

**Modernization Incentive Payments
Base Period Provisions
Questions and Answers**

II-1. Question. What provisions must my law contain to qualify for an incentive payment under the base period provision?

Answer. There are two options:

- A regular base period that includes the most recently completed calendar quarter before the start of the benefit year, or
- An ABP that includes the most recently completed calendar quarter, when the claimant cannot meet monetary qualifying requirements using a “regular” base period that excludes this quarter.

II-2. Question: I believe my state law qualifies for the incentive payment. What should my application state?

Answer: The application must:

- Identify the state;
- Cite the specific base period provision of state law supporting the application;
- Certify that the provision of state law is either currently in effect or will become effective for claims filed on or after a specified date;
- Contain a certification that the provision is permanent (that is, not temporary) and is not subject to discontinuation under any circumstances other than repeal by the legislature;
- Address how the state intends to use the incentive payment to improve or strengthen its UC program; and
- Attach the relevant provision of state law.

II-3. Question: Is the Department aware of any existing ABP provisions that will not qualify for the incentive payment?

Answer: Yes. A provision providing that an ABP will be used only if the unemployment fund is above a certain “solvency” threshold would not qualify because the ABP is subject to discontinuation under a specified condition. Also, a state law that permits use of an ABP only after a specified number of days have elapsed since the end of the last completed quarter in order for wage records to be received would not qualify because it does not permit use of the ABP during the days immediately following the end of the quarter.