

A Brief Guide to Reporting and Validating High Dollar Amounts on the Revised ETA 227 Report – February 2016 Update

This brief guide illustrates how to report and validate high dollar overpayments for a particular quarter and has been updated to reflect the Department of Treasury’s increase to the high dollar overpayment threshold amount in July 2015 from over \$5,000 to over \$25,000.

Definitions. With the issuance of [UIPL 08-12 Change 1](#), Handbook 401 defines high dollar overpayments as “The total overpayment established during the reporting quarter for an individual exceeds \$25,000. Overpayments may be for a single payment or for cumulative payments made during or prior to the reporting quarter.” Further guidance specifies that:

- High dollar overpayments should be reported separately for each program type, i.e., for regular State (UI), regular Federal (UCFE/UCX) and Extended Benefits (EB);
- In most cases, all the overpayments in a high dollar calculation come from the same benefit year (BYB) or claim series;
- In making the high dollar calculation for a regular or EB claim series, combine fraud and non-fraud overpayments;
 - However, report the fraud portion on line 112 and the non-fraud portion on line 113; report the count on the line with the larger total overpayments (if they’re equal report the count as Fraud);
- Ignore adjustments to overpayments that are reported as Additions or Subtractions in Section C of the 227 report;
- Penalty amounts are not to be included in high dollar; and
- If the claimant has an overpayment in the reporting quarter the state must search for overpayment amounts for the same claim series but established in prior quarters to include in a high dollar calculation. The state does not need to search for overpayments established in quarters prior to the reporting quarter for claimants who do not have overpayments reported in the reporting quarter.

Illustrative Scenario. The following table summarizes the overpayment actions over four quarters for a UI claimant:

Transaction Number	Date	Action	BYB Date	Amount
1	11/15/2014	UI Fraud overpayment established	10/15/2013	\$4,500
2	3/15/2015	UI Non-fraud overpayment established	1/08/2015	\$11,000
3	5/13/2015	Overpayment established on 3/15/2016 was increased by a	1/08/2015	\$150

		redetermination		
4	6/14/2015	UI Fraud overpayment established	1/08/2015	\$12,000
5	7/1/2015	Penalty assessed on 6/14/2016 Fraud overpayment	1/08/2015	\$300
6	7/2/2015	UI Non-fraud overpayment established	1/08/2015	\$2,500
7	8/20/2015	Overpayment established on 6/14/2016 was reduced after appeal	1/08/2015	\$500
8	9/15/2015	UI Non-fraud overpayment established	1/08/2015	\$200
9	9/29/2015	EB overpayment established	1/08/2015	\$750

Reporting on the ETA 227 Report. The following table indicates how these transactions would be reported on the ETA 227 after the states implemented the *high dollar* reporting change as directed in [UIPL 08-12, Change 1](#).

Reporting Overpayment Transactions by Quarter						
Transaction Number	Date	BYB Date	Action	Reporting		
				Year, Quarter	Line	Amount
1	11/15/2014	10/15/2013	UI Fraud overpayment established	4 th Q 2014	101	\$ 4,500
2	3/15/2015	1/08/2015	UI Non-fraud overpayment established	1 st Q 2015	103,107	\$11,000
3	5/13/2015	1/08/2015	Overpayment established on 3/15/2016 was raised by redetermination	2 nd Q 2015	310	\$150
4	6/14/2016	1/08/2015	UI Fraud overpayment established	2 nd Q 2015	101	\$12,000
5	7/1/2015	1/08/2015	Penalty Assessed	3 rd Q 2015	109	\$300
6	7/2/2015	1/08/2015	UI Non-fraud overpayment established	3 rd Q 2015	103,107	\$2,500

7	8/20/2015	1/08/2015	Overpayment established on 6/14/2016 was reduced after appeal	3 rd Q 2015	311	\$500
8	9/15/2015	1/08/2015	UI Non-fraud overpayment established	3 rd Q 2015	103,107	\$200
9	9/29/2015	1/08/2015	EB Fraud overpayment established	3 rd Q 2015	101	\$750

To determine whether there is a UI high dollar overpayment for the 3rd quarter of 2015 for this claimant, you need to add all UI overpayments in the third quarter (Fraud and Non-fraud), i.e., transactions 6 and 8, plus all UI overpayments in previous quarters, i.e., transactions 2 and 4. These add up to \$25,700 making it a high dollar overpayment; of which \$12,000 is Fraud and will be added to cell 112-4 and \$13,700 is Non-fraud and will be added to cell 113-4. Since the Non-fraud amount is greater than the Fraud amount, this high dollar overpayment will be counted as a UI Non-fraud high dollar overpayment on cell 113-2.

Reporting UI High Dollar Overpayments on the 3rd Quarter of 2015		
Report Cell Number	Cell Description	Amount
112-2	UI High Dollar Fraud - Counts	0
113-2	UI High Dollar Non-Fraud - Counts	1
112-4	UI High Dollar Fraud - Dollar Amount	12,000
113-4	UI High Dollar Non-Fraud- Dollar Amount	13,700

Notice that transaction 1 would not be included in the UI high dollar calculation because it belongs to a different benefit year. If other overpayments for the 10/15/2013 benefit year were later established, then this transaction amount would be used to calculate a high dollar overpayment against the \$25,000 threshold, assuming the state is reporting high dollars for this benefit year for the first time. Once a state reports a high dollar overpayment, the counter is set back to \$0 and the same transactions cannot be used again to calculate a high dollar overpayment in subsequent quarters.

Also, notice that transactions 3 and 7 would not be included in the computation of a high dollar overpayment because they are adjustments, and transaction 5 would not be included because it involves penalty.

To determine whether there was an EB high dollar overpayment, we look at transaction 9, which is the only EB transaction for the claimant. Since it is less than \$25,000, it is not a high dollar overpayment.

Population 12 Validation for 3rd Quarter 2015. To validate the third quarter of 2015 you need to build an extract file with four records. Two records would be for the two UI Non-Fraud amounts established in that quarter, i.e., transactions 6 and 8. These records are numbered 1 and 2 in the table below. Because there was a UI Non-fraud amount of \$11,000 for the same benefit year in a previous quarter, i.e. transaction 2, you need to set the Accumulated UI Amount of these two records to be \$11,000. If there were more than one UI Non-fraud overpayments in previous quarters, you would add them up and use the total as the Accumulated UI Amount for all the records in the validation quarter.

Because there was a UI Fraud overpayment established in a previous quarter that must be included in the high dollar calculation, i.e., transaction 4, but there is no UI Fraud established in the validation quarter, you need to build a record with zero UI Amount and Accumulated UI Amount of \$12,000.

The accumulated amounts fields do not include adjustments or penalty amounts or overpayments for other benefit years; hence, transactions 1, 3, 5 and 7 are not included in the accumulated amounts.

The fourth record would be for the EB overpayment. The claimant had only one EB overpayment; hence the Accumulated EB Amount is zero.

Population 12 Extract File for Validation of Section A of 3rd Quarter 2015 ETA 227 Report													
Obs	SSN	Unique ID	Program Type	Type of Overpayment	Cause of Overpayment	Date Established	U I Amount	Federal Amount	EB Amount	Accumulat ed UI Amount	Accumulat ed Federal Amount	Accumulat ed EB Amount	Date of Original Monetary
1	123456789	555	UI	NONFRAUD	Claimant	07/02/2015	2500	0	0	11000	0	0	01/08/2015
2	123456789	559	UI	NONFRAUD	Claimant	09/15/2015	200	0	0	11000	0	0	01/08/2015
3	123456789	560	EB	FRAUD	Single Claimant	09/29/2015	0	0	750	0	0	0	01/08/2015
4	123456789	512	UI	FRAUD	Single Claimant	09/15/2015	0	0	0	12000	0	0	01/08/2015

The DV software computes the high dollar validation amount by summing the amounts established for the claimant from the same claim series in the current report quarter with any accumulated amounts from that same claim series. If there are multiple

overpayments in the report quarter, the software will add only one accumulated amount for Non-fraud and one for Fraud. In this example, the high dollar amount is the sum of \$2,500 + \$11,000 + \$200 + \$12,000 = \$25,700. The \$11,000 Nonfraud Accumulated UI amount is added only once although there are two Non-fraud records. The software will count a high dollar Fraud or Non-fraud based on which has the higher amount; in this case it is the Non-fraud.

The Unusual Case of a Single Overpayment from More than One Type or Claim Series

Occasionally an overpayment will be established that includes amounts paid from more than one claim series or claim type, e.g., as a result of an appeals decision or the confirmation of fraudulent claiming while employed. The first rule in validating such a case is to follow the same rules used for reporting the case on the 227. If the overpayment established through an appeal combines overpayments of different program types, the amount of each type (e.g., Regular UI and EB) would be reported separately on the 227. For each type of overpayment, you will need to build one record; and if parts of the overpayment amount for that type come from different claim series, use the most recent BYB date in Field 14. If the overpayments in the decision are of the same type—probably much more likely--build one record, and use the most recent BYB date in Field 14.

For example, assume that an overpayment of \$13,000 was established for the claimant on 9/15/2015 after an appeal was denied. This decision included a UI Non-fraud overpayment of \$12,500 where \$1500 was for BYB 10/15/2014 and \$11,000 was for BYB 1/08/2015. It also included an EB Non-fraud overpayment of \$500 for BYB 10/15/2014. These overpayments would be reported on line 104 (Reversals), with counts taken in columns (2) and (20) and \$12,500 in column (4) and \$500 in column (21). The DV records are shown below. We assume that the claimant has a UI accumulated amount of \$11,000 because of the overpayment established on 3/15/2015, shown in the second table above (Transaction 2).

Population 12 DV Example Records for Validation of Section A of 3rd Quarter 2015 ETA 227 Report, mixed BYB Case													
Row #	SSN	Unique ID	Program Type	Type of Overpayment	Cause of Overpayment	Date Established	U I Amount	Federal Amount	EB Amount	Accumulat ed UI Amount	Accumulat ed Federal Amount	Accumulat ed EB Amount	Date of Original Monetary
	123456789	324	EB	NONFRAUD	Reversal	09/15/2015	0	0	500	0	0	0	10/15/2014
	123456789	559	UI	NONFRAUD	Reversal	09/15/2015	1500	0	0	11000	0	0	01/08/2015