



# MANAGING BENEFIT CHARGES TO EMPLOYER ACCOUNTS

UWC National UI Issues Conference

June 17-19, 2015



# Agenda

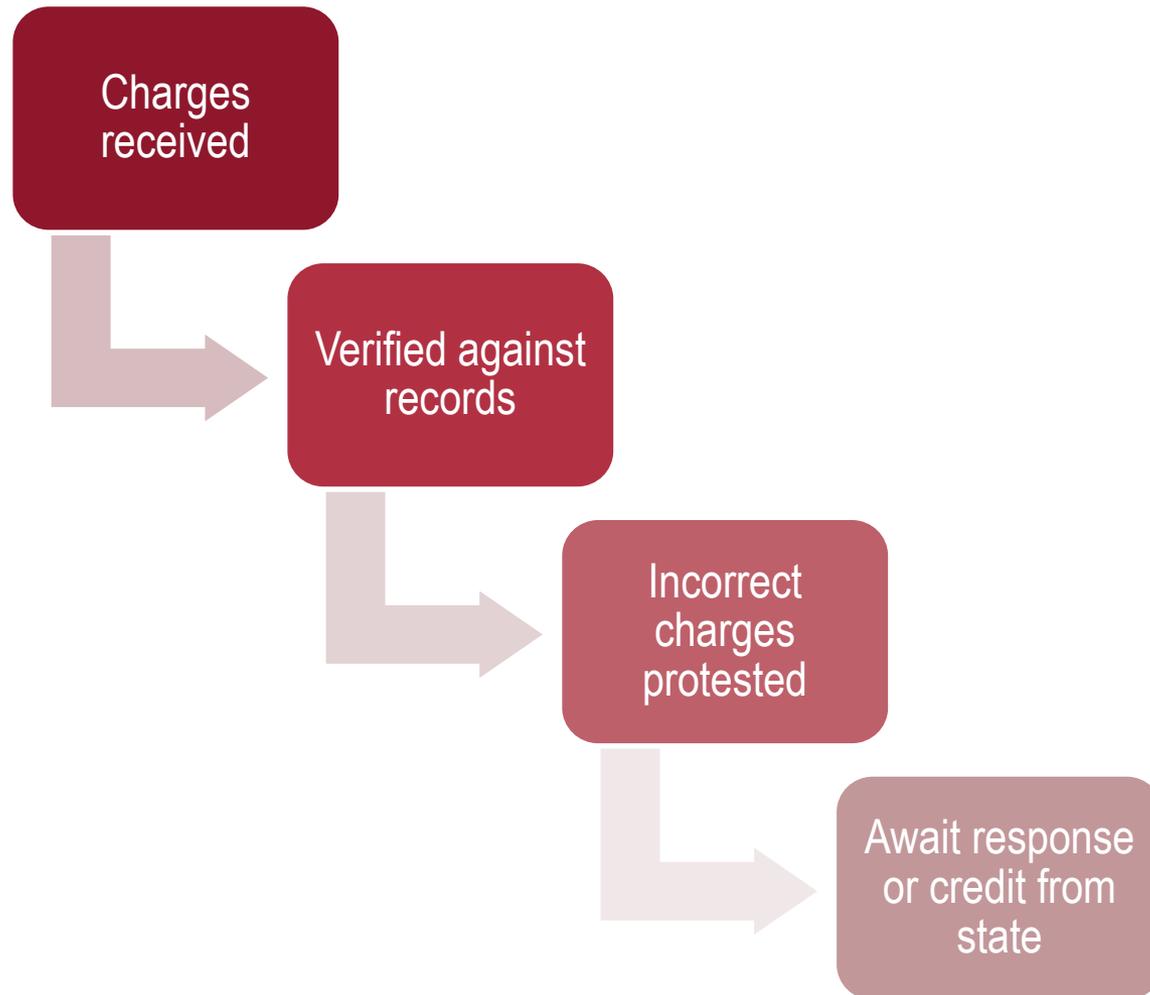


- › Benefit Charges Overview
- › Current Benefit Charge Delivery
- › Frequency and Overpayments
- › Reimburseurs
- › Opportunities for Change
- › Questions

# Benefit Charge Overview



# Benefit Charge Audit Process



# Common Reasons for Erroneous Charges



Favorable or disqualifying decision



Incorrect Employer State Acct. Number



Missing initial claim document



Duplicate charge data



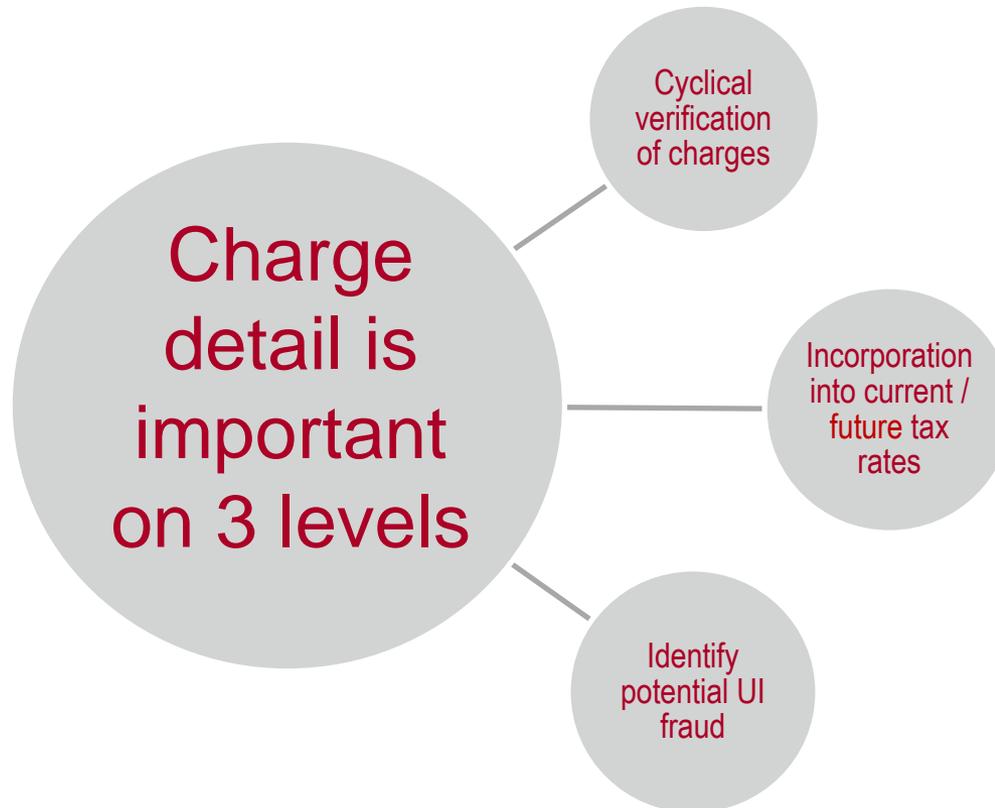
Unreconciled / pending issues

# Methods for Benefit Charge Delivery

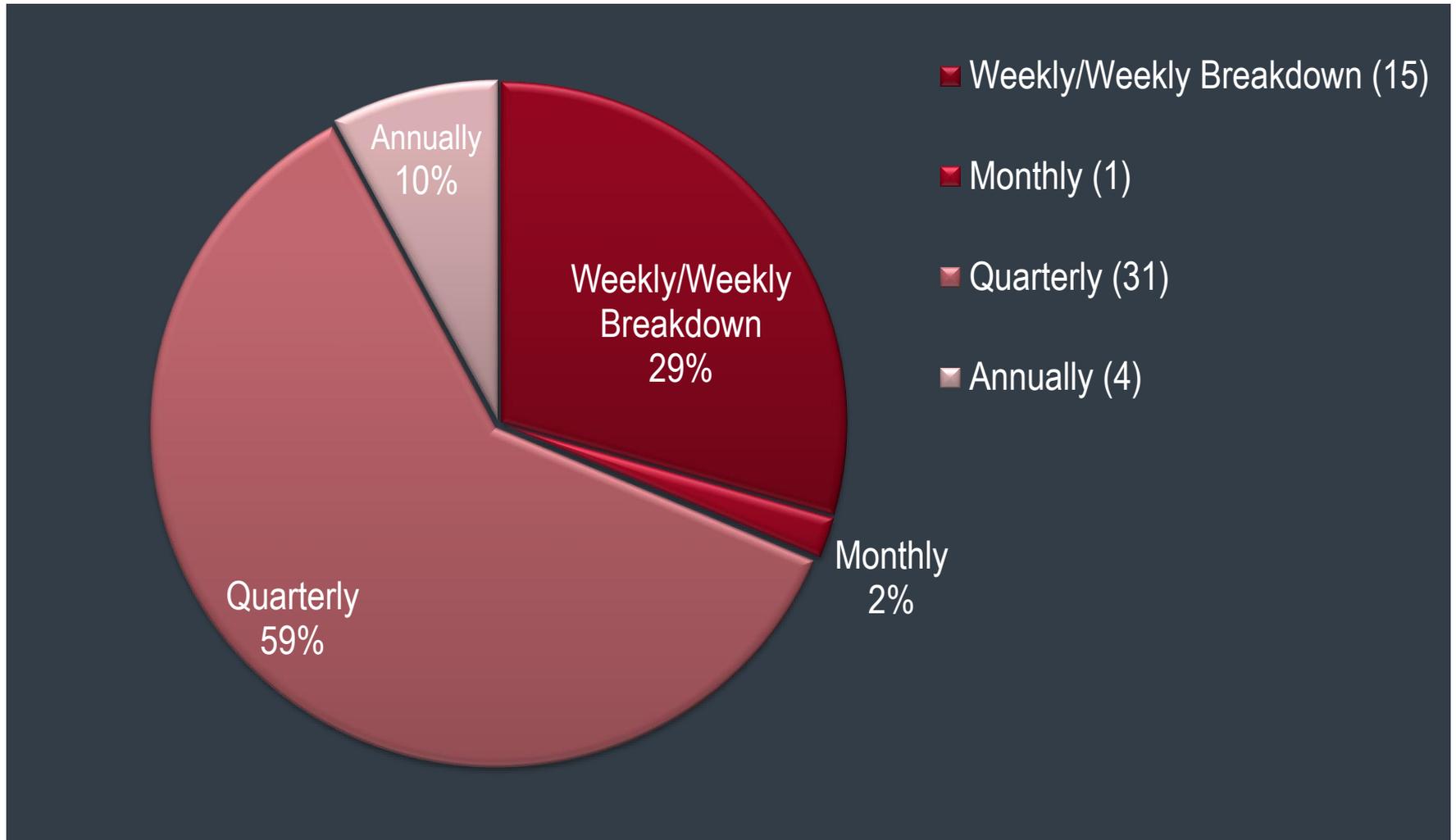


# Currently...

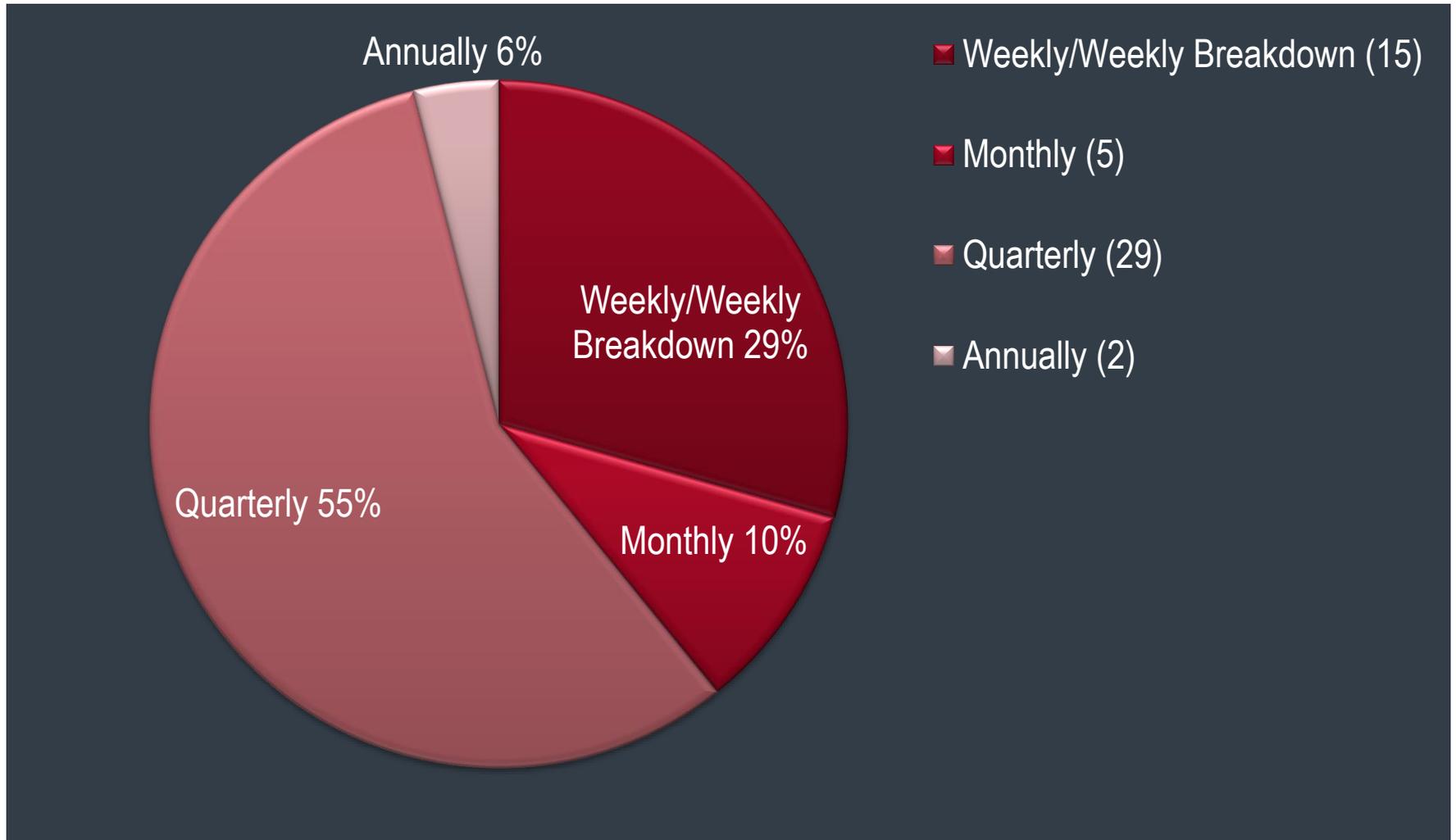
- › Nationally, approximately 30% of all charges are still issued in hardcopy format by state agencies vs. electronic



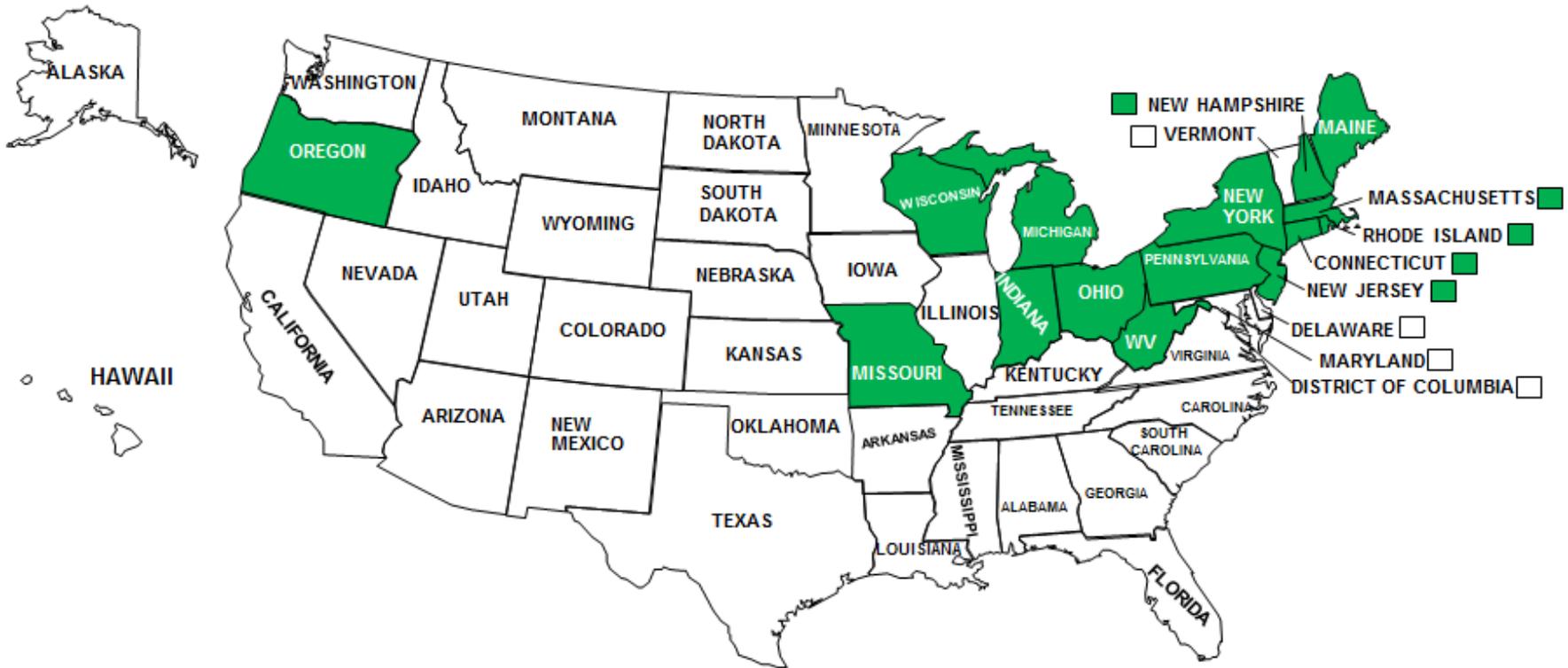
# Frequency of Issuance - Merit Rated



# Frequency of Issuance - Reimbursers

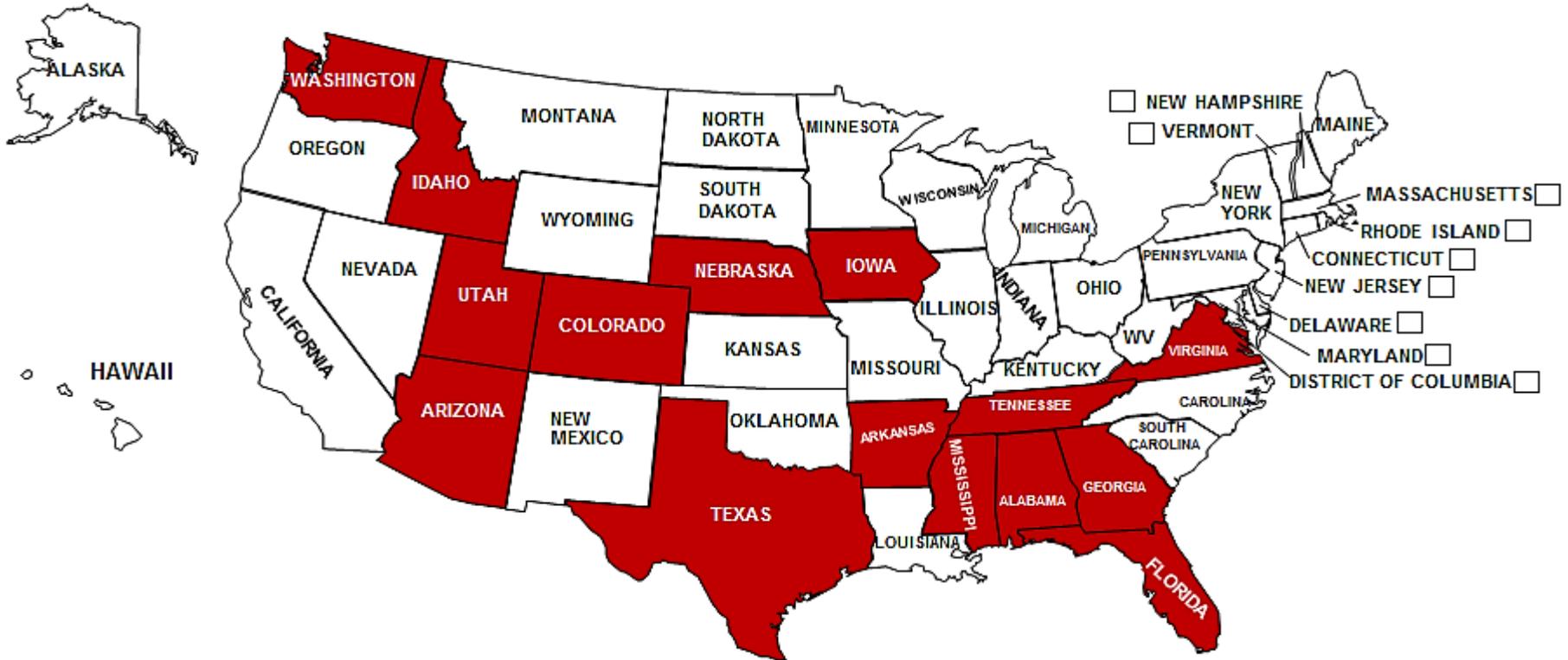


# Weekly/Weekly Breakdown Charges



Improper Payment Rate <http://www.dol.gov/dol/maps/data.htm>

# Quarterly (non-weekly) Charges



Sampling of 15 states comparable in volume to counterpart weekly-charge states  
Improper Payment Rate <http://www.dol.gov/dol/maps/data.htm>

# Reimbursers



# Reimbursable Funding Method 101

- › Generally must be non-profit, not-for-profit, or tax exempt organizations under Sec. 501(c)(3) of the Internal Revenue Code, governmental entities, or municipal entities:
  - Charitable organizations
  - State / local governments
  - School districts
  - Hospitals



# Reimbursable Method – Key Points

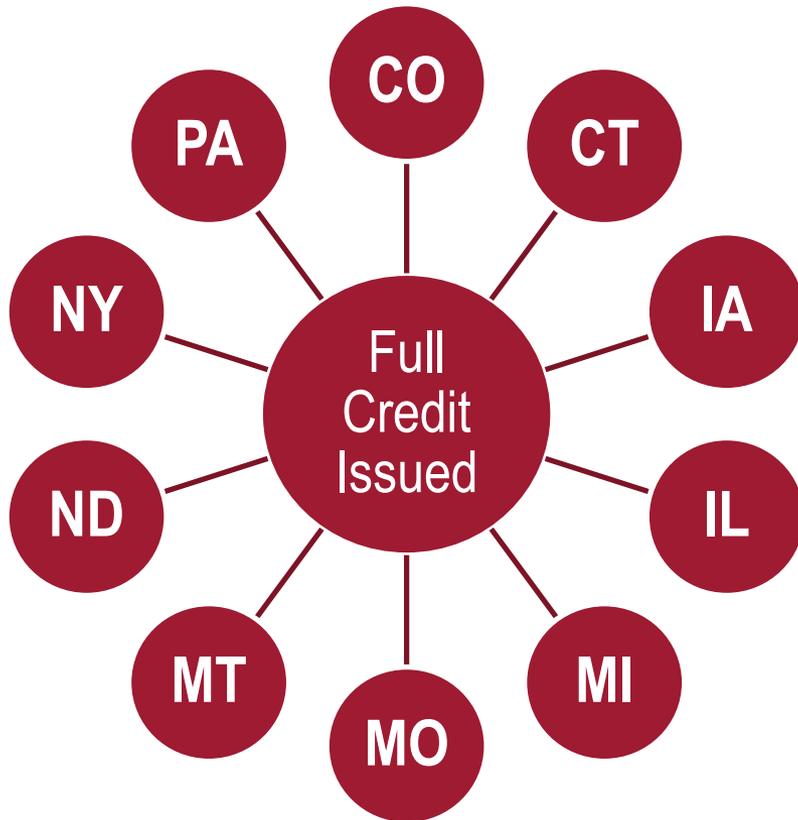
Reimburse state \$ for \$ any benefits paid to claimants vs. paying quarterly state UI taxes into trust fund

No allowance for a non-charge – only a disqualification

Have no protest rights to claims if base-period-only employer

If overpayment created, only receive restitution if / when claimant repays money

# Reimbursing Employers

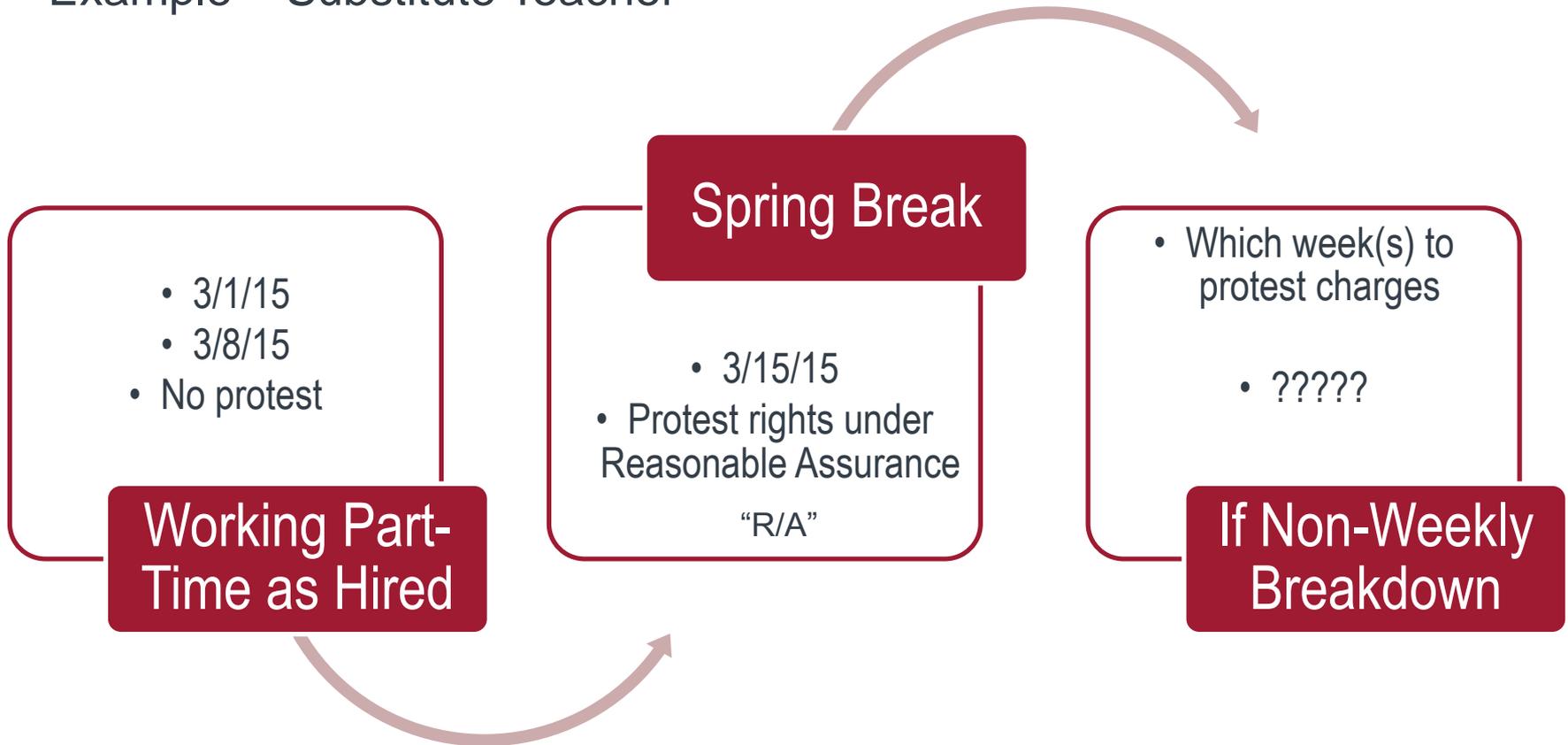


The remaining states do not issue credit to the employer until (if) the overpayment is recovered from the claimant

An employer is eligible for full credit up front in these states when certain criteria are met

# Educational Employers

## Example – Substitute Teacher

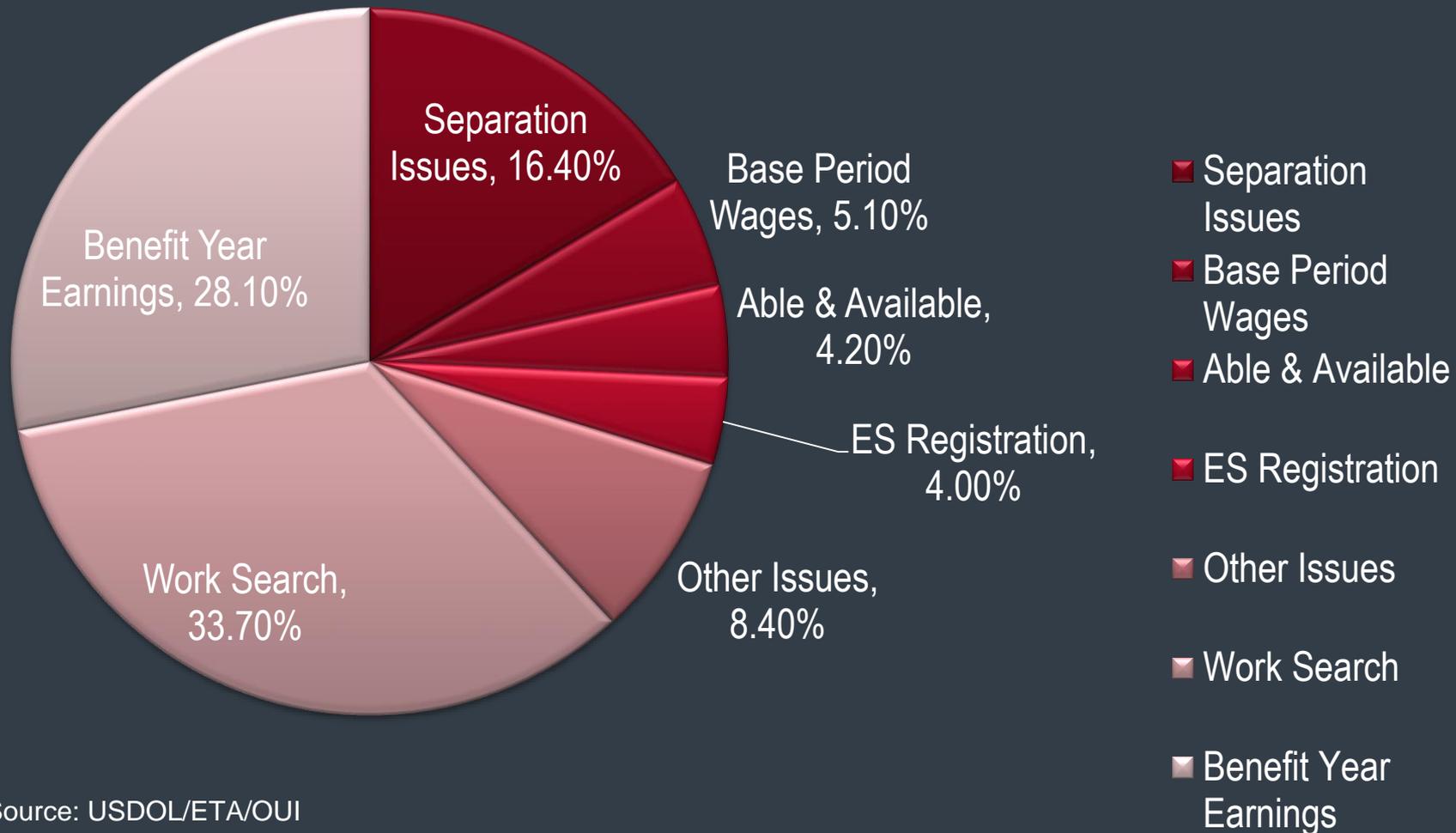


# Frequency and Overpayments



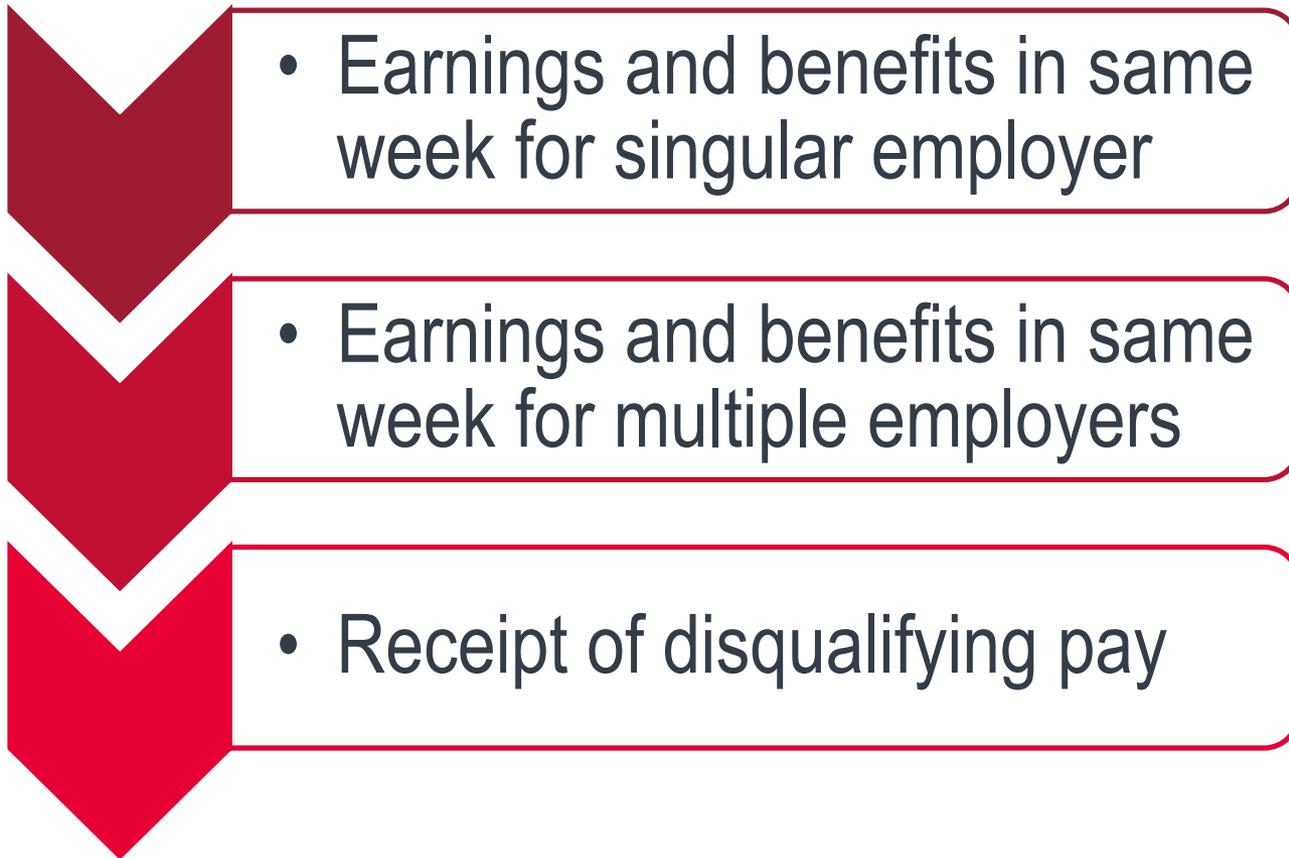
# Causes of UI Overpayments

2014

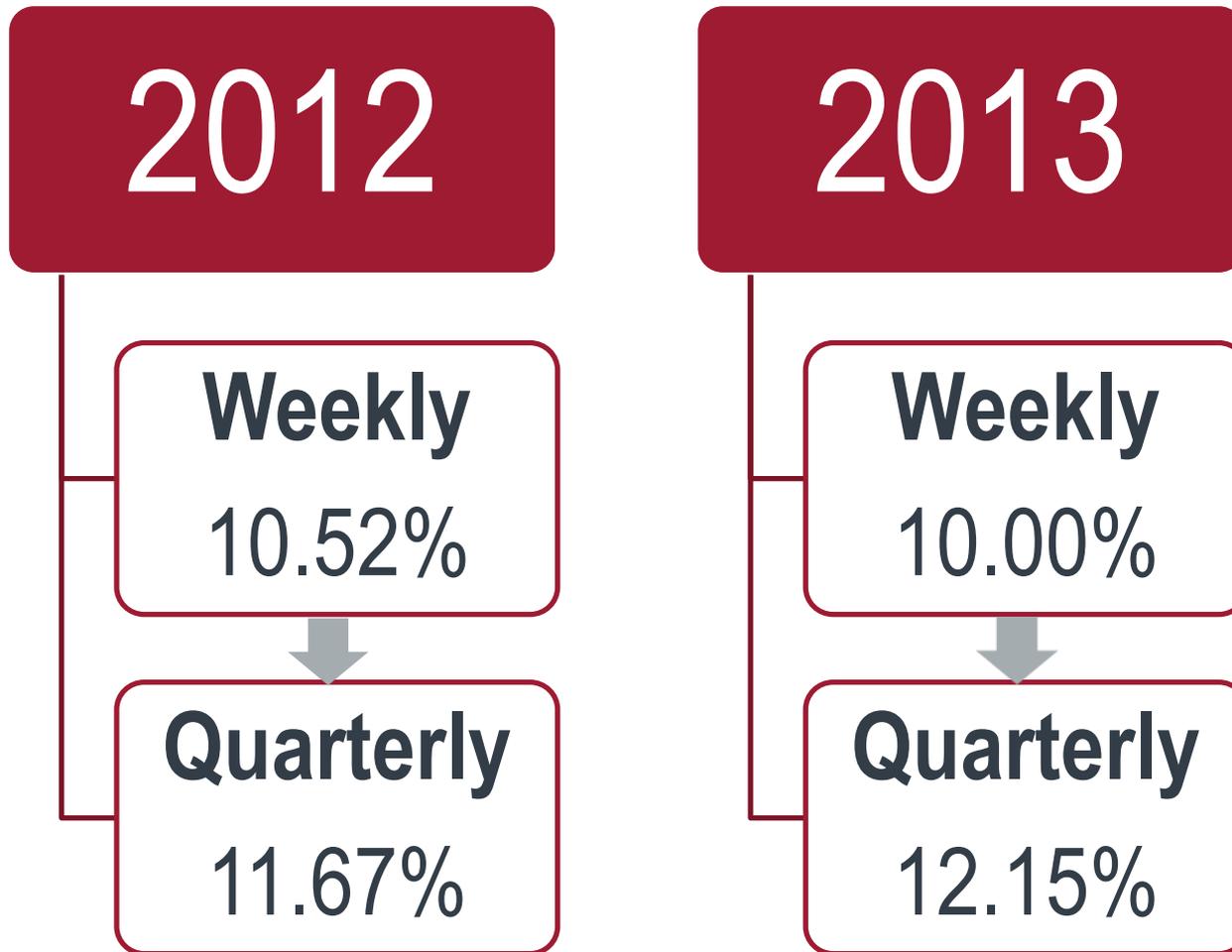


Source: USDOL/ETA/OUI

# Common Overpayment or Fraud Issues

- 
- Earnings and benefits in same week for singular employer
  - Earnings and benefits in same week for multiple employers
  - Receipt of disqualifying pay

# YOY Comparison of Overpayment Rate - Weekly vs. Quarterly Charges



# Opportunities for Change



# Future Enhancement Opportunities

Alaska (Q)	Alabama (Q)	Arkansas (Q)	Arizona (Q)
<b>California (A)</b>	Colorado (Q)	District of Columbia(Q)	Delaware (Q)
Florida (Q)	Georgia (Q)	Hawaii (Q)	Iowa (Q)
Idaho (Q)	Illinois (Q)	<b>Kansas (A)</b>	Kentucky (Q)
Louisiana (Q)	Maryland (Q)	Minnesota (Q)	Mississippi (Q)
Montana (Q)	<b>North Carolina (A)</b>	North Dakota (Q)	Nebraska (Q)
New Mexico (Q)	Nevada (Q)	<b>Oklahoma (A)</b>	South Carolina (Q)
South Dakota (Q)	Tennessee (Q)	Texas (Q)	Utah (Q)
Virginia (Q)	Vermont (M)	Washington (Q)	Wyoming (Q)

Q – Quarterly charges

M – Monthly charges

A – Annual charges

Merit Rated

# Why Weekly Breakdown?



The data reviewed shows lower overall overpayment rates for weekly vs. non-weekly



Mitigates number of erroneous charge protests to state UI agencies



More effective identification of potential fraud due to non-reporting or under-reporting of earnings

# Next Steps

- › UWC Goals and Objectives
- › NASWA Support
- › USDOL Support
- › Dialogue with state UI agencies about benefit of weekly charge detail to all UI stakeholders



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