



# Unemployment Improper Payments

50 State Comparison of Unemployment Insurance Financing Systems

Zach Herman, Policy Associate

# Important Points for Consideration

## Eligibility

- Replacement rates vary
- Eligibility requirements vary
- Program infrastructures vary

## Pandemic

- Organized crime from overseas
- Unprecedented wave of new applications

## No System is Perfect

- 10.61% in 2019 nationally
- IPERA requirement of less than 10
- Lots of ways for improper payments to happen



## Benefit Accuracy Measurement (BAM)

- Covers three major UI programs
- Uses samples of weekly payments verified by trained investigators
- Looks at both amount of improper payment and also the party responsible.

# Improper Payment Rates for 2020

## Pennsylvania

- Amount Paid: \$509,958,523
- Overpayment
  - Rate: 16.5%
  - Amount: \$84,411,055
- Underpayment
  - Rate: 0.45%
  - Amount: \$ 2,310,315
- Fraud Rate: 13.97%
- Agency Rate: 2.66%

## New York

- Amount Paid: \$6,017,719,482
- Overpayment:
  - Rate: 18.95%
  - Amount: \$1,140,605,335
- Underpayment:
  - Rate: 0.75%
  - Amount: \$45,142,305
- Fraud Rate: 13.36%
- Agency Rate: 6.69%

## Ohio

- Amount Paid: \$1,851,543,079
- Overpayments
  - Rate: 11.5%
  - Amount: \$212,836,087
- Underpayment
  - Rate: 0.1%
  - Amount: \$1,915,804
- Fraud Rate: 2.49%
- Agency Rate: 3.54%

# Overpayments by responsibility

## Pennsylvania

- Claimant Only: 46.25%
- Claimant + Employer: 30.
- Agency Only: 13.72%
- Employer Only: 4.3%
- Claimant + Agency: 4.02%
- Employer + Agency: 1.29%
- Clmnt+Empl+Agy: 0%
- All Others: 0%

## New York

- Claimant Only: 58.75%
- Claimant + Employer: 7.29%
- Agency Only: 9.3%
- Employer Only: 0.29%
- Claimant + Agency: 18.84%
- Employer + Agency: 0%
- Clmnt+Empl+Agy: 2.74%
- All Others: 2.76%

## Ohio

- Claimant Only: 55.41%
- Claimant + Employer: 10.21%
- Agency Only: 6.03%
- Employer Only: 3.56%
- Claimant + Agency: 22.22%
- Employer + Agency: 0.09%
- Clmnt+Empl+Agy: 2.46%
- All Others: 0%

# Recovery Rates

## Pennsylvania

- Q1 2020: 62.48%
- Q2 2020: 148.32%
- Q3 2020: 60.22%
- Q4 2020: 35.07%
- Q1 2021: 28.01%

## New York

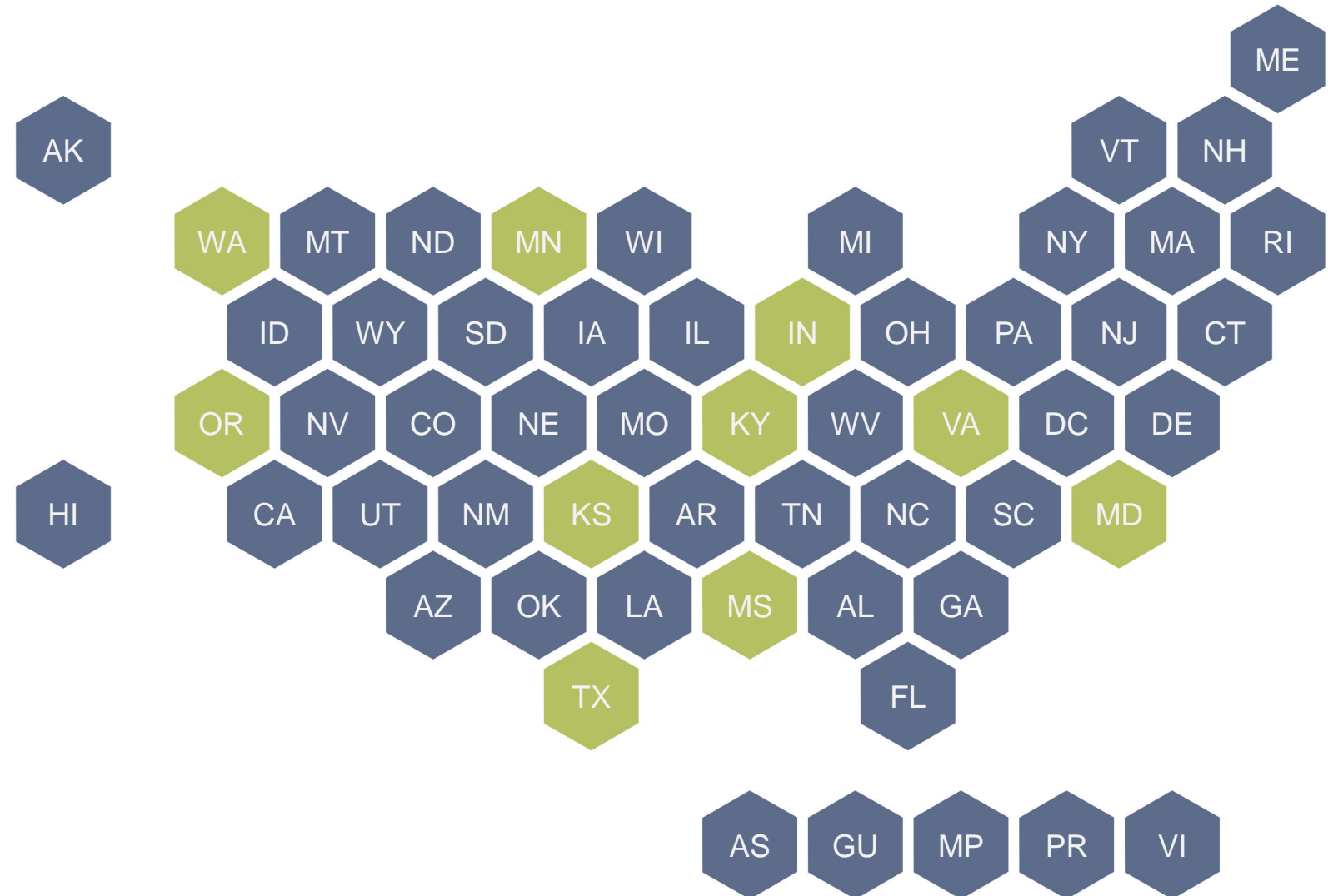
- Q1 2020: 137.25%
- Q2 2020: 717.20%
- Q3 2020: 91.28%
- Q4 2020: 19.4%
- Q1 2021: 29.02%

## Ohio

- Q1 2020: 134.22%
- Q2 2020: 84.06%
- Q3 2020: 31.17%
- Q4 2020: 19.26%
- Q1 2021: 91.61%

# Improper payments legislation enacted

■ Enacted legislation in 2021



# Overall Trends in Strategies



- Use of identify verification services like ID.me
- Fraud reporting
- Webpages and FAQ pages
- Technology
- Increased staffing



# Stay Connected

- Learn about NCSL training
- Subscribe to policy newsletters
- Read State Legislatures magazine
- Bookmark the NCSL Blog
- Listen to “Our American States” podcast
- Attend a meeting or training
- Follow @NCSLorg on social media





Zach Herman  
Policy Associate

Reach out anytime!

Email

[Zach.herman@ncsl.org](mailto:Zach.herman@ncsl.org)

Phone

720.713.0353