expectation for their work search activity changes, as described in paragraph (h).

L. Section 604.7 Conformity and Substantial Compliance

The Department is proposing to redesignate § 604.6 to § 604.7. The Department is proposing to place the work search requirement in § 604.6 because it would be in addition to the requirements in § 604.4 (Application—ability to work) and § 604.5 (Application—availability for work). The Department is not proposing any change to this section; it is simply proposing to redesignate it.

V. Regulatory Analysis and Review

A. Executive Orders 12866 (Regulatory Planning and Review), 13563 (Improving Regulation and Regulatory Review), and 14192 (Unleashing Prosperity Through Deregulation)

Under Executive Order (E.O.) 12866, the Office of Management and Budget (OMB)'s Office of Information and Regulatory Affairs (OIRA) determines whether a regulatory action is significant and, therefore, subject to the requirements of the E.O. and review by OMB. See 58 FR 51735 (Oct. 4, 1993). Section 3(f) of E.O. 12866 defines a ''significant regulatory action'' as an action that is likely to result in a rule that: (1) has an annual effect on the economy of $100 million or more, or adversely affects in a material way a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities (also referred to as economically significant); (2) creates serious inconsistency or otherwise interferes with an action taken or planned by another agency; (3) materially alters the budgetary impacts of entitlement grants, user fees, or loan programs, or the rights and obligations of recipients thereof; or (4) raises novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the E.O. See id. OIRA has determined that this proposed rule is a ''significant regulatory action'' under section 3(f)(1) of E.O. 12866. Accordingly, this proposal was submitted to OIRA for review.

E.O. 13563 directs agencies to propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; the regulation is tailored

to impose the least burden on society, consistent with achieving the regulatory objectives; and in choosing among alternative regulatory approaches, the agency has selected those approaches that maximize net benefits. E.O. 13563 recognizes that some benefits are difficult to quantify and provides that, where appropriate and permitted by law, agencies may consider and discuss qualitatively those values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts.

E.O. 14192, titled ''Unleashing Prosperity Through Deregulation,'' was issued on January 31, 2025. Section 3(a) of E.O. 14192 requires an agency, unless prohibited by law, to identify at least 10 existing regulations to be repealed when the agency issues a new regulation. In furtherance of this requirement, section 3(c) of E.O. 14192 requires that the ''new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs'' associated with prior regulations. A significant regulatory action (as defined in section 3(f) of E.O. 12866) that would impose total costs greater than zero is considered an E.O. 14192 regulatory action. This proposed rule, if finalized as proposed, is, therefore, expected to be an E.O. 14192 regulatory action.

Overview of the Analysis

The Department estimates that this NPRM would result in modest rule familiarization costs and describes the unquantified costs, transfer payments, and benefits of the rule. The monetized cost estimates presented in Exhibit 1 reflect one-time rule familiarization costs for State UC agencies to review and understand the regulatory changes.

EXHIBIT 1—SUMMARY OF ESTIMATED MONETIZED COSTS OF THE NPRM

[2025 dollars]

Category	Costs
Undiscounted 10-Year Total	$23,799
10-Year Total with 3% Discounting	23,106
10-Year Total with 7% Discounting	22,242
Annualized with 3% Discounting	2,709
Annualized with 7% Discounting	3,167
Perpetuated Annualized Costs with 7% Discounting (2024 dollars)	1,325

The Department did not quantify several additional cost categories (*e.g.,* impacts on existing job search support structures and organizations, legislative changes, increased administrative activity, and information technology (IT) system changes and annual maintenance) and discusses these qualitatively in section V.A.2. The Department also provides illustrative estimates of the hours individuals may spend conducting additional work search activities. In addition, the Department discusses nonquantified transfer payments and benefits in section V.A.2, including illustrative estimates of their potential magnitude, and summarizes the analysis in section V.A.3.

The mechanisms associated with benefits of the proposed rule include increased employment and improved efficiency of labor market matching, improved accountability, increased employment, improved policy clarity and consistency, and improved health and well-being associated with securing employment sooner.

1. Need for Regulation

Federal law requires individuals receiving UC to be able to work, available for work, and actively seeking work as a condition of eligibility. 42 U.S.C. 503(a)(12). States have developed differing standards to enforce this requirement that speak to both the number and type of required activities, frequency and methods of reporting them. States range from simply requiring an affirmative statement of conducting work search activities to requiring only one work search activity; as well as requiring upwards of five activities in any given week. States also vary in what they consider to be a qualifying activity. These inconsistencies can create confusion for individuals, lead to uneven enforcement when allowable activities are not clearly defined, and increase the likelihood that otherwise eligible individuals may fail to meet requirements simply because expectations are unclear. Additionally, variability in how States notify individuals of work search requirements can result in individuals engaging in activities that may not support reemployment or may not satisfy the State's rules.

Given these challenges, this proposed rule would establish a national minimum weekly work search standard that provides a clear and consistent expectation for individuals to be ''actively seeking work'' across the Federal—State UC program. The proposed approach supports meaningful engagement with the labor market and reflects modern job search practices, which can involve multi-day or clustered activities such as interviews, job fairs, or assessments. By requiring individuals to complete at least five weekly work search activities—with limited and specified exceptions—and to report such activities prior to issuing payment, the proposed rule would improve program integrity and strengthen labor market attachment. The proposed rule also supports an assurance that individuals are informed of the requirements and have access to a broader set of qualifying activities.

2. Subject-by-Subject Analysis

In this section, the Department describes all anticipated costs, transfers, and benefits of the proposed rule, including both quantified and unquantified impacts. The proposed rule would directly regulate States by requiring them to revise their UC work search requirements as a condition of conformity with Federal UC law, and the Department expects every State operating UC programs to implement the required changes. Accordingly, this analysis treats resulting downstream effects on individuals claiming UC, State UC agencies, employers, and other affected parties as impacts of the proposed rule. Each impact is described, and quantifiable impacts are estimated while nonquantifiable impacts are discussed qualitatively.

Unemployed individuals eligible for UC in their State face the same choices under this proposed rule as they currently do, though some parameters would change. Such individuals select among: performing more extensive work search and reporting activities (with the associated opportunity cost of time and effort) to be eligible for UC; not engaging in work search and reporting activities and being found ineligible for UC; or foregoing filing for UC and accepting the best immediately available job.

i. Costs

In the following sections, the Department presents the costs estimated to be incurred by relevant stakeholders, including individuals claiming UC, State UC agencies, employers, and other affected parties. The quantified costs include costs to State UC agencies for familiarizing themselves with the regulatory change. The nonquantifiable costs include the cost to individuals for complying with the proposed rule; cost to job support structures and organizations; costs for revising State UC law and the associated implementation activities; increased administrative activities for some States; and costs for State IT system changes and annual maintenance.

a. Quantifiable Costs

1. Rule Familiarization for State UC Agencies

The Department assumed that for State UC agencies, a general and operations manager and an attorney would review the regulatory change in the first year. The Department estimated the cost of rule familiarization by State UC agencies by multiplying the number of States and territories operating UC (53) [5] by the amount of time required to read the new rule (2 hours) and by the sum of the average hourly compensation of a public-sector general and operations manager (Standard Occupational Classification (SOC) code: 11–1021) with fringe benefits included ($116.77) and the sum of the average hourly compensation of an attorney (SOC code: 23–1011) with fringe benefits included ($107.74).[6] The total cost to State UC agencies for time spent on rule familiarization is approximately $23,799 in labor costs, undiscounted. Annualized over 10 years, rule familiarization costs are valued at $2,709 per year at a 3-percent discount rate and $3,167 at a 7-percent discount rate. As rule familiarization is a one-time activity, this cost is incurred in the first year with no future costs.

b. Nonquantifiable Costs

In this section, the Department describes various nonquantifiable costs of the proposed rule, including cost to individuals for complying with the proposed rule; cost to job support structures and organizations; costs for revising State UC law and the associated implementation activities; increased administrative activities for some States; and costs for State IT system changes and annual maintenance.

1. Cost of Conducting Additional Work Search Activities

The proposed rule is expected to increase the amount of time that some individuals claiming UC spend on work search activities per benefit week claimed. The magnitude of the increase would depend on the work search requirements in place by the State in which an individual is filing and the types of activities individuals are completing already. Because of variation across States, the Department cannot directly observe the number of work search activities individuals claiming UC actually complete at baseline (current practice). While States set minimum work search requirements, States differ in how requirements are defined (for example, numeric thresholds versus qualitative standards), whether requirements vary by category of the individuals claiming UC (for example, those subject to union hiring hall provisions), and how activities are reported and tracked.

Moreover, actual search behavior may exceed the minimum required and may vary from week to week. When subject to a weekly minimum requirement, some individuals who would otherwise have concentrated more work search activities in one week and fewer in another may redistribute activities across weeks to satisfy the requirement each week. To the extent this occurs, the rule could affect the timing of some work search activities. However, the Department expects this effect to be limited because many application opportunities are time-sensitive, and individuals claiming UC generally have incentives to pursue suitable opportunities when they arise. Deferring such activities could result in lost job opportunities or delayed reemployment. For these reasons, creation of a national minimum weekly work search requirement may not result in a quantifiable increase in actual activities performed per individual. The Department also lacks data sufficient to quantify the extent of any shifting across weeks or any resulting effect on reemployment timing.

In general, the Department assumes that most individuals would experience an increase in the number of work search activities performed each week. Such activities take time, and there is an opportunity cost associated with that time. Opportunity cost refers to the value of the next best alternative use of a person's time. In this context, it represents the value of the time that individuals claiming UC would spend completing additional work search activities instead of using that time for other purposes. The Department is not able to estimate the net opportunity cost. A reliable estimate would require assumptions about baseline work search behavior, the number and type of additional activities performed, the time required for each activity, the value of individuals' time, and the extent to which additional work search activities accelerate reemployment. Because these factors are not directly observed and may vary substantially across individuals, States, and labor market conditions, the Department cannot quantify the net opportunity cost accurately. The Department is seeking public comments and input on ways to monetize the cost to the individual of conducting additional work search activities.

The Department developed an illustrative example based on an assumed average of 30 minutes per additional work search activity, reflecting variation in the time associated with different types of activities. Some work search activities like updating a resume may be completed quickly, while other activities like filling in an employment application or participating in an interview (including travel and preparation time) may take significantly longer.

For purposes of these illustrative estimates, the Department assumes approximately 100 million continued weeks claimed annually, based on 2025 continued weeks claimed data.[7] Because individuals may complete more work search activities than the minimum required by their State and data on the number of activities actually completed are not available, the Department uses State work search requirements as a proxy for baseline work search activity. The Department grouped States into five categories based on requirements of one to five work search activities per week. For States that require work search activities but do not specify a minimum number, the Department assigned a baseline of one activity per week. For States in which the requirement varies based on geography or other factors, the Department used the lower applicable number of activities. The Department allocates continued weeks claimed across the five scenarios based on baseline work search activity derived from State requirements and rounds the resulting estimates to the nearest million.

For this purpose, Exhibit 2 estimates the annual additional time spent on work search activities to be approximately 133.5 million hours.

[5] Includes the 50 States plus Puerto Rico, Washington DC, and the U.S. Virgin Islands.

[6] The overhead rate of 17 percent was sourced from the Environmental Protection Agency's 2002 ''Wage Rates for Economic Analyses of the Toxics Release Inventory Program'' memo (*https://www.regulations.gov/document/EPA-HQ-OPPT-2014-0650-0005*), and the fringe benefits rate of 68 percent was calculated using the U.S. Bureau of Labor Statistics (BLS)'s 2025 employment cost index series CMU3010000000000D, CMU3010000000000P, CMU3020000000000D, and CMU3020000000000P (*https://data.bls.gov/series-report*).

[7] U.S. Department of Labor, Employment and Training Administration, ETA 539, ''Weekly Claims and Extended Benefits Trigger Data'' (2025), *https://oui.doleta.gov/unemploy/DataDownloads.asp.*

EXHIBIT 2—ILLUSTRATIVE HOURLY ESTIMATES FOR ADDITIONAL WORK SEARCH ACTIVITIES

Scenario	Baseline work search activities	Additional work search activities	Estimated time per activity (hours)	Illustrative continued weeks claimed	Total hours for additional work search activities
A	1	4	0.5	34,000,000	68,000,000
B	2	3	0.5	10,000,000	15,000,000
C	3	2	0.5	48,000,000	48,000,000
D	4	1	0.5	5,000,000	2,500,000
E	5	0	0.5	3,000,000	0
Total				100,000,000	133,500,000

These scenarios illustrate the potential increase in work search activities required of individuals claiming UC. These additional hours of work search are expected to lead to higher levels of employment and result in the benefits described in section V.A.2.iii below.

Finally, compliance with the requirements of this proposed rule to report the details of each work search activity prior to payment may require additional or different reporting activity by individuals claiming UC. As these requirements augment existing reporting individuals must do, the Department does not quantify them and expects them to be minimal. The Department requests comments on these assumptions and on data or methods that could be used to refine the inputs.

2. Impacts on Existing Job Search Support Structures and Organizations

The proposed rule is expected to increase work search activities of individuals claiming UC, which in turn would affect organizations that provide reemployment assistance, job search support, career counseling, training, workshops, or job placement services to unemployed workers, including individuals claiming UC. Many such organizations focus primarily on helping individuals obtain employment rather than advising individuals on UC eligibility requirements, and so the primary impact of this proposed rule for job search support organizations would be the increase in work search activities causing increased service utilization. However, some organizations may also serve individuals claiming UC by providing support in navigating State requirements. These organizations may therefore need to review, revise, or supplement materials, workshop content, staff guidance, websites, referral resources, or other support materials to reflect the updated State laws that would result from the proposed rule.

There are distinct challenges in monetizing this impact because of the variability in organizations, support services offered by these organizations, and work search activities. The Department, therefore, does not quantify the impact on existing job search support structures and organization and is seeking public comments on this cost impact from stakeholders.

3. Revision of State UC Law and Associated Implementation Activities

The Department anticipates that the proposed rule would require all States to amend State law (inclusive of statutes, regulations, policies, or administrative procedures). According to unpublished internal data, as of January 1, 2025, a vast majority of States (85%) used some type of numerical work search standard, but those standards varied widely, ranging from one to five activities per week, hybrid formulations, urban-rural distinctions, and requirements tied to applications rather than activities. And as of January 1, 2025, nearly all States defined the work search requirement in statute, as opposed to only in regulation and/or UC agency policy or procedure. Following any rule changes, State UC agencies may need to undertake a range of implementation activities to administer the revised requirements. These activities could include updating forms, notices, handbooks, websites, FAQs, slide decks, call center scripts, and other guidance materials; revising internal procedures and staff instructions; and training personnel involved in individual assistance and eligibility adjudication. State UC agencies also may need to revise outreach and educational materials related to work search obligations and reporting requirements to help individuals understand and comply with the revised standards.

The scope, timing, and resource needs associated with this one-time cost are expected to vary across States depending on existing State law, administrative structure, communication systems, and the extent to which current policies already align with the proposed requirements. Because these implementation activities may occur through a variety of State legislative, regulatory, and administrative processes and may be conducted alongside broader system or policy updates, the Department does not quantify these costs.

4. Increased Administrative Activities for Some States

The Department expects increased administrative activities arising from States' implementation of the proposed rule applicable to individuals claiming UC, specifically with respect to assessing whether a circumstance described under paragraph (g) might apply to the individual, adjudicating eligibility when an individual fails to report work search activity (with a downstream potential of also impacting appeals workload), and monitoring reports of weekly work search activities to address anomalies or trends in the data that might be indicative of improper payments. The Department acknowledges that administrative activities also may increase under the proposed rule for States that are not currently requiring individuals to report work search activities as part of the continued claim certification before releasing payment or for States that are not currently using such information to combat improper payments. This impact is not readily quantifiable based on the information available to the Department.

5. State IT System Changes and Annual Maintenance

To implement the proposed rule, some State UC agencies may need to modify their IT systems to capture, store, and use additional data elements related to individuals' work search activities. This includes modifications to continued claim certification channels for individuals claiming UC (online portals, interactive voice

response systems, and paper workflows), as well as changes to back-end eligibility determination and case management systems that support data validation, adjudication, and audit functions. Depending on the State's current practices and the flexibility of its existing platform, these changes could include adding new data fields, updating user interfaces and scripts, adjusting data retention and retrieval processes, and enhancing reporting outputs used for program management and oversight. States that currently collect details only ''upon request'' or rely on manual processes likely would incur greater development and implementation effort than States that already collect structured work search activity information as part of the continued claim certification.

States making IT changes would also incur costs associated with testing, deployment, and change management. These activities may include quality assurance testing across multiple claim types (*e.g.,* intrastate, interstate, Unemployment Compensation for Federal Employees, Unemployment Compensation for Ex-Servicemembers); regression testing to ensure timely payment and payment accuracy are not adversely affected; updates to interfaces with other State systems or vendor products; and training for staff who support individuals claiming UC and conduct eligibility reviews—both within the State UC agency and as part of its RESEA program.

In addition, States may face incremental storage needs and cybersecurity and privacy compliance activities (*e.g.,* updating access controls, audit logs, and security monitoring) commensurate with the sensitivity of individual data handled by UC systems. The magnitude and timing of these costs would vary substantially across States based on the age and architecture of their UC platforms (including whether the State operates a modernized integrated benefits system or a legacy mainframe), the degree of customization required, and whether changes can be incorporated into planned modernization releases.

Because of the complexity and diversity across State IT systems and lack of existing cost estimates for these modifications, this cost category is not quantified. The Department is seeking public comments about the approximate scale of these costs.

ii. Transfers

Transfer payments are monetary payments from one group to another that do not affect the total resources available to society (or, if they do affect total resources, the mechanism is incentives that would require more extensive inputs to analyze). Transfers are reported separately from benefits and costs. This proposed rule is expected to reduce UC outlays. Because decreased payments to individuals are offset by increases in State UC trust fund balances, these monetary changes are considered transfers. Due to data limitations, the Department is not able to develop a definitive estimate of the transfers that would be attributable to the proposed rule. Instead, the Department provides an illustrative range based on estimates from existing research. The Department invites public comments and data that could inform a more precise estimate of these transfers at the final rule stage.

Research consistently finds that UC recipients who are subject to work search requirements, or to more stringent requirements, return to work more quickly than similar unemployed individuals.[8] Evidence from State program evaluations shows that both work search requirements and reemployment services shorten the duration of insured unemployment spells by accelerating individuals' return to work. These interventions have proven cost effective due to their low administrative costs combined with measurable reductions in unemployment duration.[9] Because shorter durations of insured unemployment generally result in lower UC payments, this research provides a basis for developing illustrative estimates of the transfers associated with the proposed rule.

For this purpose, the Department relies on estimates from Lachowska et al. (2016), who analyzed long-term outcomes from a randomized controlled trial of work search requirements for individuals claiming UC in Washington State over a 9-year follow-up period.[10] The study found that, relative to a no-work-test group, individuals subject to a standard work test received $429 less in UI benefits, while individuals subject to a modified work test received $484 less. Because the Washington Alternative Work Search (WAWS) experiment was conducted in 1986–1987, the Department converted these estimates to 2025 dollars using the consumer price index.[11] The resulting estimates are $1,216 and $1,372 per individual in 2025 dollars.

To provide illustrative estimates of the transfers associated with the proposed rule, the Department applied these estimates to the 5.3 million Regular UI beneficiaries in 2025,[12] resulting in an illustrative annual reduction in UC payments of $6.445 billion to $7.272 billion. This reduction in UC payments would represent a transfer: individuals who return to work sooner would receive less in UC benefits, resulting in a corresponding increase in State UC trust fund balances rather than a reduction in total resources available to society.

These illustrative estimates should be interpreted with caution. The WAWS experiment compared individuals subject to a work test with individuals assigned to an ''honor system,'' under which they were encouraged to search for work but were not required to report their search efforts. In contrast, individuals claiming UC are currently required to conduct at least one work search activity per week, and the proposed rule would increase the required number of work search activities rather than establish a minimum number of required work search activities where none previously existed. Therefore, it may not be reasonable to assume that increasing the number of required work search activities would produce the full reduction in UI benefits estimated by Lachowska et al. (2016). Accordingly, the estimates above are intended to illustrate the potential magnitude of transfers and should not be interpreted as estimates of the actual transfers that would result from the proposed rule.

iii. Benefits

In the following sections, the Department describes the expected benefits of the proposed rule, including both direct and indirect impacts on individuals claiming UC, State UC agencies, employers, and the broader economy. These benefits are primarily

[8] Christopher J. O'Leary, ''State UI Job Search Rules and Reemployment Services'' (2006), Monthly Labor Review, vol. 129, no. 6, pp. 27–37, *https://research.upjohn.org/jrnlarticles/3;* Marta Lachowska, Merve Meral, and Stephen A. Woodbury, ''Effects of the Unemployment Insurance Work Test on Long-Term Employment Outcomes'' (2016), Labour Economics, vol. 41, pp. 246–265.

[9] Christopher J. O'Leary, ''State UI Job Search Rules and Reemployment Services'' (2006), Monthly Labor Review, vol. 129, no. 6, pp. 27–37, *https://research.upjohn.org/jrnlarticles/3.*

[10] Marta Lachowska, Merve Meral, and Stephen A. Woodbury, ''Effects of the Unemployment Insurance Work Test on Long-Term Employment Outcomes'' (2016), Labour Economics, vol. 41, pp. 246–265.

[11] Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI–U), U.S. City Average, All Items. The inflation adjustment factor of 2.834 was calculated by dividing the 2025 annual average CPI–U (321.943) by the 1987 annual average CPI–U (113.600).

[12] U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Data *https://oui.doleta.gov/unemploy/DataDashboard.asp.*

driven by increased employment and faster reemployment resulting from enhanced work search activity, as well as improvements in program accountability, administrative consistency, and labor market functioning. All of these benefits are not readily monetized due to data limitations and uncertainty regarding behavioral responses. Consistent with OMB Circular A–4, the Department describes these benefits qualitatively where robust quantification or monetization is not feasible.

a. Benefits to Individuals From Increased Employment and Accelerated Reemployment

As discussed in section V.A.2.ii, the proposed rule is expected to increase employment and accelerate reemployment among individuals claiming UC by encouraging more consistent and structured work search activity. As evidenced in the Lachowska, Meral, and Woodbury (2016) study discussed earlier, additional work search requirements result in individuals finding and returning to work sooner.[13] By shortening the duration of unemployment spells, the rule may improve labor force attachment and lead to improved employment outcomes for affected individuals. Earlier reemployment may provide meaningful benefits to individuals claiming UC beyond the immediate resumption of earnings. Individuals who return to work sooner spend less time out of the labor force and begin receiving wages and any associated employment benefits earlier than they otherwise would. Reduced time out of work also may help individuals maintain a more continuous employment history, preserve workforce skills and professional connections, and accumulate additional experience that could contribute to future advancement opportunities and long-term earnings growth.

Research suggests that permanent job gains can generate broad benefits. Bartik (2015) notes that reducing involuntary unemployment can improve workers' health, well-being, and future earnings, and that job gains can generate broader economic effects through suppliers and retailers. Based on estimates of how permanent job gains affect unemployment and labor force participation, Bartik finds that such gains can generate additional value equivalent to approximately 10 to 25 percent of the earnings associated with jobs added in the manner examined in Bartik's study.

Earlier reemployment can generate direct benefits for employers as well, including filling vacancies faster, and reduced vacancy duration where increased job search activity expands the pool of available and engaged applicants. To the extent that employers can fill positions more quickly or identify better matched candidates, firms may experience modest productivity gains and reduced disruption associated with prolonged vacancies. The magnitude of these benefits would depend in part on labor market conditions. In tighter labor markets, or where employers would otherwise face difficulty filling positions, the benefits of faster reemployment and improved labor market matching may be more pronounced. In weaker labor markets or where vacancies are already filled quickly, the incremental employer-side benefits of the rule may be smaller.

While the literature generally finds that more intensive work search requirements increase reemployment and reduce unemployment duration, the available evidence is less conclusive regarding the quality of subsequent employment outcomes. To the extent that more intensive work search requirements accelerate reemployment, some individuals may accept employment sooner than they otherwise would have, which could affect subsequent wages, benefits, job match quality, or employment stability. In addition, Kuminoff et al. (2015) found that effects on household well-being vary with the duration of unemployment and do not have a simple fixed multiplier relationship with changes in earnings; rather, these effects depend on factors such as the desirability of available housing, commuting, and job options.[14] The Department lacks sufficient evidence to quantify these potential effects and therefore does not monetize them. Accordingly, the benefits discussed in this section should not be interpreted as capturing all potential dimensions of claimant economic security.

The proposed rule includes an allowance for certain qualifying work search activities beyond simply employer contacts, to include registration and ongoing contact with placement agencies or unions for the purposes of seeking reemployment. States may also designate additional activities as satisfying the requirement, such as ''[a]ttending workshops, training, or skill-building educational events'' (see proposed § 604.6(e)(3)(iii)). Workers engaged in skill development during periods of unemployment may enter the workforce with improved qualifications that better align with employers' needs. Improved alignment between worker skills and job requirements may contribute to improved hiring outcomes and reduced employee turnover. Lower turnover may reduce recruitment and training costs for employers and support greater workforce stability.

b. Improved Accountability

Clear work search requirements, including required reporting prior to release of payment, also enable States to monitor individual eligibility for UC and reduce improper payments. Failure to meet work search requirements is one of the leading causes of UC overpayments.[15] Work search errors often occur because individuals do not provide enough information about their work search efforts for past weeks as part of audits conducted by States to verify such activities. This issue underscores the need for reliable reporting systems. Strengthening work search requirements, including contemporaneous information submission, helps ensure that individuals claiming UC are actively seeking employment, thereby improving resource stewardship, reducing improper payments, and maintaining program integrity.

c. Benefits to Broader Economy From Increased Employment and Accelerated Reemployment

Securing employment sooner (or avoiding unemployment outcomes before they occur [16]) generates substantial social benefits that extend well beyond the direct earnings gained

[13] Marta Lachowska, Merve Meral, and Stephen A. Woodbury, ''Effects of the Unemployment Insurance Work Test on Long-Term Employment Outcomes'' (2016), Labour Economics, vol. 41, pp. 246–265.

[14] Nicolai V. Kuminoff, Todd Schoellman, and Christopher Timmins, ''Environmental Regulations and the Welfare Effects of Job Layoffs in the United States: A Spatial Approach'' (2015), Review of Environmental Economics and Policy, vol. 9, no. 2, pp. 198–218.

[15] The Department publishes payment accuracy data for the UC program on its website. See U.S. Department of Labor, Employment and Training Administration, ''Unemployment Insurance Payment Accuracy Datasets,'' 2025 Calendar Year Data xls, Overpayments by Cause tab, *https://www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/data* (last accessed Aug. 21, 2026). These data include improper payment percentages, total dollar amounts, and the top 10 root causes by State.

[16] Dongil Daniel Keum and Stephan Meier, ''License to Layoff? Unemployment Insurance and the Moral Cost of Layoffs'' (2024), Organization Science, vol. 35, no. 3, *https://doi.org/10.1287/orsc.2022.16734;* Daniel D. Keum and Xin Lucy Liu, ''Managerial Prosocial Preferences and Guilt as an Emotional Barrier to Exit Decisions'' (2026), Management Science, vol. 72, no. 7, *https://doi.org/10.1287/mnsc.2023.02533.*

by workers. When individuals find jobs more quickly, they may reduce their reliance on UC and public assistance programs, such as food assistance and housing subsidies, potentially lowering public expenditures. Earlier returns to work may also generate positive spillover effects for local economies as increased earnings support additional consumer spending and economic activity.

In addition to these broader benefits from accelerated reemployment, employed individuals contribute to tax revenues through income taxes, payroll taxes, and consumer spending that generates sales tax revenue. Together, these effects can produce positive feedback loops that extend beyond individual employment outcomes and contribute to broader economic activity. Accordingly, the Department considers below a potential effect of earlier reemployment: additional tax revenues associated with increased earnings.

The Department developed illustrative estimates of these potential tax revenue benefits using a rate of 17 percent of those earnings.[17] The Department applied this rate to the illustrative range of annual reductions in UC payments calculated in section V.A.2.ii ($6.445 billion to $7.272 billion), which the Department uses as a proxy for increased earnings, resulting in illustrative estimates of annual tax revenue benefits ranging from $1.096 billion to $1.236 billion. These figures are intended to illustrate the potential magnitude of the benefits rather than estimate the amount of additional tax revenue that would actually be realized.

d. Improved Clarity and Consistency

The proposed rule would establish a more consistent framework for work search requirements. Harmonizing these expectations would simplify understanding among individuals claiming UC, reduce confusion regarding allowable activities, and streamline administrative oversight and performance monitoring across State systems. Clearer definitions of qualifying activities would also support more uniform enforcement and reduce the likelihood that otherwise eligible individuals fail to meet requirements simply because expectations are unclear. Additionally, adopting a standardized framework would facilitate better data collection and analysis, enabling State UC agencies, the Department, and other policymakers to identify trends and address systemic issues more effectively.

e. Health Benefits of Securing Employment Sooner

Upon receiving the financial benefits of working, individuals who return to work could experience positive health benefits. Employment is recognized as an important factor in individuals' long-term health and well-being. Existing research indicates obtaining and maintaining stable employment provides individuals with reliable income and financial stability, which in turn supports access to safe housing, nutritious food, and other resources.[18] [19] A literature review conducted by Rueda et al. (2012) looked at 18 studies of working-aged adults who were returning to work after a period of unemployment. Overall, these studies found that returning to work had a positive effect on the workers' health and well-being. The literature review found beneficial effects of returning to work in a variety of populations, times, and settings.[20]

3. Summary of the Analysis

i. Costs

The Department's monetized cost estimates include one-time rule familiarization costs for State UC agencies to review and understand the regulatory changes. The estimated cost to State UC agencies for time spent on rule familiarization is approximately $23,799 in labor costs, undiscounted. Annualized over 10 years, rule familiarization costs are estimated at $2,709 with 3-percent discounting and $3,167 with 7-percent discounting.

The Department also discusses additional cost categories that are not quantified (*e.g.,* cost to individuals for complying with the proposed rule; cost to job support structures and organizations; costs for revising State UC law and the associated implementation activities; increased administrative activities for some States; and costs for State IT system changes and annual maintenance) elsewhere in section V.A.2.i.b. For the cost to individuals, the Department provides illustrative estimates of the additional hours spent on work search activities.

ii. Transfers

The proposed rule is expected to result in unquantified transfer payments through reduced UC outlays, for which the Department provides illustrative estimates of potential magnitude. Strengthened work search requirements will shorten the duration of UC receipts through increased work search participation by UC recipients resulting in recipients returning to employment more quickly, or through UC recipients being found ineligible for receipt of benefits due to not completing the required number of work search activities in a week claimed. Payments to individuals claiming UC would decrease, with corresponding increases in State UC trust fund balances. Overall, the time-reallocation effects of this rule may reduce annual government deficits. Because these monetary changes represent a redistribution between affected individuals and State UC trust funds rather than a change in total societal resources, the Department treats them as transfers and is seeking public comment to support quantification at the final rule stage.

iii. Benefits

As discussed in section V.A.2.iii, the proposed rule is expected to generate several categories of nonquantified benefits primarily through increased employment and faster reemployment among individuals claiming UC. By encouraging more consistent and structured work search activity, the rule is anticipated to shorten the duration of unemployment spells, resulting in improved labor force attachment and enhanced employment outcomes. Earlier reemployment may produce broader economic benefits, including reduced reliance on public assistance programs, increased tax revenues, and positive spillover effects for local economies. The rule is also expected to improve program accountability and integrity by strengthening work search reporting and enabling State agencies to better monitor eligibility, thereby reducing improper payments. In addition, establishing a more consistent framework for work search requirements would improve clarity for individuals. Increased job search engagement and expanded recognition of skill-building activities may also improve the efficiency of labor market matching, benefiting both workers and employers.

[17] The source for the 17 percent input is Aaron Kearsley, ''HHS Standard Values for Regulatory Analysis, 2026'' (March 2026), Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, *https://aspe.hhs.gov/sites/default/files/documents/2d83af5823915d81871334ee08ad03d9/Standard-RIA-Values-2026.pdf.*

[18] Quratulain Zafar, Muhammad Ali Khan, Asif Zaheer Warsi, and Lyba Iqbal, ''Economic Strain and Recovery Trajectories in Mental Health: The Role of Financial Stability in Mental Health Outcomes'' (2024), Review of Applied Management and Social Sciences,7(4), pp. 345–358, *https://doi.org/10.47067/ramss.v7i4.385.*

[19] Ryan Gerdes et al., ''Associations Between Employment and Health Outcomes: A Systematic Review of Reviews'' (2026), Journal of Occupational Rehabilitation, *https://doi.org/10.1007/s10926-025-10357-5.*

[20] Sergio Rueda et al., ''Association of Returning to Work with Better Health in Working-Aged Adults: A Systematic Review'' (2012), American Journal of Public Health, vol. 102, no. 3, pp. 541–556, *https://pubmed.ncbi.nlm.nih.gov/22390520/.*

Finally, earlier returns to work are associated with improved individual health and well-being, including positive mental health outcomes and increased financial stability.

4. Regulatory Alternatives

The Department considered three alternatives as part of determining whether to issue this NPRM. These alternatives included: (1) issuing additional subregulatory guidance to improve work search quality and providing suggested methods to reduce improper payments due to work search errors; (2) issuing regulations that mandate universal pre-payment verification of work search activities that would require individuals to report work search activities for each benefit week claimed, and also require the State to independently verify that each reported activity actually occurred before issuing payment for the week; and (3) maintaining the status quo.

Alternative One: Issuing Additional Subregulatory Guidance

Despite the issuance of guidance and model legislation, as explained in detail in Section III.B of this preamble, work search errors continue to be one of the primary drivers of improper payment rates across the UC system and the UC improper payment rate remains above the 10-percent performance target established by the Payment Integrity Information Act. Significant improvement was made in addressing work search errors in the year leading up to the March 2020 start of the pandemic. However, Congress enacted legislation to temporarily waive the work search requirement during the pandemic; once reinstated, work search errors again increased significantly.

Based on this evidence and the need to update the regulation setting forth an A&A requirement to reflect subsequent statutory changes that incorporate a work search requirement, the Department determined that voluntary guidance and technical assistance were insufficient to reduce inconsistencies beyond those created by local labor markets in State-level standards for individuals to actively seek work.

Therefore, the Department determined that it was necessary to promulgate a regulation that requires States to take specific actions to increase participation in the labor market by individuals collecting UC, including requiring States to include a broader array of acceptable work search activities in their laws and require the reporting of such activities prior to releasing payment. This regulatory approach is necessary to ensure greater consistency, accountability, and effectiveness in promoting rapid reemployment and maintaining UC program integrity.

Alternative Two: Issuing Regulations That Require Verification of Work Search Prior to Payment of UC

The Department considered an alternative approach that would have required States to verify all individual work search activities prior to the payment of UC. Under this alternative, States would have been required to collect, review, and validate documentation associated with each qualifying work search activity before issuing UC for the week claimed.

The Department recognizes that verification of work search activities is an important program integrity tool. However, the Department determined that a universal, pre-payment verification framework would be administratively difficult for many States and could compromise the statutory requirement in section 303(a)(1) of the SSA that UC be paid ''when due.'' States vary considerably in staffing levels, system modernization, governance structures, and adjudication capacity. Many State UC systems are not designed to validate documentation at scale or distinguish eligibility verification from quality-control sampling. Universal, pre-payment verification of work search would require significant IT reprogramming; substantially increase adjudication workloads and call-center inquiries; and heighten the risk of delayed UC payments. These issues raise compliance concerns under section 303(a)(1) of the SSA, which requires that States use methods of administration reasonably calculated to ensure the full payment of UC when due.

In evaluating this alternative, the Department also considered the operational experience of the BAM program. The existing BAM program requires detailed validation of work search activities through statistically valid sampling. These investigations often require States to perform exhaustive fact-finding, contact individuals and employers, review documents, and verify reemployment activity. BAM investigations can take several weeks to complete, depending on case complexity. BAM is intentionally designed as a post-payment quality-control function, not as an eligibility determination mechanism. Requiring a similar level of documentation and verification prior to each weekly payment would effectively duplicate and interfere with the BAM program's established role, undermine its audit integrity, and impose an additional administrative layer that States are not equipped to manage at scale.

The Department further analyzed the tradeoffs between accuracy and timeliness. Universal, pre-payment verification could increase accuracy marginally but would significantly impair timeliness. Individuals would face increased procedural hurdles, and States would experience higher rates of pending issues, greater numbers of nonmonetary determinations, increased appeals queues, and delays in benefit delivery. Delayed UC benefit payments frustrate the program's core statutory purpose of providing income support to individuals who are unemployed through no fault of their own. Additionally, employers are not mandated to keep proof of employment applications, resumes, or outreach from individuals seeking work with their company, and these verification attempts may not have the intended effect.

For these reasons, the Department determined that the second alternative would not provide net benefits. States are required to have a robust internal quality control program for assessing risk, evaluating outcomes, and adapting mitigation activities to improve improper payment risk management strategies—including work search verifications. Doing this for all work search activities across all weeks claimed would impose substantial administrative burdens on States and employers, undermine the timeliness of UC benefit payments, and create procedural obstacles that are not sufficiently justified by the integrity gains. Instead, the Department concluded that a weekly minimum work search requirement, paired with mandating that States require individuals to report their work search activities each week, best balances timeliness, integrity, and administrative feasibility.

Alternative Three: Maintaining the Status Quo

Under this no-action alternative, the Department would not issue the proposed rule, and existing State practices regarding work search requirements and qualifying activities would remain in place. This alternative would avoid any implementation or administrative costs associated with the proposed rule. However, it would also forgo the anticipated benefits of the proposed rule, including greater clarity for individuals claiming UC, more consistency across State systems, improved accountability, and expected

gains from facilitating reemployment. Because this alternative would not address the concerns identified in this proposed rule, the Department has decided against maintaining the status quo.

The Department invites comments on these or other possible alternatives with the goal of ensuring thorough consideration and discussion at the final rule stage.

B. Review Under the Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. ch. 6, requires the Department to evaluate the economic impact of this proposed rule on small entities. The RFA defines small entities to include small businesses; small organizations, including not-for-profit organizations; and small governmental jurisdictions. The Department must determine whether the rule would impose a significant economic impact on a substantial number of such small entities. The Department concludes that this proposed rule would not regulate any small entities directly, so any regulatory effect on small entities would be indirect. Accordingly, the head of the Department certifies this proposed rule would not have a significant economic impact on a substantial number of small entities within the meaning of the RFA.

C. Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. 3501 *et seq.,* requires the Federal Government to minimize the paperwork burden on affected entities. The PRA requires certain actions before an agency can adopt or revise a collection of information, including publishing for public comment a summary of the collection of information and a brief description of the need for and proposed use of the information.

The Department has determined this proposed rule contains no new information collection under the provisions of the PRA.

D. Executive Order 13132 (Federalism)

E.O. 13132 aims to guarantee the division of governmental responsibilities between the Federal Government and the States and to further the policies of the Unfunded Mandates Reform Act of 1995 (UMRA). Accordingly, E.O. 13132 requires executive departments and agencies to ensure that the principles of federalism guide them in the formulation and implementation of policies. Further, agencies must adhere to constitutional principles, examine the constitutional and statutory authority supporting a regulation that would limit the policymaking discretion of the States, and assess the need for such a regulation. To the extent practicable, agencies must consult State and local officials before implementing any such regulation.

E.O. 13132 further provides that agencies must implement a regulation that limits the policymaking discretion of the States only where there is constitutional and statutory authority for the regulation and it addresses a problem of national significance. For a regulation administered by the States, the Federal Government must grant the States the maximum administrative discretion possible to avoid intrusive Federal oversight of State administration, and agencies must adhere to special requirements for a regulation that preempts State law. E.O. 13132 also sets forth the procedures that agencies must follow for certain regulations with federalism implications, such as preparation of a summary impact statement.

The Department reviewed this proposed rule in accordance with E.O. 13132 and determined that the rule may have federalism implications. However, the Department's unique relationship with the States requires regular consultation and collaboration with State partners, including on matters pertaining to the work search requirement in section 303(a)(12) of the SSA. Such engagement with State partners often relates to their conformity with the existing statute at 42 U.S.C. 503(a)(12) and regulations at 20 CFR part 604, including technical assistance, in-person convenings, and webinars. These engagements are critical for ensuring that States understand Department policy and regulation. The Department will continue consulting and collaborating with State partners, which the Department views as essential to its oversight of the UC program.

E. Unfunded Mandates Reform Act of 1995

UMRA (Pub. L. 104–4, codified at 2 U.S.C. 1501 *et seq.*) requires Federal agencies to assess a regulation's effects on State, local, and tribal governments and on the private sector, except to the extent the regulation incorporates requirements specifically set forth in law. Title II of UMRA directs agencies to prepare a written statement assessing the effects of a regulation that includes any Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector of $100 million or more (adjusted annually for inflation) in a year. A Federal mandate is any provision in a regulation that imposes an enforceable duty upon State, local, or tribal governments or upon the private sector, except as a condition of Federal assistance or a duty arising from participation in a voluntary Federal program.

This proposed rule, if finalized, does not include any unfunded Federal mandate that could result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector of $100 million or more. As a result, the analytical requirements of UMRA do not apply and the Department has not prepared a statement under UMRA.

F. Executive Order 13175 (Consultation and Coordination With Indian Tribal Governments)

E.O. 13175 addresses the unique relationship between the Federal Government and Indian tribal governments. It requires executive departments and agencies to take certain actions when a regulation has tribal implications. Required actions include consulting with tribal governments prior to issuing a regulation with tribal implications and preparing a tribal impact statement. E.O. 13175 defines a regulation as having ''tribal implications'' when it has substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

The Department has reviewed this proposed rule under the terms of E.O. 13175 and the Department's Tribal Consultation Policy and has concluded that the proposed changes to the regulatory text would not have Tribal implications. These proposed changes do not have substantial direct effects on one or more Indian tribes, the relationship between the Federal government and Indian tribes, nor the distribution of power and responsibilities between the Federal government and Tribal Governments. Therefore, the Department concludes that the NPRM does not have tribal implications.

List of Subjects in 20 CFR Part 604

Labor, Unemployment compensation.

For the reasons discussed in the preamble, the Department of Labor proposes to amend chapter V of title 20 of the Code of Federal Regulations by amending part 604 as follows:

PART 604—REGULATIONS FOR ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION

■ 1. The authority citation for part 604 is revised to read as follows:

Authority: 42 U.S.C. 1302(a); 42 U.S.C. 503(a)(1) and (12); 26 U.S.C. 3306(h); 42 U.S.C. 1320b–7(d); Secretary's Order No. 06–2010 (October 20, 2010).

■ 2. Revise § 604.1 to read as follows:

§ 604.1 Purpose and scope.

The purpose of this part is to implement the requirement in Federal UC law that limits a State's payment of UC to individuals who are able to work, available for work, and actively seeking work. This regulation applies to all State UC laws and programs.

■ 3. Amend § 604.2 by redesignating paragraphs (b) through (h) as paragraphs (c) through (i) and adding a new paragraph (b) as follows:

§ 604.2 Definitions.

* * * * *

(b) *Employer contact* means a communication by the individual with an individual employer, including through written, virtual, telephonic, or in-person means.

* * * * *

§ 604.5 [Amended]

■ 4. Amend § 604.5 by removing paragraph (h).

§ 604.6 [Redesignated as § 604.7]

■ 5. Redesignate § 604.6 as § 604.7.

■ 6. Add new § 604.6 to read as follows:

§ 604.6 Work search requirement.

(a) *In general.* States must implement a work search requirement in accordance with this section, except where implementation would conflict with the work search requirements in part 615 of this chapter. States may not pay UC for a week during which the individual does not complete the work search requirement.

(b) *Work search requirement.* A State may not determine that an individual is eligible to receive UC for a claimed week unless the individual completes the required work search activities in accordance with this section or demonstrates an equivalent labor force attachment under paragraph (g) of this section for the week for which UC is claimed.

(c) *Minimum number of work search activities.* An individual meets the work search requirement and may receive UC for a claimed week, provided they are otherwise eligible for UC, only if, for the week in question:

(1) The individual completes a minimum of five qualifying work search activities;

(2) In States with a points-based system that meets the criteria in paragraph (f) of this section, the individual completes qualifying work search activities with a combined total point value that equals or exceeds five; or

(3) The individual meets the criteria in paragraph (g) of this section.

(d) *Work search activity reporting.* State law must require individuals to report the details of each work search activity, or the details of the individual's equivalent labor force attachment under paragraph (g) of this section, as part of the UC certification process prior to the payment of UC for the week claimed. States may obtain this information on a weekly or biweekly basis through their certification process.

(e) *Work search activity.* State law must include only those work search activities that are specific, identifiable, and reasonably calculated to lead to reemployment, and that are defined by the State consistent with this paragraph.

(1) State law must not limit what constitutes a qualifying work search activity to only employer contacts for the purpose of seeking employment.

(2) State law must include the following work search activities for the purposes of satisfying the work search requirement in paragraph (b) of this section:

(i) Employer contacts for the purpose of seeking employment, including:

(A) Employment application submission;

(B) Job interviews; and

(C) Skill, aptitude, or competency assessments related to employment with a specific employer, an American Job Center or One Stop;

(ii) Registration with placement agencies for the purpose of seeking employment;

(iii) Ongoing contact with placement agencies for the purpose of seeking employment; and

(iv) Contact with the individual's union for a job referral regardless of whether the individual satisfies the criteria in paragraph (g)(2) of this section.

(3) Additional work search activities that a State may designate as satisfying the work search requirement include:

(i) Attending job fairs or hiring events;

(ii) Utilizing career center or employment services;

(iii) Attending workshops, training, or skill-building educational events;

(iv) Taking professional assessments or certification exams; and

(v) Other activities that are reasonably calculated to lead to reemployment, as determined by the State.

(f) *Points-based system.* (1) A State may adopt a points-based system to implement the State's work search requirement provided by paragraph (b) of this section, under which:

(i) Qualifying work search activities, in accordance with paragraph (e) of this section, are assigned point values by the State;

(ii) The weekly work search requirement is satisfied when the total number of points assigned to the qualifying work search activities an individual has completed for the benefit week claimed equals or exceeds five points; and

(iii) Each work search activity is assigned a value of one, two, or three points.

(2) When providing that a work search activity will be assigned more than one point, States must determine that such work search activity either:

(i) Connects individuals to specific industries and locations that need workers; or

(ii) Has strong evidence for directly leading to reemployment.

(g) *Equivalent labor force attachment.* (1) An individual is deemed to have met the minimum number of work search activities as described in paragraph (c) of this section when one of the following circumstances applies:

(i) The individual is enrolled in and making satisfactory progress in State-approved training under 26 U.S.C. 3304(a)(8);

(ii) The individual is participating in the Self-Employment Assistance Program under 26 U.S.C. 3306(t);

(iii) The individual is participating in the Short-Time Compensation Program under 26 U.S.C. 3306(v) by being available for their workweek; or

(iv) The individual is enrolled in a Registered Apprenticeship program under 29 U.S.C. 50.

(2) An individual is deemed to have met the minimum number of work search activities as described in paragraph (c) of this section if they are a union member who satisfies the following conditions:

(i) The individual is a member in good standing of a union;

(ii) The union the individual is a member of utilizes a hiring hall for job referrals; and

(iii) The individual follows the requirements of their union regarding contact with the union's hiring hall, provided the individual contacts their hiring hall at least once a week.

(3) A State may deem an individual to have met the minimum number of work

search activities as described in paragraph (c) of this section for a benefit week if any of the following circumstances are met:

(i) The individual has a definite return-to-work date with their separating employer within 8 weeks of the separation date.

(ii) The individual is a Federal employee, is unemployed due to a lapse in Federal appropriations, and is expected to return to work when the lapse ends.

(iii) The individual files an initial claim for UC less than 72 hours prior to the benefit week ending date.

(iv) The individual is serving on jury duty, and the individual's jury duty service precludes the individual from completing the minimum number of work search activities.

(v) The individual is hospitalized for treatment of an emergency or life-threatening condition, and the hospitalization precludes the individual from completing the minimum number of work search activities.

(4)(i) A State may deem an individual to have met the minimum work search requirement in paragraph (c) of this section for a claimed week when the area in which the individual resides or is searching for work is covered by a federally declared major disaster as defined under 42 U.S.C. 5122(2) and State law provides the authority to modify an individual's work search requirements during a federally declared major disaster.

(ii) An individual may only be deemed to have met the work search requirement under paragraph (g)(4)(i) of this section where the week is within 26 weeks of the commencement of the incident period.

(5)(i) A State may deem an individual to have met the minimum work search requirement in paragraph (c) of this section for a week if the individual accepted a bona fide offer of employment and the start date for the new employment is within 4 weeks of the week being claimed.

(ii) The individual must meet the work search requirement in paragraph (b) of this section for each week prior to satisfying the circumstance in paragraph (g)(5)(i) of this section.

(h) *Notification requirements.* (1) At the time the initial claim is filed, and at any other time during the benefit year if the State's work search requirements substantially change for an individual, States must provide written notice in a manner reasonably calculated to ensure awareness of the following:

(i) The acceptable types of work search activities;

(ii) That the individual must complete a minimum of five work search activities, in accordance with State law, for each claimed week of UC;

(iii) If the State has a points-based system in place, an explanation of the system in plain language;

(iv) That the individual must report work search activities each time they file a continued claim and be prepared to provide documentation of their work search activities upon request; and

(v) That payment of UC will not be made if the individual does not complete the work search requirements for the week claimed.

(2) When the State determines that paragraph (g) of this section applies to an individual or that an individual's circumstances with respect to paragraph (g) of this section have substantially changed, the State must notify the individual in writing of the following:

(i) The specific work search requirements that apply to the individual if paragraph (g) of this section applies; and

(ii) The duration of the applicable circumstance in paragraph (g) of this section.

(i) *Prohibition on formal and informal warnings.* Individuals who do not complete the work search requirement under this section in a claimed week are ineligible for UC for that week. States may not give formal or informal warnings to individuals in lieu of determining that the individual is ineligible for UC for a week for which the individual has not met the requirements of this section.

Marek Laco,

Acting Assistant Secretary for Employment and Training, Labor.

[FR Doc. 2026–22903 Filed 11–9–26; 8:45 am]

BILLING CODE 4510–FW–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG–116506–25]

RIN 1545–BR82

Information Reporting Regarding Qualified Opportunity Zones and Updated Qualified Opportunity Fund Certification and Decertification Procedures; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and notice of public hearing; correction.

SUMMARY: This document contains corrections to the proposed regulations (REG–116506–25), published in the **Federal Register** on September 11, 2026. These proposed regulations would implement new statutory requirements for qualified opportunity funds to file information returns with the IRS and furnish statements to investors who dispose of investments in those entities and for qualified opportunity zone businesses to furnish statements to qualified opportunity funds that hold interests in them.

DATES: The deadline for submitting written or electronic comments on the proposed rule was October 26, 2026.

ADDRESSES: Commenters are strongly encouraged to submit public comments electronically. Submit electronic submissions via the Federal eRulemaking Portal at *https://www.regulations.gov* (indicate IRS and REG–116506–25) by following the online instructions for submitting comments. The public hearing will be conducted by telephone only. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (Treasury Department) and the IRS will publish any comments submitted electronically or on paper to the public docket. Send paper submissions to: CC:PA:01:PR (REG–116506–25), Room 5503, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations under section 1400Z–2, Dominic DiMattia of the Office of the Associate Chief Counsel (Income Tax and Accounting) at (202) 317–7009 (not a toll-free number); concerning the remainder of the proposed regulations under sections 6011, 6037, 6039K, 6039L, 6045, 6722, 6724, and 6726, Roseann Cutrone of the Office of the Associate Chief Counsel (Procedure and Administration) at (202) 317–6844 (not a toll-free number); and concerning submissions of comments or the public hearing, the Publications and Regulations Section at (202) 317–6901 (not a toll-free number) or by sending an email to *publichearings@irs.gov* (preferred).

SUPPLEMENTARY INFORMATION:

Background

The proposed regulations (REG–116506–25) subject to this correction contain proposed amendments to the Income Tax Regulations (26 CFR part 1) that would revise existing regulations under sections 1400Z–2 and 6045 of the