

Three Key UI Integrity Provisions

in the Trade Adjustment Assistance
Extension Act of 2011

Cindy Avrette, Research Division

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Enhanced Integrity Efforts

- Benefits from enhanced integrity efforts
 - Help preserve UI trust funds
 - Control UI tax rates
 - Maintain public trust
- National priority
 - Top priority of US DOL
 - Developing strategic plan
- Requires state action

FOCUS: Prevention of IPP

- Key components of Program Integrity:
Prevent, **Detect**, and **Recover**
- Focus of TAAEA on root causes that:
 - Result in the highest dollar amounts
 - Lend themselves to targeted prevention efforts
- Almost 50% of improper payments due to:
 - Payments made to claimants who continue to claim benefits after returning to work
 - Untimely and/or incomplete job separation information from employers

Three Key Integrity Provisions

- **Mandatory Penalty Assessment** of 15% on UI fraud claims
- **Prohibition on Non-charging** Due to Employer Failure to Respond Timely and Adequately
- Requirement for Employers to Report **Rehired Employs to Directory of New Hires** within 60 Days

Monetary Penalty Assessment

Federal Requirements

- 15% of the amount of the erroneous payment due to fraud
- State UI Trust Fund
- Limited to payment of UC
- Applicable to all UCB
- October 21, 2013

State Options

- Impose greater penalty amount?
 - NC Constitutional provision
 - “Collection assistance fee”
- Use of additional amount?
- Order of recovery?
- Effective date?

Prohibition on Non-charging

Federal Requirements

- Prohibition
 - Employer's fault has caused an IPP
 - Employer has established pattern of failing to respond timely or adequately to requests for information
- Must be based on initial written request
- October 21, 2013

State Options

- Deadlines?
- Stricter standard?
- Define pattern?
- Effective date?
- Employer messaging?
- Develop web-based system and electronic exchange of information
 - Verify wage and weeks
 - Speedy determination

New Hire Directory

Federal Requirement

- Expand definition of “newly hired employee” to include a rehired employee who was separated for at least 60 days
- Require employer to enter the start date of employment
- Effective within 2 months after session

State Options

- DHHS
- Need legislation this session
- Employer messaging?
- Encourage electronic exchange?

Committee Recommendations?

- **Worker penalty**
 - Legislation in 2012?
 - Options?
- **Employer charge**
 - Legislation in 2012?
 - Options?
- **New hire directory**
 - Legislation needed in 2012 to comply

