

Client Training HQ

Employers Edge Wage Audit Resource

This document is intended to provide information and frequently asked questions regarding Wage Audits.

What is a Wage Audit?

Wage audits are a critical tool for states looking to help reduce improper payments. A Wage Audit is a questionnaire regarding the claimant's wages used to determine if someone has been over, or underpaid, unemployment benefits. A UC wage audit is still part of the unemployment claim process, but is not introduced potentially until much later in the claim lifecycle.

Typically, there is not a frequency as to when Wage Audits are distributed, but most states will issue a Wage Audit any time they feel there is a discrepancy between what has been reported by the employer and what the claimant has reported when filing for unemployment benefits. Not every claim filed will result in a wage audit. Generally, only about 15% of your yearly claims activity may result in a Wage Audit being issued. However, due to the extraordinary increase in claims volume (during and post Covid) in addition to high levels of UC fraud, more frequent audits are occurring.

Wage audits require specific details and formatting that is usually different from the information contained in traditional payroll records.

What is a BAM Audit or a Wage Verification?

Benefit Accuracy Measurement (BAM) is a program designed to identify the Unemployment Insurance (UI) program's processing trends that cause inaccurate UI benefit payments or denials. The BAM program is administered for the U.S. Department of Labor by all 50 states to assist state and federal UI programs with identifying error and abuse in UI programs. BAM investigations are a review of the records of a sample group of claimants, selected each week at random, to test the accuracy of UI decisions, which issue or deny the payment of UI benefits for a specific week or period.

Wage Audit Solution

If Wage Audits, BAM notices, or wage verifications become too cumbersome for your HR Team, Employers Edge offers a **Wage Audit Solution** that will help reduce the burden of responses while helping you with your Wage Audit obligations with the state agencies. For more information, please reach out to your Account Executive or UC Service Team.

Employers Edge, in partnership with The Work Number®, has a solution designed to assist employers with the task of responding to such forms.

Why are some wage audits returned to the employer for completion?

There are some states that require a wage breakdown format that is not commonly included in a file provided by the employer, such as a Sunday-Saturday pay cycle, which The Work Number will not respond to wage audit requests from those specific states. In addition, there are specific states that generate a Wage Audit cover letter that truncates the Social Security Number, which also cannot be fulfilled through The Work Number process. Lastly, some BAM audits require detailed information, in which The Work Number cannot fulfill, which must also be returned back to the employer for completion. Because employers may be subject to fines if they fail to respond completely to wage audit requests, your UC Service Team will return those requests back to the employer contact on file. For further information, please reach out to your Account Executive or UC Service Team.

More Training Available!

Check out additional unemployment training available on our site, [Connections](#).

The information provided is intended as general guidance and is not intended to convey any tax, benefits, or legal advice. For information pertaining to your company and its specific facts and needs, please consult your own tax advisor or legal counsel.