U.S. Department of Labor **Employment and Training Administration** **Washington, D.C. 20210**	CLASSIFICATION UI
	CORRESPONDENCE SYMBOL TEUM
	DATE April 6, 1990

DIRECTIVE: UNEMPLOYMENT INSURANCE PROGRAM LETTER **NO.** 22-90

TO: ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM: DONALD J. KULICK   S/S
             Administrator
             for Regional Management

             Interest Rate on Title XII Advances During
SUBJECT: calendar Year 1990

1. <u>Purpose.</u> To announce the rate of interest the U.S. Treasury Department will charge on Title XII advances during calendar year 1990.

2. <u>Background.</u> The criteria for establishing the rate of interest to be charged on Title XII advances during any calendar year are in Section 1202(b)(4) of the Social Security Act.

The U.S. Treasury Department has announced that the rate of interest to be charged for calendar year 1990 is 8.70 percent.

3. <u>Action Required.</u> SESAs anticipating the need for interest-bearing Title XII advances during 1990 will take necessary action to establish a mechanism to provide funds for the payment of such interest in accordance with the provisions of Section 1202(b) of the Social Security Act, and subject to the limitations in Sections 303(c)(3) and 1202{b)(5) of the Social Security Act and Section 3304(a)(17) of the Federal Unemployment Tax Act.

4. <u>Inquiries.</u> Direct questions to the appropriate Regional Office.

5. <u>Attachment,</u> Copy of the letter from the Treasury Department announcing the rate of interest to be charged on Title II advances during calendar year 1990.

RESCISSIONS	EXPIRATION DATE March 31, 1991
DISTRIBUTION	

08 MAR 1990

Dear Mr. Adams:

Pursuant to Section 1202(b)(4)of the Social Security Act as amended, the interest rata on all outstanding title XII advances during calendar year 1990 is 8.70%.

Sincerely,

Ronald Iroff, Manager
Funds Accounting Branch
Finance Division

Mr. Pete Adams
Room C4512
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210