

UI Improper Payment Rate

The Improper Payment Rate is based on the results of the Benefit Accuracy Measurement (BAM) statistical survey. BAM covers the three largest permanently authorized unemployment compensation programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Service Members (UCX). In addition to these programs, IPIA outlays include temporary and episodic programs such as Emergency Unemployment Compensation, Extended Benefits, and Federal Additional Compensation, which are not included in BAM. The 2010 IPIA rates are based on BAM data for the period July 2009 to June 2010.

The operational rate and ES Registration error rate are supplemental improper payment measures established as a result of E. O. 13520.

UI Improper Payment Definitions

Annual Report Rate - The Annual Report rate includes fraud, non-fraud recoverable overpayments, and non-fraud non-recoverable overpayments. All causes and responsible parties are included in this rate.

Operational Rate - The Operational rate includes those overpayments that the states are reasonably expected to detect and establish for recovery -- fraud and non-fraud recoverable overpayments, excluding work search, employment service registration, base period wage issues and miscellaneous causes, such as benefits paid during a period of disqualification, redeterminations, and back pay awards.

Employment Service (ES) Registration Rate - Registration with the state employment service is an eligibility requirement for most claimants. This rate represents the percentage of benefits paid to claimants who were not actively registered with the state employment services during the week that benefits were paid.

Underpayment Rate - This rate includes payments that the BAM investigation determines were too small. All causes and responsible parties are included in this rate.

Overpayment Cause Definitions

Benefit Year Earnings (BYE) - Claiming UI benefits after returning to work.

Separation - Ineligible due to voluntarily quitting employment or discharge for cause.

Work Search - Failure to actively seek employment.

Employment Service (ES) Registration - Failure to register for referral to work or reemployment services.

Able & Available - Ineligible due to not being able to work or available for work.

Base Period Wages - Error in calculating claimant's benefit based on wages earned prior to period of unemployment.

Other Issues:

- refusal of work
- self-employment
- failure to report for agency review or report requested information
- citizenship status
- claiming benefits using a false identity
- adjustments to dependents' allowance
- adjustments to benefits due to claimant receipt of income from severance pay, vacation pay, Social Security, or employer pension
- back pay awards, payment during a period of disqualification, or agency redetermination of eligibility.