Commonwealth of Massachusetts
Executive Office of Labor and Workforce Development

Participating in the Unemployment Insurance Program

Deval L. Patrick, Governor
Timothy P. Murray, Lt. Governor
Joanne F. Goldstein, Secretary

Unemployment Insurance Background

- On August 14, 1935 President Roosevelt signed the Social Security Act, which laid the foundation for the national Unemployment Insurance (UI) program.
- UI is the primary safety net for jobless workers in MA and across the country.
- The UI program provides temporary income protection for workers who have lost their jobs and are:
  - Able to work,
  - Available for work, and
  - Actively seeking employment.
- In all states, the system is a federal-state joint venture. Employers either pay premiums in the form of state employment taxes, or self-insure, reimbursing the state dollar-for-dollar for benefits paid.
- UI is one of the most effective economic stabilizers, having a beneficial impact on individual workers and the communities where they live. The Urban Institute estimates that for every $1 distributed in unemployment compensation, $2 of economic activity is generated.

Employer Responsibilities

- Respond timely to requests for wage and separation information (1062/1074 forms)
- Respond timely to fact finding requests and requests for additional information
- Review monthly charges and formally request a review if there are inaccuracies
- Report employment and wage detail quarterly
- Report fraud
- Participate in the Hearings process
- Provide oversight to Third Party Administrators

Wage and Separation Information

- When a claimant files an unemployment claim, all employers within the last 15 months will receive a request for wage and separation information (Form 1062).
- For the employer to maintain its rights as an interested party to the claim, this form must be postmarked within 10 days of the mail date of the form.
- This form verifies or provides wage information and enables the employer to state the reason for separation.
- In many cases this information will trigger the creation of an issue or an additional investigation.
- In cases where a claimant has separated from a job during his/her benefit year, we will send a wage and separation request (Form 1074) to the separating employer.
  - Because a claimant can earn partial wages while being on an active unemployment claim, it is important that you complete this information even if you are currently paying wages to the claimant.

Fact Finding Requests

- When DUA is investigating a separation or other eligibility issue, we will ask you to participate in the process by providing an official statement either by mail or via a telephone interview.

- It is critical that you respond to this request timely so that you have an opportunity to present your information to DUA.

- If you do not provide information timely, DUA must make a decision based upon the information provided by the claimant.

Review Monthly Charges

- You will receive a statement for each month that benefits are charged to your account.
- This statement will list each claimant and the total charges per claimant, per week, for that specific month.
- You have the right to request a review of charges that are inaccurate within 30 days of the mail date of the reimbursable statement.

Employment and Wage Detail

- Every employer is required to report quarterly employment and wage detail information to DUA (G. L. c. 151A, § 14P).

- These reports are used to verify wage information for claims and process claims in a timely manner.

Report Fraud

- We welcome information from concerned individuals and employers who have credible information about suspected fraud.
- You can report cases of suspected fraud through one of the following methods:
  - Calling the Fraud Hotline — 1-800-354-9927
  - Emailing uifraud@detma.org
  - Writing to the U.I. Program Integrity Department, P.O. Box 8610, Boston, MA 02114
  - Faxing information to 617-723-5312
- We will investigate all fraud claims; however, not every case will result in a fraud determination.
- Because of the confidentially of claims, we cannot report the outcome of the fraud investigation unless you are an interested party on the claim.

Participate in Hearings Process

- It is critical that employers participate in the hearings process. Hearings are “de novo,” which means that either party may present new evidence.

- A hearing is the employer’s opportunity to provide key information and rebut the claimant’s evidence.

Oversight of Third Party Administrators

- Third Party Administrators (TPAs) provide valuable services to municipalities by assisting them with their employment and wage detail reports as well as management of their claims.

- While TPAs provide these services on behalf of municipalities, it is the municipality that is ultimately responsible for the timeliness of requests and the quality of wage and separation information.

- Municipalities must actively manage their TPAs to ensure that information requests are returned timely and sufficient information is provided to DUA in order to avoid inaccurate charges.

Combating Fraud

- Protecting the integrity of the UI program and trust fund is a responsibility that DUA takes seriously.

- In addition to welcoming external information, we seek information from our DUA departments (Revenue, Hearings, Board of Review) as well as external agencies such as courts and police departments.

- We regularly perform cross-matches against external databases such as the National New Hire Directory and Department of Homeland Security to detect claimants who may be fraudulently collecting.

- DUA has established a Cross-Agency Task Force to proactively identify additional ways in which our Agency can prevent improper benefit payments and detect fraud.

Recovering Overpayments

- An “overpayment” is a payment that was made for a week that was ultimately determined ineligible or for an amount in excess of an adjusted weekly benefit payment.

- MA has the lowest overpayment rate in the nation. We continue to take proactive measures to reduce the amount of overpayments that occur.

- DUA utilizes multiple methods to recover overpayments:
  - Offsets of future benefit payments
  - Department of Revenue tax intercept
  - Monthly billing process
  - Criminal prosecution

Appealing a Determination – Hearings Level

- Eligibility, monetary, and separation determinations are provided to employers and claimants via mail and can be appealed to the DUA Hearings Department.

- Employers and claimants must appeal a determination within 10 days of the mail date unless there is a compelling reason for the delay.

- Employers who fail to provide wage and separation information timely will lose their rights as a party to the appeal.

Appealing a Determination – BOR and District Court

- Any party dissatisfied with the Hearings decision may appeal to the Board of Review within 30 days of the date the decision is mailed.

- The Board has 21 days to decide whether to hear the appeal.

- Any party aggrieved by a Board decision, including a decision not to hear an appeal of the Hearings decision, may appeal to District Court within 30 days of the mailing date of the Board decision.

Tips to Help Manage UI Costs

- Forecast and budget for UI payments based upon trends and projections.
- Monitor your UI online account summary statement and monthly statements of benefits charged for accuracy.
- Call back separated workers if work becomes available.
- Report to DUA if one of your former employees returns to work.
- Document the circumstances surrounding each separation for reasons other than lack of work.
- Keep detailed records and respond to all requests for information timely.