| | |
|---|---|
| **U. S. Department of Labor**<br>Employment and Training Administration<br>Washington, D.C. 20210 | **CLASSIFICATION**<br> UI |
| | **CORRESPONDENCE SYMBOL**<br> OWS/DPM |
| | **DATE**<br>October 31, 2006 |

**ADVISORY:** UNEMPLOYMENT INSURANCE PROGRAM LETTER No. 3-07

**TO:**　　　　STATE WORKFORCE AGENCIES

**FROM:**　　　EMILY STOVER DeROCCO  /s/
　　　　　　　Assistant Secretary

**SUBJECT:**　Use of National Directory of New Hires (NDNH) in Unemployment
　　　　　　　Insurance (UI) Benefit Accuracy Measurement (BAM) Audits


1. <u>Purpose</u>.  To modify Employment and Training (ET) Handbook 395 to incorporate crossmatches with the NDNH as a mandatory part of the BAM case investigation methodology and to provide State Workforce Agencies with instructions on use of the NDNH as part of BAM audits.

2. <u>References</u>.  <u>Benefit Accuracy Measurement State Operations Handbook</u> (ET Handbook No. 395, 4th ed.); Section 453 (j) of the Social Security Act (SSA).

3. <u>Background</u>.  BAM has identified unreported or erroneously reported earnings while claiming UI benefits -- known as benefit year earnings (BYE) -- as the leading cause of UI overpayment errors.  In calendar year (CY) 2005, BAM estimated that BYE issues accounted for $877 million in overpayments, which represent nearly 30 percent of the $3 billion total of UI benefits estimated to have been overpaid.

   During Fiscal Year (FY) 2003, the U. S. Department of Labor (DOL) Office of the Inspector General (OIG) audited the BAM program.  The OIG final report (Number 22-03-009-03-315, September 30, 2003) concluded that BAM is methodologically sound and accurately detects and reports UI payment errors, but that the BAM case investigation procedures potentially miss some overpayments caused by unreported earnings.  The OIG recommended that DOL modify the BAM audit procedures to include crossmatching UI beneficiaries' Social Security Numbers (SSN) against the state's intrastate wage records or the State Directory of New Hires (SDNH).

| | |
|---|---|
| **RESCISSIONS**<br>None | **EXPIRATION DATE**<br>None |

The use of state wage records was considered when BAM was designed but was not included in the methodology because employer reporting of wage data does not occur in time to insure the timely completion of BAM cases.  Since August 2001, the Department has encouraged but not required states to use the SDNH in BAM investigations.

4. <u>BAM Crossmatch Pilot</u>.  The Employment and Training Administration (ETA) conducted a pilot test that incorporated intrastate wage record and SDNH crossmatches into the BAM case investigation methodology.  Seven states -- Alabama, Idaho, Illinois, Maine, Missouri, South Carolina, and Washington -- participated in the pilot and began their pilot activities in August/September 2004.

   The purpose of the pilot was to:

   - estimate the magnitude of overpayments attributable to unreported earnings that are not detected through current BAM audit methods but are detected through the use of SDNH or wage record crossmatches;

   - identify other issues that might affect the claimant's eligibility for the compensated week selected for the BAM sample (for example, voluntary quit or discharge from employment in the benefit year);

   - measure the additional cost to the BAM program of implementing these methods; and

   - identify operational issues that would need to be addressed prior to national implementation, assuming that the cost-benefit analysis indicated that inclusion of these procedures as part of the BAM audit was justified.

   The following table summarizes the effects on the UI payment accuracy rates of using either the wage record or SDNH crossmatches as part of the BAM audits.  The complete BAM Crossmatch Pilot Final Report is available on the ETA Web site: http://workforcesecurity.doleta.gov/unemploy/pdf/xmatch_pilot_report.pdf.

| | U.S. Annual Report Rate | | | U.S. Operational Rate | | |
|---|---|---|---|---|---|---|
| Crossmatch | Percent of UI Benefits Overpaid (Percentage Point Increase) | Percentage Increase | Estimated Amount of Overpayment Increase (See Note) | Percent of UI Benefits Overpaid (Percentage Point Increase) | Percentage Increase | Estimated Amount of Overpayment Increase (See Note) |
| Wage Record | 9.66% (+0.36) | 3.85% | $146.5 M | 5.34% (+0.36) | 7.37% | $150.3 M |
| SDNH | 9.71% (+0.45) | 4.94% | $154.2 M | 5.20% (+0.45) | 9.47% | $151.6 M |

**Note: Wage record results apply to a full year (CY 2003) of BAM data; SDNH results apply to a six-month period beginning in August / September 2004, depending on the state. The increases in the estimated amounts of overpayments for a 12-month period using the SDNH as part of the BAM investigation are extrapolated from the six-month sample data.**

The states that participated in the BAM crossmatch pilot reported no significant implementation or operational issues for either the wage record or SDNH crossmatch. Based on the results of the pilot, ETA concluded that of the two methods tested, crossmatching BAM cases with the new hire directories is superior for the following reasons.

- Use of new hire data is cost effective. Due to the large number of wage record matches requiring follow-up investigation, most of which yielded no information affecting the UI beneficiary's eligibility, the investigation costs for the wage record crossmatch were a little more than twice the costs of investigating cases identified by the new hire directory.

- New hire data are more effective in identifying payment errors. The new hire directory crossmatch resulted in an increase in the annual report and operational overpayment rates of 0.45 percentage points, while the wage record crossmatch resulted in an increase in the overpayment rates of 0.36 percentage points.

- Audits based on wage record crossmatch would delay publication of BAM data for several months after the 120-day close-out deadline for the original BAM investigations. In comparison, because the new hire directory crossmatches are concurrent with the rest of the BAM investigation, the BAM data publication schedule should not be adversely affected.

- Use of wage record crossmatch would also likely have a negative impact on BAM case completion timeliness. As each quarter's cases are crossmatched

with the most recent wage records, BAM investigators would have to follow up on matches for several completed cases while they are conducting audits for current cases. This would likely delay completion of the on-going sample cases. The pilot states that conducted new hire directory crossmatches as part of their BAM investigations reported no change in their case completion timeliness.

In August 2004, section 453(j) was added to the SSA to authorize use of the NDNH "for purposes of administering an unemployment compensation program under Federal or State law." During FY 2005, the Texas, Utah, and Virginia workforce agencies participated in a pilot test which matched UI payments against the NDNH data. The results of this pilot indicated that because the NDNH includes data for out-of-state, Federal civilian and military employment, and in-state hires by some multi-state employers, it is a more effective tool in identifying potentially disqualifying employment than the SDNH, which includes only intrastate employment data.

5. <u>Implementation</u>. The Office of Management and Budget approved DOL's request to incorporate crossmatches with the NDNH as a mandatory part of the BAM case investigation methodology on August 31, 2006.

In order to enhance the ability of BAM to detect erroneous UI benefit payments and to ensure that each state follows standard methods and procedures with respect to case investigations, ETA has modified ET Handbook No. 395, 4th ed., Chapter VI (Investigative Procedures), to incorporate crossmatches with the NDNH into the BAM case investigation methodology. Replacement pages for the handbook are provided in Attachment A.

This requirement will be effective with BAM batch 200801 (sampling week beginning December 30, 2007, and ending January 5, 2008). Some states have already integrated new hire directory crossmatches into their paid claims audits. DOL encourages states to use the NDNH crossmatch as part of their BAM paid claims investigations prior to the effective date. States not participating in the NDNH crossmatch prior to the effective date may crossmatch BAM paid claims sample cases with their SDNH. However, once the state begins to access the NDNH, it must use the NDNH as part of the BAM paid claims investigation instead of the SDNH. All BAM paid claims investigations must include the NDNH crossmatch by the effective date (BAM sampling batch 200801).

BAM auditors will conduct fact-finding, according to the procedures in ET Handbook No. 395, for those BAM cases in which the claimant's SSN matches one or more records in the new hire directory to determine whether there are any issues affecting the claimant's eligibility for UI benefits for the sampled week. Agencies

will take official action to establish overpayments or correct underpayments identified as a result of the investigations conducted subsequent to the new hire directory crossmatches if permitted by state law.  New hire directory crossmatch procedures and BAM data collection instrument crossmatch codes are provided in Attachment B.

New hire directory file access and retention will vary by state.  BAM program managers are responsible for identifying the organizational unit and staff within their state that manage their state's participation in the NDNH or administer their SDNH and determining the procedures needed to link BAM data with the new hire data in their state.  States should direct technical questions regarding NDNH data submission procedures to their U. S. Department of Health and Human Services State Technical Support Liaison.  A list of liaisons is available at the following Web site:  http://www.acf.hhs.gov/programs/cse/newhire/contacts/fcrtscontacts.htm.

State agencies that currently use wage records as part of the BAM investigation may continue to do so in addition to the new hire directory.  However, the use of wage records as part of the BAM investigation is <u>not</u> required.

6. <u>Action</u>.  State Administrators are requested to provide the information contained in this advisory to the appropriate staff and to assure that systems are in place to implement the NDNH crossmatch no later than BAM batch 200801 (sampling week beginning December 30, 2007 through January 5, 2008).

7. <u>Inquiries</u>.  Questions should be directed to the appropriate regional office.

8. <u>Attachments</u>.

A. Replacement pages for ET Handbook No. 395
B. New Hire Directory Crossmatch Procedures and BAM Data Collection Instrument Crossmatch Codes

Replacement Pages for ET Handbook No. 395, 4th Edition

e. <u>National Directory of New Hires</u>. Section 453(i) of the Social Security Act (SSA) [42 U.S.C 653(i)] directs the Secretary of Health and Human Services to maintain an automated database of the State Directory of New Hires records in the National Directory of New Hires (NDNH). Section 453(j)(8) SSA authorizes use of the NDNH "for purposes of administering an unemployment compensation program under Federal or State law." BAM must utilize this resource as part of the audit of paid claims to detect and investigate claimant employment during the benefit year to determine its affect on the claimant's eligibility for UI.

5. **Disqualifying/Deductible Income Verifications**. Verifications must be made of receipt of all remuneration that could directly affect the Key Week for which claimants could be disqualified or have benefits reduced. States should verify this income by using the method of contact determined by the state to be the most appropriate.

6. **Dependency Eligibility Verifications**. In states with dependency allowance provisions in their laws, the investigator must verify the dependents that were claimed. This verification must, at a minimum, consist of the methods prescribed by state law and/or policy.

7. **UCFE**. To better integrate federal program with states' claims processing systems, procedures for obtaining wage and separation information for both the UCFE and UCX programs have been automated to the extent possible. For the UCFE program, Lockheed Martin developed an ICON application that states use to generate electronic and/or hardcopy requests to federal Agencies, as appropriate, and to receive electronic responses. For the UCX and UCFE programs, the Claim Control File System maintained by the FCCC has been redesigned to support a more effective exchange of information and for integrity purposes.

BAM staff should work with the SWA's Federal Programs Coordinator to determine the most expedient way of obtaining wage, separation, earnings, and work search information from federal installations. If an in-person verification is deemed necessary by the state, the Federal Programs Coordinator may be able to assist BAM investigators in gaining access to federal installations. Additionally, the BAM review of the original claim file must include examination of the response from the Federal Claims Control Center (FCCC) and any subsequent state reconciliation actions to ensure that the federal wages were not used more than once to pay a claim. If no documentation is on file to indicate that the FCCC was notified of the claim, the BAM unit is to initiate a request as specified in the UCFE Handbook (No. 391) and examine the response from FCCC when it is received.

8. **UCX**. As mentioned above, procedures for securing UCX information has changed. UIPL 47-01 describes the key changes in procedures for the electronic exchange of wage and separation information for the UCFE/UCX programs. Key changes to UCX procedures include the following:

- the Department of Labor's copy of the DD Form 214, maintained at the FCCC, is now the official source of wage and separation information for use in establishing UCX entitlement and eligibility;

- the FCCC will calculate the claimant's UCX employment and wages and provide the information to SWAs; and

- the state is authorized to determine UCX eligibility under an affidavit process, using the claimant's copy four (4) of his/her DD Form 214, upon receipt of a notice from

the FCCC that there is no DD Form 214 on file. This procedure will eliminate any potential delay in the determination of UCX eligibility pending receipt of the Department's copy of the DD Form 214.

In-person employer contacts are not to be made with the military. Verifications of military wages and separations are accomplished through review of claim documents.

When a UCX claim is taken, the SWA sends an inquiry to the FCCC. The FCCC response to each inquiry enables the SWA to (1) validate the legitimacy of the DD-214 that the claimant used to establish the claim and (2) detect potential duplicate claims. The response contains the following data:
- beginning and ending dates of military service,
- tabulation of net amount of time served,
- number of days of accrued leave paid,
- character of service, pay grade, and
- date of receipt by FCCC of any previous notice of claim filed.

BAM must compare the DD-214 to the response from the FCCC to verify that the wages have not been previously assigned. The pertinent information on the DD-214 must be compared with the corresponding information on the FCCC response to ensure that the DD-214 has not been altered. Ensure that the information on the claims documents has been accurately copied from the DD-214. Also, ensure that the monetary determination was based on the appropriate Federal Schedule of Remuneration, i.e., the one in effect at the time the claim was filed.

Copies of the DD-214, the response from the FCCC, and the Federal Schedule of Remuneration should be retained in the BAM case file. If the FCCC has not been contacted, or if potential issues have not been resolved, they must be pursued by BAM.

9. **Interstate Requests**. Some investigations require contacting claimants, employers, or other parties in another state. The same procedures apply to interstate that apply to intrastate verifications. Interstate contacts may be conducted using the method of contact determined by the state to be the most appropriate given the circumstances of the case. If unable to obtain adequate information, assistance may be requested of the other state where necessary. However, each state has the final responsibility of obtaining all the necessary data to complete the case investigation.

10. **Summary of Investigation**. Each completed case must contain a Summary of Investigation. Each SWA must develop a format which includes, at a minimum, a narrative that explains the pertinent facts of the case: the basis for any decision that an error was made and any complexities of the case, e.g., difficulty obtaining information, evaluation of statements taken, reasons for delay, or any special circumstances that occurred. Alternately, this may be satisfied by appropriate reference to explanations elsewhere in the case file. In order for each case to be able to stand on its own, the Summary must be substantiated by documentation in the case file.

11. **Appeals**. All appeals hearings resulting from BAM determinations affecting the Key Week must be attended by the BAM investigator responsible for obtaining the information that led to the determination. The investigator will provide testimony concerning any questions on the BAM process and the facts upon which the determination was based. When an appeals hearing is not attended by a BAM staff member, an explanation must be provided in the BAM case file.

12. **Completion of Cases and Timely Data Entry**.  Prompt completion of investigations is important to ensure the integrity of the information being collected by questioning claimant and employers before the passage of time adversely affects recollections.  Prompt entry of associated data is necessary for both the SWA and the Department to maintain current databases.  Therefore, the following time limits are established for completion of all cases for the year.  (The "year" includes all batches of weeks ending in the Calendar Year.):

- a minimum of 70 percent of cases must be completed within 60 days of the week ending date of the batch, and 95 percent of cases must be completed within 90 days of the week ending date of the batch; and

- a minimum of 98 percent of cases for the year must be completed within 120 days of the ending date of the Calendar Year.

A case is complete when the investigation has been concluded as required, all official actions for the Key Week (except appeals) have been completed, the supervisor has signed off, and the results have been entered into the computer.

If a SWA's rates for completion of cases sampled for investigation for the year are less than the requirements, and it believes that such failure was attributable to reasons beyond its control, the SWA may submit a documented analysis to the Department (Regional Office) requesting a relief from Departmental actions (i.e., requirement to submit a corrective action plan and a footnote in the BAM Annual Report).  The analysis must demonstrate that all time limits would have been met had the uncontrollably delayed cases been timely.

13. **Reopening Cases**.  Cases may be reopened for the following:

- to correct errors (detected by either the SWA or federal reviewers);
- to update information, e.g., as a result of appeal decisions; *or*
- to update information as a result of investigation following the match of a claimant's SSN with either new hire directory records (reopen code 7) or wage records (reopen code 8).

Case completion timeliness will be recalculated when a case is reopened to either correct errors detected by the SWA or to update information, except for cases reopened to update information as a result of investigation following the match of a claimant's SSN with either new hire directory records or wage records.  Therefore, it is important to minimize reopening (other than for cases requiring reopening due to follow-up investigation as a result of a new hire directory or wage record match) by ensuring that, to the extent possible, the data are complete and correctly entered initially.

## New Hire Directory Crossmatch Procedures and
## Data Collection Instrument (DCI) Codes

1. States will crossmatch the Social Security Numbers (SSNs) of the claimants selected in the Benefit Accuracy Measurement (BAM) paid claims samples with the National Directory of New Hires (NDNH) or, until the state begins accessing the NDNH, the State Directory of New Hires (SDNH). These cases will be investigated according to the state's procedures and the guidelines in Employment and Training (ET) Handbook 395, 4th ed. BAM will determine whether the claimant was properly paid for the key week (KW) based on the information obtained through the new hire directory crossmatch investigation along with all other information collected as part of the BAM investigation: claimant interview, employer and third party contacts, and agency records.

2. States should crossmatch the SSNs of the BAM sample cases with new hire directory records that include the period from the claimant's benefit year beginning (BYB) date (or 365 days prior to the KW ending date, whichever is less) to 30 days after the KW ending date of the sampled week. The NDNH or SDNH processing date of the new hire record will be used to determine the period for which records will be crossmatched. If the state agency does not yet access the NDNH and does not retain SDNH data back to the claimant's BYB date, the SSN of the claimant selected in the BAM sample will be crossmatched with new hire records beginning with the earliest date available.

3. For those BAM cases that do <u>not</u> match any record in the new hire directory, the rest of the BAM audit will proceed according to the state's procedures and the guidelines in ET Handbook 395, 4th ed.

4. For those BAM cases that <u>do</u> match a record in the new hire directory, investigators will follow up with the claimant, employer, and relevant third parties to determine if the claimant had earnings during the BAM sample case KW. Currently, the NDNH includes the Date of Hire (DOH) reported by the employer. However, because the claimant might not earn wages until after the DOH, BAM cannot rely on the DOH to determine if the claimant has KW earnings. The Department of Labor has proposed changing the new hire reporting requirements to include the first date that the claimant earned wages.

If BAM verifies that the claimant had no earnings during the KW, the rest of the BAM audit will proceed according to the state's procedures and the guidelines in ET Handbook 395, 4th ed.

5. The primary purpose of the new hire directory crossmatch is to detect benefit year earnings (BYE). However, if the BAM investigation identifies other issues that affect the

claimant's eligibility for the compensated week, such as separation or continued eligibility issues, these will be coded as well.

> Example 1: BAM contacts the employer submitting the matched new hire record. The employer states that the claimant worked for a few weeks prior to the KW that BAM sampled and then voluntarily quit. BAM will code the separation issue if it affects the claimant's eligibility for the KW.

> Example 2: During the claimant interview, the claimant verifies employment prior to the KW but states he or she could not continue employment because of illness or injury. BAM will code the able and available (A & A) issue if it affects the claimant's eligibility for the KW.

6. BAM will determine whether the claimant was properly paid for the KW based on the information obtained through the complete audit, including the new hire directory crossmatch. For most cases, the BAM audit should be completed in sufficient time to meet the timeliness requirements. However, if information is pending from the new hire directory crossmatch follow-up investigation and all other audit requirements for the case have been met, the supervisor can sign off the case and reopen it at a later date, using reopen code '7', when the new hire directory information is complete. The time-lapse for cases using reopen code '7' will not be recalculated. Case timeliness will be calculated from the original supervisor sign-off date or the latest reopen date using reopen code '3' (state reopened to correct or revise data from original BAM audit).

7. For cases reopened using code '7', the appropriate KW Action Code (h1) '4', '5', '7', or '8' will be entered.

> ● Use code 4 if the payment was proper at time of supervisor sign-off, and no KW error issues were detected through the new hire directory crossmatch.

> ● Use code 5 if the payment was improper at time of supervisor sign-off, but no additional KW error issues were detected through the new hire directory crossmatch.

>> Example 1: The initial BAM investigation identified an A & A issue in the KW and the investigation of the new hire directory match determines that no wages were paid during the KW and that there are no other issues arising from benefit year employment that affect the claimant's eligibility for the KW.

>> Example 2: The initial BAM investigation identified a BYE issue in the KW and the investigation of the new hire directory match verifies that the information coded based on the original investigation (amount of error,

type of error, responsibility, etc.) is correct.

● Use code 7 if the payment was proper at time of supervisor sign-off, but is improper after crossmatch with the state UI wage record files.

● Use code 8 if the payment was improper at time of supervisor sign-off, but additional KW error issues were identified through the new hire directory crossmatch or additional information is identified through the crossmatch that requires revising the coding of an issue identified in the initial BAM audit.

Example 1: The initial BAM investigation identified a reporting issue in the KW, and the investigation of the new hire directory match verifies that the claimant was employed during the KW and identifies an overpayment due to BYE.

Example 2: The original BAM investigation identified a KW BYE issue and the investigation of the new hire directory match identifies additional information that requires revision of the information coded based on the original investigation (amount of error, type of error, responsibility, etc.).

8. For any error issue detected as a result of a match with the new hire directory, Point of Detection will be coded with an '80' series code. Although additional information that documents the BYE or other issue may be identified through wage verification or interviews with the claimant, employer, or third party, we want to distinguish those errors that were <u>first</u> identified through the new hire directory crossmatch. States should use the codes in section 11 to specify the point of detection in the investigation subsequent to the initial new hire directory match for information that documents a payment error.

9. If the state agency (through its Benefit Payment Control unit, for example) detected the payment error as a result of a new hire directory crossmatch and has taken official action to establish an overpayment for recovery before the BAM investigation was completed, Prior Agency Action should be coded '60'. States can use state option codes 61 - 69 to capture additional information. If the state agency has not detected the error or detected the error but has not taken official action, the appropriate Prior Agency Action code (10 - 59, 70 - 99) should be entered.

10. If a case is reopened to record a new payment error issue or additional information affecting a previously identified payment error issue, the amount of KW overpayments (h5), KW underpayments (h6), the amount that the claimant should have been paid (h2), total overpayments (h3), and total underpayments (h4) officially established as a result of the BAM investigation must be adjusted to reflect the results of the new hire directory crossmatch follow-up investigation. Any other data element affected by the

results of the new hire directory crossmatch follow-up investigation (for example, KW wages, other income, deductions, etc.) must also be modified, whether or not a payment error is established.

11.  BAM DCI Crossmatch Codes.

Key Week Action Code Flag (h1)

> 4 - Payment correct after original BAM investigation at time of supervisor sign-off; payment also correct after crossmatch with National Directory of New Hires, State Directory of New Hires, or state UI wage record files.
>
> 5 - Payment improper after original BAM investigation at time of supervisor sign-off; no additional key week error issues detected after crossmatch with National Directory of New Hires, State Directory of New Hires, or state UI wage record files.
>
> 6 - [Definition Reserved]
>
> 7 - Payment correct after original BAM investigation at time of supervisor sign-off; payment improper after crossmatch with National Directory of New Hires, State Directory of New Hires, or state UI wage record files (requires entry of data in the error issue table).
>
> 8 - Payment improper after original BAM investigation at time of supervisor sign-off; additional key week error issues identified through the crossmatch with National Directory of New Hires, State Directory of New Hires, or the state UI wage record files or additional information is identified through the crossmatch that requires revision of the previous coding (requires entry of data in the error issue table).
>
> Edits:  Key Week Action Codes 4, 5, 7, and 8 are valid only if reopen code = 7 or 8.

Point of Detection (ei5)

Crossmatch of claimant SSN with National Directory of New Hires or State Directory of New Hires (second digit used to document point of detection subsequent to new hire directory match):

> 80 - (Second digit reserved for state use)
> 81 - Verification of work search contact
> 82 - Verification of wages and/or separation

83 - Claimant interview
84 - Verification of eligibility with 3rd parties
85 - UI Records
86 - Job Service/Employment Service records
87 - Verification with union
88 - (Second digit reserved for state use)
89 - (Second digit reserved for state use)

Crossmatch of claimant SSN with wage record files (second digit used to document point of detection subsequent to wage record match):

90 - (Second digit reserved for state use)
91 - Verification of work search contact
92 - Verification of wages and/or separation
93 - Claimant interview
94 - Verification of eligibility with 3rd parties
95 - UI Records
96 - Job Service/Employment Service records
97 - Verification with union
98 - (Second digit reserved for state use)
99 - (Second digit reserved for state use)

Note:  Codes 90-99 were established for the pilot test of the wage record crossmatch. These codes are still valid if states use wage record data as part of the BAM investigation; however, use of wage record data is <u>not</u> required.

Prior Agency Action (ei6)

60 - 69 - State agency had detected payment error as a result of crossmatch of claimant SSN with National Directory of New Hires or State Directory of New Hires and had taken official action before the BAM investigation was completed to either 1) establish overpayment for recovery or decrease claimant's weekly benefit amount (WBA), maximum benefit amount (MBA), dependents' allowance (DA), or remaining balance (RB); or 2) issue supplemental check or increase claimant's WBA, MBA, DA, or RB.  The second digit is reserved for state use.

70 - 79 - State agency had detected payment error as a result of crossmatch of claimant SSN with wage record files and had taken official action before the BAM investigation was completed to either 1) establish overpayment for recovery or decrease claimant's WBA, MBA, DA, or RB; or 2) issue supplemental check or increase claimant's WBA, MBA, DA, or RB.  The second digit is reserved for state use.

Note:  Codes 70-79 were established for the pilot test of the wage record crossmatch. These codes are still valid if states use wage record data as part of the BAM investigation; however, use of wage record data is <u>not</u> required.

<u>Reopen Code (ro1)</u>

> 7 - Case reopened to record results of new hire directory crossmatch of claimant SSN.

> 8 - Case reopened to record results of wage record crossmatch of claimant SSN.

> Edits:  If Reopen Code = 7 or 8, Key Week Action Flag Code (h1) must equal 4, 5, 7, or 8.  Timeliness will <u>not</u> be recalculated for cases reopened using reopen codes 7 or 8; timeliness will be based on the supervisor completion date (h10) or reopen date (ro2) for records with reopen code 3, whichever is later.

Note:  Code 8 was established for the pilot test of the wage record crossmatch.  This code is still valid if states use wage record data as part of the BAM investigation; however, use of wage record data is <u>not</u> required.