Unemployment Insurance Eligibility Services

Expedite payments, increase program integrity and reduce overpayments

Workforce agencies face the highest unemployment rate in US history and lowest level of trust fund solvency nationwide during this pandemic. (U.S. DoL, Employment and Training Administration) Since the enactment of the Coronavirus Aid, Relief and Economic Security (CARES) Act, Unemployment Insurance (UI) fraud has increased significantly, further testing the integrity of individual state systems and the UI program as a whole. In addition, almost twice as many applicants in 2020 indicate their unemployment reason as “temporary layoff” which suggests they hope to go back to work with the same employer once this pandemic is under control (U.S. Bureau of Labor Statistics). Workforce agencies struggle with providing benefits and payments promptly in order to meet program standards and beneficiaries’ expectations. According to the U.S. Department of Labor IPIA 2020, the leading cause of overpayment is now benefit year earnings, up 5.7% over the previous year, making the focus on program integrity even more critical.

To protect the program integrity of the regular unemployment compensation program, states must maintain weekly/biweekly certification processes to verify the continuing eligibility of the programs’ claimants and must complete required checks for interstate wages. States are also required to implement the same program integrity activities used for the regular unemployment compensation program for the CARES Act programs, such as verifying identity and cross matching with certain databases designed to prevent and detect improper payments and fraud. To ensure program integrity, the CARES Act includes an appropriation of $26 million to the department’s Office of Inspector General (OIG) to carry out audits, investigations, and other oversight activities related to states’ adherence to existing unemployment insurance laws and policies, as well as the provisions of the CARES Act. (U.S. DoL ETA) States should expect significant oversight, review and scrutiny of their unemployment compensation programs’ integrity.

Benefits - Helps Workforce Agencies:

Identify return to work faster

Detect suspicious identities prior to issuing benefit

Eliminate over payments to ineligible recipients

To help workforce agencies address these challenges, Equifax offers a suite of UI Eligibility services designed to foster a more robust and streamlined process for UI claims. The services included in the UI Eligibility suite include The Work Number Social Service Income and Employment Verification, The Work Number Alert Portfolio Review, Digital Authentication, Account Verification and Incarceration Verification.

In 2020, **lack of accurate reporting resulted in 37.44% of the improper payments** in unemployment benefits**.**

Validate identity and help mitigate risk of fraud

Equifax offers a comprehensive suite of identity verification and authentication services that are trusted by some of the nation's largest financial institutions, telecommunications companies and government agencies.

These services include:

- Equifax and third-party identity sources verify identity across name, DOB, SSN, phone number, address, email and other elements, along with fraud risk assessment and known fraud intelligence
- Omnichannel verification includes device, phone number and email verification and risk assessments of the consumer's digital identity to mitigate identity fraud at the time of application and to help mitigate account takeover
- Remote capture, verification and face matching of identity documents including state driver license/IDs and passports*
- Incarceration verification to identify applicants who may be incarcerated and therefore ineligible for unemployment insurance
- Account verification to verify the claimant's identity and that a direct deposit account is associated with that number

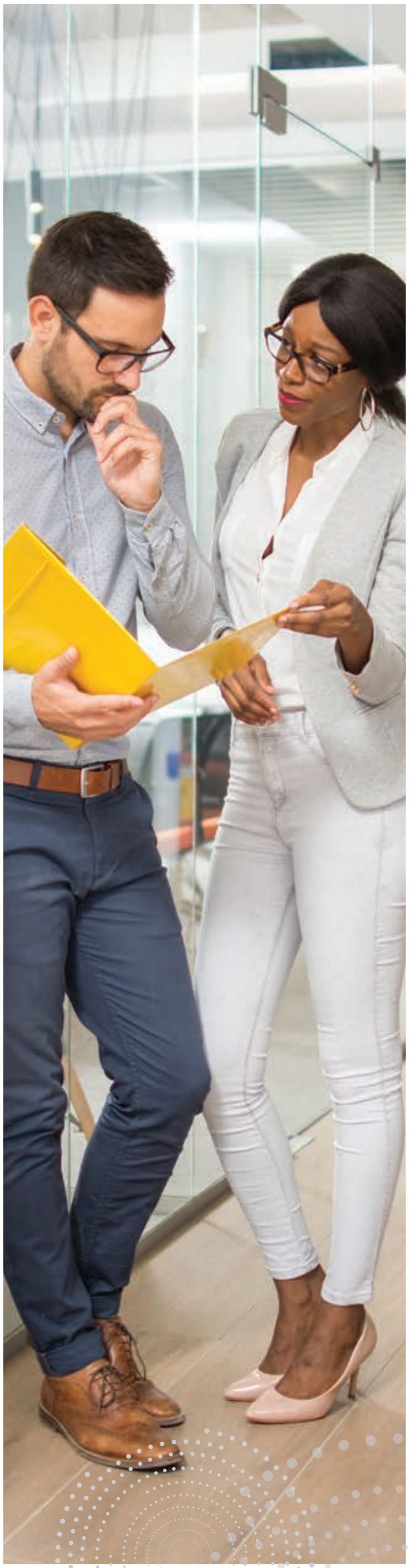
All of the above services are configurable either as standalone point solutions or can be combined with other verification services and can be integrated with Equifax Luminate to add business rules and orchestrations to your fraud mitigation strategy.

Monitor ongoing program integrity

Many Workforce Agencies use the National Directory of New Hires and State Wage data to verify return to work, but the information is dated and may not be accurate, increasing the risk for benefit year earnings overpayments. With this pandemic, agencies face additional challenges. Those who return to work after being temporarily laid off may not be reported on New Hire data. State Wage Data is reported quarterly, which potentially allows over payments to occur for 3-5 months increasing improper payments. Lastly, Independent contractors will not be reported in New Hire Reporting or State Wage data, so Workforce Agencies have no insight into their return to work.

The Social Service Verification product from Equifax uses The Work Number® database to instantly search over 110 million employment records contributed by over one million employers nationwide, including small and medium sized employers highly impacted by layoffs. This is accomplished through our strong relationship with employers, payroll providers and federal government civilian employers. The Work Number database is updated each time a contributing employer processes payroll so that you have access to up-to-date information (as provided by the employer). With the addition of Independent 1099 Contractor records, The Work Number data is an excellent identifier of return to work for both employees and independent contractors.

The Work Number is unique because we provide data directly from the employer or payer, and we add new employer or independent contractor records every payroll cycle, so you can be assured to have up-to-date income and employment data. More current and complete data direct from employers are a better indicator of eligibility than New Hire Directories and quarterly State Wage data, allowing caseworkers and investigators to better focus their efforts. The New Hire Directory, used to verify certification, may not show those who are laid off and return to work with their current employer, which represented almost twice as many of those applying for unemployment insurance in 2020 (U.S. Bureau of Labor Statistics). Equifax has the unique ability to help confirm eligibility by providing data supporting unreported income and employment faster because it's updated as soon as payroll is processed, showing when laid off clients go back to work with TWN employers. In addition, it includes additional information required for public assistance not typically available from governmental data sources, including, for example, hours worked and income-by-pay period.



Improve payment integrity

According to the Department of Labor, the leading cause of improper payments is "benefit year earnings" which means continuing to claim benefits after returning to work and failure to accurately report earnings. In 2020, lack of accurate reporting resulted in 37.44% of the improper payments in unemployment benefits (US DOL, IPIA 2020). The Work Number Portfolio Review Monitoring helps you to continually identify return to work and new income in your caseload, even those who were temporarily laid off or independent contractors. Alerts can be delivered weekly, biweekly or as requested, potentially providing quicker notification than New Hire Reporting and State Wage Data. Identifying return to work faster can help confirm eligibility decisions and help ensure proper payments. This could potentially help protect the state unemployment insurance fund from having insufficient funds, leading to an advance from the Federal Unemployment Account requiring repayment with interest and possibly impacting state budgets and employer tax increases.

**Not all services legally available in all areas.*

With decades of experience serving the public sector, Equifax leverages trusted, unique data, analytics, technology, and expertise to help government clients drive innovation and transform knowledge into insights. Equifax empowers government agencies to make more informed decisions, streamline operations, maximize program efficiency, reduce fraud and improper payments and enhance the user experience.

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