

An Update to CT's Unemployment Insurance Program:

An overview of the basics and new initiatives

November 15, 2018



1

Agenda

- A Brief Overview
- What's New When Filing?
- Changes to the Adjudications Process
- SIDES and Modernization Initiatives
- CTDOL Is Fighting Fraud!

Connecticut Department of Labor

2

Unemployment Compensation at a Glance

- Insurance funded by employer tax system.
- Workers do not pay into this system.
- Provides economic support for individuals who are unemployed through no fault of their own.
- Eligibility is not based on hardship or need.
- Eligibility determined by statutes, regulations and case law.

Connecticut Department of Labor

3

Benefits Allowed

- **Benefit Year** = a 52-week period commencing when the claim is filed, during which 26 weeks of benefits are allowed (in one year, eligibility is for 26 weeks). Workers do not pay into this system.
- **Partial Benefits** = if working part time, but available for and seeking full time work, person may be eligible for partial benefits.

Connecticut Department of Labor

4

What is a “Pink Slip”?

- Actually a separation packet – and it’s not pink!
<http://www.ctdol.state.ct.us/HP/UC-62TwithBabel5-18.pdf>
- Provides specific reason why a person is no longer employed.
- Reasons could include layoff, discharge or voluntary leaving.
- Contains filing instructions and key information to facilitate claim filing.
- Helps agency detect fraudulent claims.

Connecticut Department of Labor

5

Determining “Monetary Eligibility”

Has a person earned enough money to qualify?

- **Base period** = the period of time used to calculate eligibility: a 12-month period within the last 18 months.
- **Benefit rate** = calculated to be about 50% of weekly earnings before taxes. Can be \$15 to \$631 weekly.

Connecticut Department of Labor

6

Filing for Benefits

- Initial claims now filed online at new user-friendly site: www.filectui.com
- Text/email now confirms claim; gives next steps.
- Benefit booklet no longer mailed; electronic version cuts costs.
- Weekly/continued claims filed online or by telephone (75% filed online).
- UI customer help now offered at Job Centers; encourages use of re-employment services.

Connecticut Department of Labor

7

The Adjudications Process

- Since May 2018, process involves gathering written statements from both parties to determine eligibility.
- Statements reviewed by impartial adjudications specialist; further gathering of information via telephone may be needed to render legally-sound eligibility decision.
- LEANed process allows fewer staff to deliver faster decisions (from 30 days to 10).

Connecticut Department of Labor

8

Separation Notification For Lack of Work or Discharge

- Separation verification form sent when claimant indicates a separation was due to lack of work or discharge.
- Employer has 7 days to return the form; an adjudications process may follow to determine claimant's eligibility.
- If employer does not provide timely/adequate response, statute prohibits agency from relieving employer of liability for its share of claimant's benefits (New SIDES program helps employers!).

Connecticut Department of Labor

9

New Initiative - SIDES

- SIDES = State Information Data Exchange System
- Provides many advantages for employers & TPAs (Third Party Administrators); assists in timely and adequate participation.
- Quick, efficient communication between employers and CTDOLE for UI information; eliminates delays related to paper mail delivery.
- Ultimately reduces employer paperwork, improper payments, follow-up phone calls.

Connecticut Department of Labor

10

Exchanging Information with SIDES

- Offers logical and streamlined questioning flow to ensure more complete information through standard edits, validations and business rules.
- Multiple layers of security – authentication certificates and encrypted records and files.
- SIDES E-Response:
For employers not represented by SIDES-participating TPAs; only requires employer to have Internet connection, web browser, valid email address to participate.
- And it's at NO CHARGE!

Connecticut Department of Labor

11

New Initiative – Work Search

New campaign to ensure claimant integrity and educate about job search resources

- *Don't Lose Your Benefits!* outreach campaign.
- Includes direct mail, media releases, social media posts, web banners, posters and information cards at American Job Centers.
- Simplified online Work Search Log also stresses consequences of failure to conduct/record job searches.

Connecticut Department of Labor

12

Work Search Outreach Samples



Connecticut Department of Labor

13

New Initiative – Modernization

Will replace CTDOL's aging computer systems with an integrated and flexible system for UI Tax and Benefits systems.

- Improved security features and adaptability; service and efficiency.
- Prompt response to state and federal initiatives/program changes.
- Significant cost savings and seamless service to customers.
- Enhanced 24/7 web and mobile service options.

Connecticut Department of Labor

14

New Initiatives – Modernization

Scope:

- More user-friendly and efficient system for both workers and employers, such as registering employers, payment of employer taxes, filing initial and weekly UI claims, capturing work search efforts, filing/managing appeals

How?

- CTDOL has joined ReEMployUSA, a consortium with Mississippi, Rhode Island and Maine, to leverage the existing Mississippi system and customize it for CT laws.
- Consortium saving millions of dollars and multiple years of project development.

Connecticut Department of Labor

15

CTDOL Is Fighting Fraud!!!

- Working full-time and collecting unemployment benefits is illegal.
- The Labor Department utilizes a variety of methods to prevent fraud and determine who has committed fraud.
- Arrest and prosecution is possible, as well as wage and tax intercepts, and monetary penalties.
- Intentional fraud is not waived; recouped at 100%.

Connecticut Department of Labor

16

Fraud Initiatives – Integrity Programs

- **Online Payments:** individuals with a UI overpayment can now repay owed benefits with credit card or ACH/bank account.

Recovery: \$1.5M

- **Treasury Offset Program:** partnership with the IRS and USDOL; intercepts federal tax returns of those who have not repaid UI benefits they were not entitled to collect.

Recovery: \$20M

Connecticut Department of Labor

17

Fraud Initiatives – Integrity Programs

- **State Income Tax Intercept:** partnership with DRS; intercepts state income tax refunds to recover debts.

Recovery: \$24M

- **Interstate Benefit Intercept:** CTDOL intercepts benefits of those filing claims in other states for owed CT overpayments.

Recovery: \$285,000 recovered and \$1M+ identified for potential recovery

Connecticut Department of Labor

18

Fraud Initiatives – Integrity Programs

- **Prosecutions:** federally-funded partnership with CTDOL and Chief State’s Attorney’s. This UI fraud prosecution unit resulted in 300+ arrests. *Recovery: \$2.5M*
- **Cross Match Integrity:** automated system prevents improper UI benefit payments using a cross match of the National Directory of New Hires and current CT claimants filing for benefits.

Connecticut Department of Labor

19

Employers Fight Fraud: New Hires

- CT employers are required to report all newly-hired employees within 20 days of hire.
- If an employee returns to work for your company after a separation of 60 days or more, the employee should be reported as a new hire (date of hire is first day compensated services).
- New Hires info is provided to the federal Dept. of Human Health and Services; becomes part of the National Directory of New Hires.

Connecticut Department of Labor

20

New Hires: Employer Help Is Key!

- All directories are confidential and secure; may only be disclosed to certain state/federal agencies for statutorily-permitted purposes.
- CTDOL can only cross match claimants with the state/federal directories to identify & investigate UI fraud. Provides tremendous tool; employer participation is key – thank you!
- Need help? Please contact CTDOL's Office of Research 860-263-6310 or online at: <https://www1.ctdol.state.ct.us/newhires/index2.asp>

Connecticut Department of Labor

21

Overview of 2017 Agency UI Decisions



Connecticut Department of Labor

22

Questions???

Our goal: provide CT's employers with more technology, LEAN concepts and increased efficiency – thank you!

Visit us at www.ct.gov/dol



Connecticut Department of Labor

23