
Strengthening Unemployment Integrity and Promoting Re-Employment



The Employment and Training Administration is working to strengthen the Unemployment Insurance (UI) system's integrity and promote the re-employment of UI beneficiaries.

Promoting UI Payment and Tax Integrity

For FY 2007, ETA continues its efforts to prevent, identify, and collect UI overpayments and delinquent employer taxes through a legislative proposal that includes:

- Giving states the opportunity to use a small amount of the overpayments they recover and certain delinquent taxes they collect for additional efforts to reduce improper payments and ensure tax integrity.
- Requiring states to impose at least a 15% penalty on benefits individuals obtain by defrauding the UI system, and use those funds for additional payment integrity activities.
- Authorizing the U.S. Treasury Department to recover overpayments of UI benefits and certain delinquent UI taxes from Federal income tax refunds.
- Requiring employers to include a "start work" date on new hire reports to help identify persons who have gone back to work but continue to claim benefits.

These proposals would reduce overpayments and increase overpayment recoveries and delinquent tax collections by a total of \$2,360,000,000 over five years.

The FY 2007 budget requests \$10 million to prevent and detect fraudulent unemployment benefit claims filed using personal information stolen from unsuspecting workers. This identity theft initiative could result in savings of as much as \$77 million in the first year.

Promoting Re-Employment

The FY 2007 Budget requests \$30 million to expand Re-employment and Eligibility Assessments (REAs), which review UI beneficiaries' need for re-employment services and their continuing eligibility for benefits through in-person interviews in One-Stop Career Centers. This initiative already has yielded quicker returns to work for UI beneficiaries and has reduced improper payments. Annual benefit savings of as much as \$151 million could be reaped from this expansion.

Legislation proposed for FY 2007 will permit waivers of certain Federal requirements to allow states to experiment with innovative projects aimed at early re-employment of UI beneficiaries.

