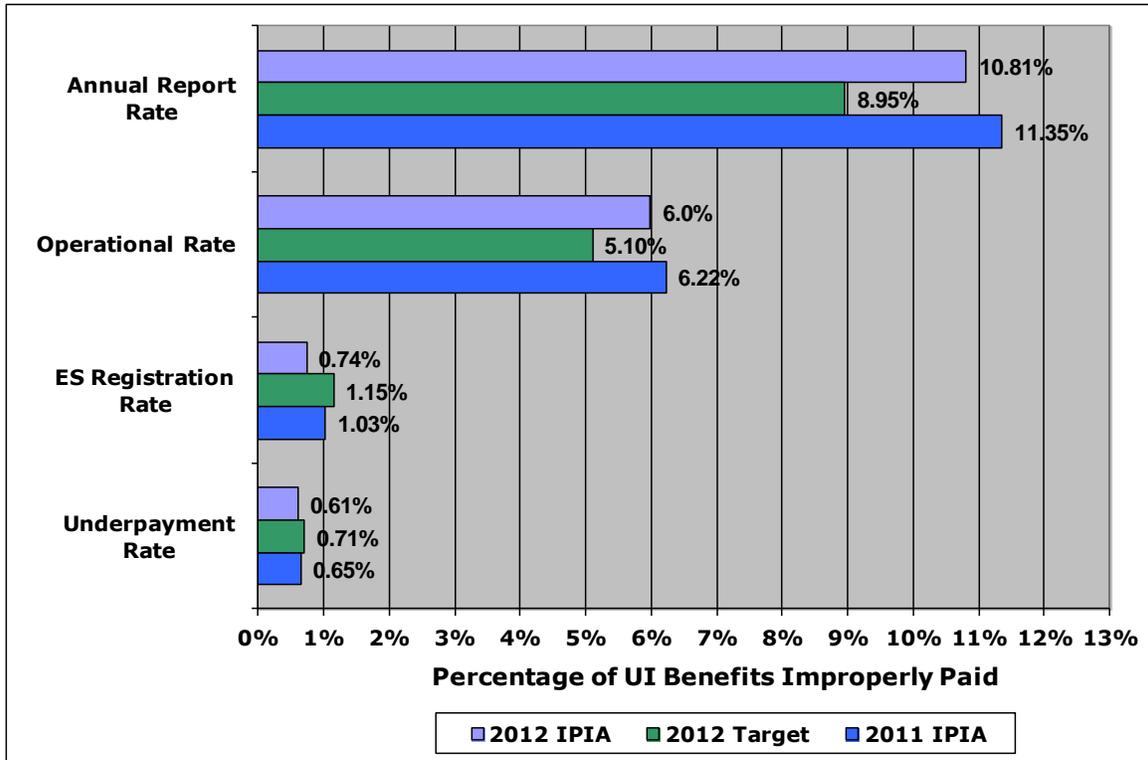


Chart - Unemployment Insurance Improper Payment Rates (2012 IPIA: July 2011 - June 2012)



Annual Report Rate - The Annual Report rate includes fraud, non-fraud recoverable overpayments, and non-fraud nonrecoverable 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.

*** Please Note: UI improper payment data displayed on these web pages are derived from the [Benefit Accuracy Measurement \(BAM\)](#) program. BAM is a quality control statistical survey used to identify errors and support corrective action in the state unemployment insurance (UI) system.

Approximately 24,000 cases are drawn from states annually, with sample sizes ranging from 360 cases per year in the 10 states with the smallest UI workloads to 480 cases in the remainder of the states.

Next Update By: February, 2013