U.S. Department of Labor Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Benefit Accuracy Measurement
Payment Integrity Information Act
State Data Summary Performance Year 2024

The Benefit Accuracy Measurement (BAM) program is designed to determine the accuracy of paid and denied claims in three major Unemployment Insurance (UI) programs: regular State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Servicemembers (UCX). State Workforce Agencies (SWAs) select weekly random samples of paid and denied claims. Independent state BAM investigators conduct audits of these paid and denied claims to determine whether the claimant was properly paid or properly denied benefits. The BAM program's sample size and design produces statistically valid estimates. These results are used to estimate accuracy rates for the populations of paid and denied claims. The BAM program also offers quality assurance for the UI program by providing continuous feedback on the state and federal methods of administration.

Based on the errors identified and information gathered through the BAM program, states are able to develop and implement plans to improve accurate administration of state law, rules, and procedures. The major objectives of the BAM program are to:

- Assess the accuracy of UI payments;
- Estimate the UI Improper Payment Rate as required by Federal Law;
- Promote improvements in payment accuracy and program integrity; and
- Encourage more efficient administration of UI programs.

The basis for determining payment and denial accuracy are federal and state laws, administrative codes and rules, and official policies. The BAM program is designed to be comprehensive in coverage by including all areas of the UI claims processes where errors may occur. As a quality assurance program, BAM is a diagnostic tool for Federal and SWA staff to use in identifying systemic errors and their root causes, and to correct and track solutions to these problems.

Under 20 CFR 602.21(g), the U.S. Department of Labor's (Department) Employment Training Administration (ETA) compiles and releases the BAM program results each year on behalf of the states. The Department accomplishes this requirement by the release of annual and quarterly results on its Web site: Unemployment Insurance Payment Accuracy Data . On the BAM homepage a more detailed analysis is also released each year.

The Payment Integrity Information Act (PIIA) of 2019 (at 31 USC Section 3352) requires agencies to examine the risk of erroneous payments in all programs and activities they administer. This Federal law defines the term improper payment as:

(A) …any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment, under a statutory, contractual, administrative, or other legally applicable requirement; and

(B) includes—(i) any payment to an ineligible recipient; (ii) any payment for an ineligible good or service; (iii) any duplicate payment; (iv) any payment for a good or service not received, except for those payments where authorized by law; and (v) any payment that does not account for credit for applicable discounts.[1] Agencies (including state and local entities receiving federal funds) are required to review all programs and activities they administer and identify those that may be susceptible to significant erroneous payments. A program automatically becomes 'High-Priority' when its annual reported monetary loss improper payment estimate is greater than or equal to $100,000,000, regardless of the Improper and Unknown Payment rate[2].

With the enactment of PIIA, the Federal Office of Management of Budget (OMB) published new reporting requirements (https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf). The OMB publication introduces a new category of payment accuracy classification of payments (designated as technically improper payments) and provides clarification on identifying and reporting unknown payments:

> An unknown payment [unk] is a payment for which a determination cannot be made about whether it is proper or improper. It includes situations where a program is still conducting research or going through the review of a payment at the time that it must finish sampling and report its results, the payment will be considered as unk for reporting purposes that year. These payments contribute to the improper payment rate. OMB requires agencies to report the resolution of unknown payments when sufficient information is subsequently obtained.
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> A technically improper payment is a payment made to an otherwise qualified recipient in the right amount, but the payment failed to meet all regulatory and/or statutory requirements. An example of this is where the state paid the right claimant the correct amount but failed to send the claimant required literature on benefits rights and responsibilities or a combined wage claim option was not offered to the claimant, but the failure did not affect payment accuracy in either state.

The Employment and Training Administration's Office of Unemployment Insurance (OUI) is in the process of updating the ET Handbook No. 395 and the BAM payment accuracy coding system to accommodate these new codes.

Additionally, PIIA continues the requirement for valid statistical estimates of improper payments such as those generated by the BAM program and compels actions to reduce

[1] Appendix C to OMB Circular A-123, (March 5, 2021)
[2] Appendix C to OMB Circular A-123 p.56, (March 5, 2021)

improper payments. SWAs make all UI eligibility and payment decisions and, therefore, the Department requires SWAs to review their BAM program improper payment estimates and report their planned activities to prevent, detect, reduce, and recover improper payments in an UI Integrity Action Plan (ET Handbook No. 336, see, Appendix V).[3]

The Department provides the estimated overpayment, underpayment, and unknown rates to OMB as part of its PIIA reporting.[4] The performance year (PY) for reporting is the 12-month period from July 1, Year, through June 30, Year+1. For example, for PY 2024, the performance year for reporting is from July 1, 2023, through June 30, 2024. The PY 2024 BAM data is aligned with the reporting period used in the Department's Agency Financial Report (AFR).

Since the time BAM investigators have to complete the performance year investigations ends after the cut-off date for AFR data collection, this PIIA PY 2024 report includes paid claim accuracy cases completed after the AFR data collection date and also includes denied claim accuracy estimates. The report reflects data at a national level, which is the sum of the 52 SWAs. The SWAs consist of the 50 states, Puerto Rico, and the District of Columbia. Each SWA's data are provided in separate linked documents. The United States Virgin Islands is exempt from operating a BAM program.

The PIIA PY 2024 includes weekly samples for Batch Range 202327 through 202426. A batch sample set, 7 to 9 payments, is selected from the population of payments issued by the state agency during a week. Typically, there are 52 batch weeks in a PY. It is important that the BAM programs in each SWA accurately measure the level of improper payments in its state, so that performance can be analyzed against the state and national targets. BAM is a critical tool in assessing improvements in program accuracy and integrity, while encouraging efficient administration of the UI program.

UI benefit payments included in the BAM sample for the PIIA PY 2024 was $33.75 billion compared to $26.94 billion in PIIA PY 2023. In PIIA PY 2024 BAM paid claims results are based on 23,107 of the 23,629 valid sample cases. This represents a completion rate of 97.79 percent for the Paid Claim Accuracy (PCA) information presented. BAM investigators completed claimant interviews in 18,634 or 80.64 percent of the completed cases. The remaining audits were completed based on information obtained from agency records, the claimants' former employers, and third-party sources, such as labor unions, educational institutions, doctors, and private employment agencies. The linked document below shows the worksheet titled "PCA Case Errors x Responsiveness," where investigators can identify payment accuracy issues in cases, in which interviews are not completed. This limits nonresponse bias.
PIIA 2024 Claimant Responsiveness and Method Claimant Information Obtained

[3] Unemployment Insurance Program Letter (UIPL) No. 16-24, (July, 22 2024); and ET Handbook No. 336
[4] U. S. Department of the Treasury PaymentAccuracy.gov Web Page: https://www.paymentaccuracy.gov/

Readers are strongly cautioned that it may be misleading to compare one state's payment accuracy rates with another state's rates. No two states' written laws, regulations, and policies specifying eligibility conditions are identical, and differences in these conditions can increase the potential for error. States have developed various methods to determine monetary entitlement to UI. Additionally, nonmonetary requirements are, in large part, based on how a state interprets and enforces its law. Two states may have identical laws but may interpret them quite differently. (See the 2023 and 2024 “Comparison of State Unemployment Laws” and the Significant Provisions of State UI Laws linked below that cover PIIA 2024.). Note that not all relevant SWA law, rules and written policies may be included in this publication,
https://oui.doleta.gov/unemploy/comparison/2020-2029/comparison2023.asp
https://oui.doleta.gov/unemploy/content/sigpros/2020-2029/January2024.pdf

Because the BAM data are based on samples, the estimated improper payment rate is subject to sampling and non-sampling errors. Sampling errors are errors that arise in a data collection process as a result of taking a sample from a population rather than using the whole population. Therefore, integrity rates are shown at a 95 percent confidence level with an interval, expressed as plus or minus percentage points. The actual rate is expected to lie within the interval 95 percent of the time. The rate and intervals are constructed from repeated samples of the same size and selected in the same manner as the BAM sample requires.

Non-sampling errors are errors or biases that arise in a data collection process as a result of factors other than taking a sample. These errors can include, but are not limited to, timeliness of data collection, data entry errors, inappropriate fact-finding, analysis and conclusions completed by state investigators or inaccurate information provided by survey respondents.

The Department’s approved improper payment rate computation methodology can be found in UIPL 09-13 Change 1 (issued on January 27, 2015). Corrective action and integrity plans for Fiscal Year (FY) 2024 are based on this computation methodology. PIIA requires an improper payment rate less than 10 percent for each program and activity for which an estimate is published.

In this PIIA PY 2024 report, the Department uses six analytical measures to assess SWA payment accuracy and estimate the risk of erroneous denial of benefits. Individual SWA rates reflect state laws, administrative codes or rules, and policies. National results reflect the 52 SWAs’ findings.

The Analytical Measures (Rates):

1. **Overpayment Rate** - The overpayment rate is defined in UIPL No. 09-13, Change 1. It is the total weighted dollar amount of payments determined to be overpaid, divided by the weighted dollar amount paid in the BAM sample population. The rate includes fraud, nonfraud recoverable, and nonfraud nonrecoverable overpayments. All causes and responsible parties are included in this rate.

2. **Underpayment Rate** – The underpayment rate is defined in UIPL No. 9-13, Change 1. It is the total weighted dollar amount of payments determined to be underpaid divided by the weighted dollar amount paid in the BAM sample population. All causes and responsible parties are included in this rate. It includes errors where additional payment is made to the claimant. It excludes those errors that are technically proper due to finality rules or technically proper due to rules other than finality.

3. **Improper Payment Rate** – This rate includes UI benefits overpaid plus UI benefits underpaid divided by the total amount of UI benefits paid. Overpayments, underpayments, and total UI benefits paid are estimated from the BAM survey results of paid UI claims in the UI, UCFE, and UCX programs. Overpayments and underpayments determined to be technically proper under state UI law for finality and other reasons are excluded from the measure.

4. **Agency Responsibility Rate** - This rate includes overpayments for which the SWA was either solely responsible or shared responsibility with claimants, employers, or third parties, such as labor unions or private employment referral agencies. The rate includes fraud, nonfraud recoverable overpayments, and nonfraud nonrecoverable overpayments. It excludes payments that are technically proper due to finality or other rules.

5. **Fraud Rate** - In general, fraud involves a knowing and willful act and/or concealment of material facts to obtain or increase benefits when benefits are not due. However, unemployment compensation (UC) fraud standards vary from state to state. Employers may also commit fraud in attempts to limit tax liability. State definitions of knowing, willful or the concealment of facts also vary. States also differ on the implementation of fraud administrative penalty determinations, and in some states, a fraud determination becomes effective on the date of the fraudulent act. In other states, the administrative penalty takes effect on the determination date. The individual state rates reflect these differences. The rate includes all causes and responsible parties.

6. **Improper Denial Rates** - BAM estimates the percentage of claimants improperly denied benefits. This rate includes three subcategories: monetary denials, separation denials, and nonseparation denials. The BAM program does not assign a dollar estimate to improper denial rates; however, improper denials are corrected when permitted by law.

For a detailed listing of these rates for each state, click on the following link (Please note that excel spreadsheets may have several worksheets or tabs of data):
PIIA 2024 Integrity Rates All States

I. Paid Claims Accuracy

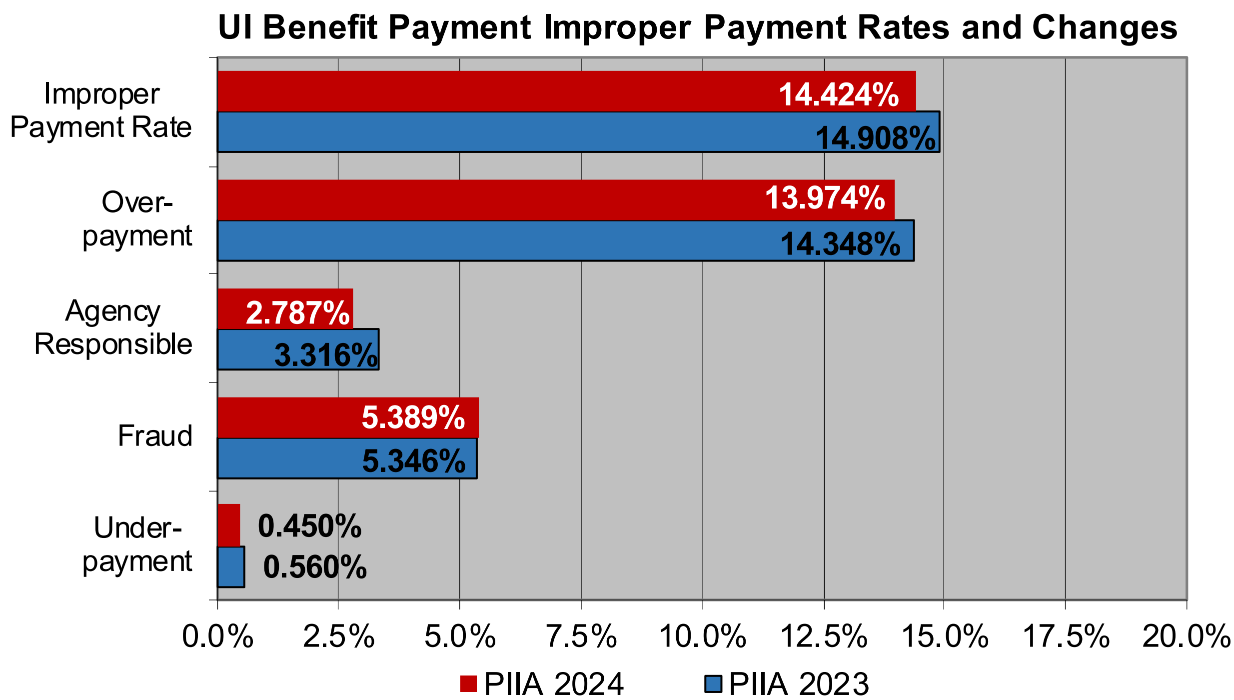
The Code of Federal Regulations (20 CFR 602) requires states to conclude all findings of inaccuracy as detected through quality control (QC) (now known as BAM) investigations with appropriate official actions in accordance with the applicable State and Federal laws. BAM classifies its findings in benefit payment and denial cases as proper or improper. The classification system for payment accuracy includes seven codes while the classification system for denials includes six codes.

For each paid UI week investigated, referred to as the Key Week (KW), BAM investigators record whether the payment was proper, technically proper, or improper. Payment errors on the KW are weighted and used to generate improper payment estimates. The coding of BAM audit findings is required to be consistent with federal and SWA laws, rules, and written policies[5]. BAM captures 110 data elements for each sampled payment or denial.

The BAM data set includes demographic information and before and after investigation elements for eligibility conditions. Data for nine of these elements are completed only for improper and technically proper payments or erroneous denials. The Department uses these elements to produce the various integrity rates listed. (ET 395 Handbook 5th Edition BAM State Operations Guidance).

Each integrity rate discussed above, represents a different view of the BAM data set. (See PIIA 2024 Methodology and Program Description). For example, the fraud rate and the agency responsible rate are subsets of the overpayment rate. The data structure allows for the development of individual overpayment cause rates, and excludes the impact of other erroneous payments. The chart below summarizes five PCA rates, that are used for communicating payment accuracy estimates. The improper payment rate listed in the chart is based on performance data for PIIA PY 2024. BAM investigators have up to 120 days from the end of the quarter (October 2024) to complete 98 percent of their audits and record the outcomes. This report's rates include these cases that were completed after the annual data submission to OMB. **As a result, the rates in this report vary from the rates reported in the 2024 dataset on paymentaccuracy.gov.**

[5] Comparison of State Unemployment Laws – Note that not all SWA laws, rules and written policies may be included in this catalog, https://oui.doleta.gov/unemploy/comparison/2020-2029/comparison2023.asp and 20 CFR 602.21(c)(4)



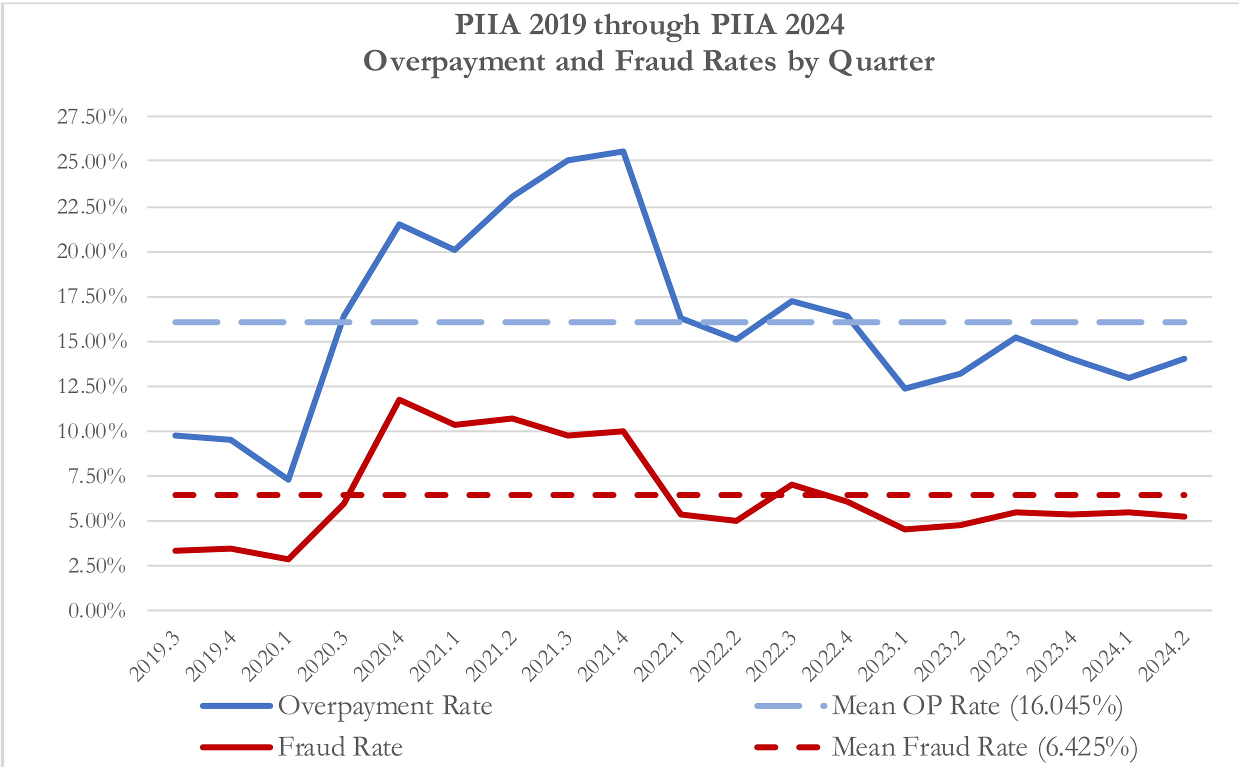
For a detailed listing of these rates for each state, click on the following link (the spreadsheet may have several pages or worksheets):
PIIA 2023 - PIIA 2024 Integrity Rate Changes

Overpayment Time Series

Reviewers should be aware that state level rates show a higher degree of volatility from one quarter to the next. The quarterly volatility is in part due to the small sample sizes pulled at the state level; the probability of sampling a given number of weeks with payment errors; and seasonal factors. This volatility demonstrates that SWAs should be cautious in making performance assumptions and judging corrective actions effectiveness based on a single calendar quarter of data.

For the period IPIA 2020 to PIIA 2024[6], the mean overpayment rate was 16.045 percent. The average fraud rate for this same period is 6.425 percent. The following chart displays the overpayment and fraud rates by calendar quarter.

[6]ETA temporarily suspended BAM operations April-June 2020 due to the COVID-19 pandemic. The suspension is evident in the time series dataset.



For a detailed listing of these and other rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA 2020 Thru PIIA 2024 Integrity Rates by Quarter & State

Overpayment by Cause and Integrity Rate

UI initial and continuing eligibility requirements are complex and vary across states based on unique factors to the UI program:

- Benefit payments are limited to weekly benefit amounts, overall maximum benefit amounts, and are restricted to a specific time-period (benefit year).
- Claimant turnover is high with finite benefit duration and opportunities to return to employment.
- Eligibility is determined on a week-by-week basis with each week being an opportunity for a new proper or improper payment. Eligibility and payment decisions are made by state government agencies using state specific information technology (IT) systems.

Errors can occur at any of the process points discussed below.

Federal law establishes certain requirements for the UC program. The Social Security Act (SSA) and the Federal Unemployment Tax Act (FUTA) set broad coverage provisions, some benefit provisions, the Federal tax base and rate, and administrative requirements. One of the major functions of the Federal government is to ensure conformity and substantial compliance[7] of state laws, regulations, rules, and operations with Federal law. As a condition of receiving administrative grants, each state's methods of administration must ensure payment when due.[8] The Department has always interpreted "when due" in Section 303(a)(1), SSA, to require accuracy to ensure that payments are not made when they are not due.[9]

All state laws must provide or be interpreted in such a manner that a claimant must meet week-to-week eligibility requirements to receive benefits. Claimants certify their weekly eligibility status when claiming benefits to establish the presumption of payment eligibility. In general, claimants must be able and available for work, register for employment services, report when directed to the state agency, and actively seek work. Some states provide dependent allowances in certain instances. Finally, claimants may be subject to a reduction in weekly benefit amounts payable based on any benefit year earnings (partial employment) or deductible income received (i.e., pension payments, vacation pay, severance payments).

As a statistical survey, the BAM program uses standardized questionnaires to gather information to determine improper payment causes. The surveys include claimant, employer, and third-party interviews. They are designed to identify potential eligibility or payment issues. When a potential eligibility or payment issue that could affect the KW accuracy is identified, the investigator must pursue and resolve the issue. In making determinations of eligibility, a BAM investigator must comply with the Secretary's Standard for Claim Determinations and apply all facets of federal and state law, administrative code, and official policy to the case findings to determine whether a KW payment is proper or improper (20 CFR 602.21(c)(4)).

Although the legal basis for determining whether a payment is proper or improper may be different from state to state, the BAM program relies on a standardized coding system to categorize improper payments[10] into major categories. The table below displays the common error cause codes and UI improper payment terminology.

Error Cause Codes	Cause Group Description
100 - 119; 150 -159	Benefit Year Earnings (BYE)
120 – 149	Deductible Income a.k.a. Sev./Vac./SSI/Pension
200 – 259	Base Period Wage Issues (BPW)
300 – 329	Separation Issues (SEP)
400 – 419	Able & Available Issues (A&A)
420 – 429	Work Search Issues (WS)

[7] See https://oui.doleta.gov/unemploy/conformity.asp, 20 CFR 601.5, and https://oui.doleta.gov/unemploy/pdf/partnership.pdf.
[8] Section 303, Social Security Act https://www.ssa.gov/OP_Home/ssact/title03/0303.htm
[9] UIPL No. 04-01 (October 27, 2000) https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-04-01
[10] ET Handbook No. 395, Chapter V, pp. V-5 through V-7

Error Cause Codes	Cause Group Description
460 – 469	Employment Service Reg. (ES Reg)
430 - 459; 470 – 489	Other Eligibility Issues
500 – 519	Dependents' Allowances
600 – 639	Other Issues a.k.a. All Other Causes

(See PIIA 2024 Methodology and Program Description for inclusions or exclusions to develop the various rates).

UIPL No. 16-24[11] requires states to analyze their BAM data to identify the top root causes for improper payments, then develop strategies to effectively reduce and recover improper payments. The following chart displays the percent of the dollars overpaid by integrity rate and cause category. The distribution of the causes for UI overpayments and the total amount overpaid varies among the three overpayment integrity rates. The elements included or excluded from the rates influence the cause distribution.

PIIA 2024 Overpayments (OP) by Cause and Integrity Rates Percent of the Estimated Dollars Overpaid			
Cause	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Work Search	36.041%	30.896%	3.450%
Benefit Year Earnings	23.781%	38.684%	15.874%
Separation Issues	19.378%	18.712%	42.394%
Able+Available	6.704%	3.882%	6.876%
ES Registration	3.949%	0.427%	10.828%
Sev./Vac./SSI/Pension	0.122%	2.268%	5.618%
Base Period Wage Iss.	2.915%	1.623%	4.580%
Other Eligibility	2.686%	0.685%	3.711%
Other Issues	1.332%	0.544%	6.550%
Identity Fraud/Theft	0.122%	2.266%	$41,212,687
Dependents Allowance	0.088%	0.013%	0.119%
Total $ Overpaid by Rate	$4,716,661,038	$1,818,866,413	$940,604,565

An analysis of the top three causes nationally – Work Search issues, Benefit Year Earnings, and Separations issues -- is outlined below.

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA 2024 Integrity Rates by Cause.xlsx

[11] UIPL No. 16-24 (July 22, 2024) https://www.dol.gov/agencies/eta/advisories/uipl-no-16-24

Work Search Issues

As displayed in the PIIA PY 2024 Overpayment by Cause and Integrity Rates table on page 10, above, Work Search Issues are one of the top leading causes of UI overpayments. This is the first year since IPIA 2020 that Work Search Issues have been at the top of top three root causes of improper payments list.[12] They account for 36.04 percent of the estimated dollars overpaid. However, Work Search Issues are less significant in the Fraud and Agency Responsible Rates: 30.90 percent of the fraud overpayments and 3.45 percent of the agency responsible overpayments.

Cause: Work Search	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount Overpaid due to Work Search errors	$1,699,950,841	$561,948,521	$32,450,139
Estimated Total $ Overpaid by Rate	$4,716,661,038	$1,818,866,413	$940,604,565
Percent of Work Search Overpaid to Total $ Overpaid	36.041%	30.896%	3.450%

Overpayments due to Work Search Issues are generated when claimants fail to comply with state work search requirements. Under Section 303(a)(12) of the Social Security Act, claimants are required to be "actively seeking work". UIPL No. 05-13, issued January 10, 2013, provides that "Federal Unemployment Compensation (UC) law establishes strictly limited circumstances under which states may not hold UC claimants to the work search requirement" (at page 3). However, because Federal UC law does not specifically define "actively seeking work", states have the discretion to define work search requirements in state law. As a result, work search requirements vary significantly across states and readers are cautioned to not make state-to-state comparisons. All SWAs have the responsibility of identifying and pursuing work search issues, conducting fair and impartial fact-finding hearings, and determining whether the claimant complied with their work search requirements. Fact finding hearings involve input from both the potential employers and claimants and the facts may be disputed.

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Work_Search,_ES_Reg_Counts.xlsx

Benefit Year Earnings Issues

As displayed in the PIIA PY 2024 Overpayment by Cause and Integrity Rates table above on page 10, unreported or misreported benefit year earnings (BYE) issues were the second leading cause of UI overpayments accounting for 23.781 percent of total

[12] Congress provided authority for states to waive work search requirements in response to the COVID-19 pandemic. This provision expired in September 2021.
https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2020/UIPL_13-20_Change_1_Attachment_1.pdf

dollars overpaid. BYE errors account for 38.684 percent of UI fraud overpayments. However, BYE errors represent a smaller portion (15.874 percent) of the Agency Responsible rate.

Cause Benefit Year Earnings	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount Overpaid due to BYE errors	$1,121,659,839	$703,610,100	$149,314,174
Estimated Total $ Overpaid by Rate	$4,716,661,038	$1,818,866,413	$940,604,565
Percent of BYE Overpaid to Total $ Overpaid	23.781%	38.684%	15.874%

Overall, the UI system is designed to maintain and to encourage claimant attachment to the workforce and to their previous employers when feasible. The system does this by allowing partial benefit payments, which are reduced for BYE in each week earned. Weekly benefit amounts may be reduced as a result of earnings, commissions, bonuses, tips or gratuities, odd jobs or self-employment income, and through Short-Time Compensation programs (also known as Workshare).[13] Because UI benefits only replace a portion of the claimant's previous base period wages[14], states have devised various earnings disregard and benefit reduction provisions.[15] Ultimately, these payment adjustments require accurate reporting of these earnings. Generally, claimants are required to report income when earned (not when paid) and claimants are required to report gross earnings, not net earnings. Benefit year earnings reporting is part of the continued claims taking process (See claim filing methods by state PIIA_2024_Claim_Filing_Methods.xlsx) and is generally automated.

The BAM program collects data for several important UI eligibility criteria before and after the investigation. Claimant earnings and adjustments to the claimant's weekly benefit amount (WBA) for the paid week investigated by BAM produces useful information about BYE improper payments. The following table summarizes the earnings before and after data for KWs, comparing information at the time the claimant received benefits to the findings after the BAM investigation.

[13]Short-Time Compensation (STC) provides partial UC benefits to individuals whose usual hours of work are reduced to avert the layoff of workers. STC is a program that allows an employer to request UI agency approval of a plan that provides the STC benefits to those workers whose hours are reduced. https://stc.workforcegps.org/. Because of modified eligibility requirements, STC is excluded from BAM.
[14] See Wage Replacement Ratios in the PIIA_2024_Base_Period_Wages_Report.xlsx spreadsheet.
[15] 2023 Comparison of State Laws; Chapter 3 Monetary Entitlement; Table 3-8; pp. 3-19 to 3-20; https://oui.doleta.gov/unemploy/comparison/2020-2029/comparison2023.asp, and Significant Provisions of State UI Laws for January 2024: https://oui.doleta.gov/unemploy/content/sigpros/2020-2029/January2024.pdf.

PIIA 2024 Key Week (KW) Benefit Year Earnings (BYE) Analysis		
Count of KWs	Percent or $ amount	KW Finding and Outcome
23,107		Completed BAM Reviewed Cases
1,605	6.95%	Of the 23,107 KWs investigated, 1,605 (or 6.95%) had BYE initially reported for the key week
		Claimant Over Reported Earnings
157	9.78%	Of the 1,605 KWs with BYE, 157 (or 9.78%) had BYE over reported
	$37.99	$37.99 was the average amount BYE over reported in the 157 key weeks
136 of 157	$25.82	After investigation, the average benefit amount paid increased because BYE over reporting was $25.82
		Claimant Accurately Reported Earnings
940	58.57%	Of the 1,605 cases, 940 (or 58.57%) had BYE amounts accurately reported
	$269.03	Average amount of BYE accurately reported in the 940 key weeks
695 of 940	$125.75	Average amount in 695 KWs with accurate reporting of BYE had the benefit amount paid reduced an average $125.75
		Claimant Under Reported Earnings
1,287		Of the 1,605 cases with earnings, 1,287 had BYE initially under reported
	$449.56	Average amount BYE of under reported in the key week
1,100 of 1287	$229.96	After investigation 1,100 of the 1,287 cases with BYE under reported had benefit amounts reduced to an average $229.96.
		Claimant Reported No Earnings
21,502	93.05%	Of the 23,107 cases, 93.05% or 21,502 had no BYE initially reported
		Claimant Failed to Report Earnings
779	3.62%	Of the 21,502 KWs, 779 (or 3.62%) that did not report KW BYE actually had BYE
	$650.09	Of 779 KWs the average unreported or concealed BYE amount was $650.09
669 of 779	$305.11	After investigation in 669 of the 779 KWs benefits paid were reduced an average amount $305.11 because the failure to report BYE

In PIIA PY 2024, the BAM program reviewed 23,107 key weeks. From these 23,107 paid weeks, 1,605 of the weeks investigated had benefit year earnings reported at the time of payment. Of the 1,605 key weeks with benefit year earnings reported, 940 (or 58.57 percent) were accurately reported. Finally, from these 21,502 paid weeks with no earnings initially reported, investigators found 779 weeks (or 3.62 percent) of the 21,502 weeks had earnings, which should have been reported.

To address UI improper payments caused by BYE issues, ETA published enhanced Recommended Operating Procedures in UIPL No. 13-19, to provide SWAs with updated best practices on cross-matching with the National Directory of New Hires and the State Directory of New Hires. ETA also encourages the use of plain language and behavioral insights to help claimants provide accurate information.[16] In addition, some

[16] Tools for using plain languages https://www.dol.gov/agencies/eta/ui-modernization/use-plain-language,

states identified the need for providing earning calculators as part of the claim process to help address these types of errors as part of the recent Tiger Team engagements.[17]

For a detailed listing of these findings for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA 2024 BYE Investigation Results.xlsx

Separation Issues

As displayed in the PIIA PY 2024 Overpayment by Cause and Integrity Rates table on page 10, above, issues involving the reason the claimant's separation from work (Separation Issues) are the third leading cause of UI overpayments. They account for 19.378 percent of the total dollars overpaid and 18.712 percent of fraud overpayments. Separation Issues are the leading cause (42.394 percent) of the amount overpaid for which the agency had full or partial responsibility.

Cause: Separation	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount Overpaid due to Separation Issues	$914,013,821	$340,344,252	$398,757,776
Estimated Total $ Overpaid by Rate	$4,716,661,038	$1,818,866,413	$940,604,565
Percent of Separation Overpaid to Total $ Overpaid	19.378%	18.712%	42.394%

Overpayments attributable to Separation Issues involve inadequate or inaccurate claimant and/or employer information regarding the reason for the claimant's separation from employment. These issues are often a result of employers who fail to respond to SWAs' requests for separation information or who fail to provide timely and accurate information. These claims involve claimants who are initially determined eligible, but due to later information of a disqualifying job separation (such as quitting a job without good cause or being discharged for misconduct under the state UI law). The claimants are subsequently determined to be ineligible. The SWAs have the responsibility of identifying and pursuing separation issues, conducting fair and impartial fact-finding hearings, then determining whether the employment separation is disqualifying.[18] Separation fact finding hearings involve input from both employers and claimants and the facts may be disputed. As shown in the Agency Responsible rate, detailed in the chart below, the UI Agencies contribute to separation improper payments.

Cause	Agency Responsible Rate - Prior Agency Action	Estimated Amount
SEP	(30) SWA Took Incorrect Action	$180,027,049

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and TEN No. 15-21 https://www.dol.gov/agencies/eta/advisories/training-and-employment-notice-no-15-21 on behavioral insights resources.

[17] See Page 3 of UI Modernization – Tiger Team Cohort Trends https://oui.doleta.gov/unemploy/pdf/TigerTeamCohortTrendsJanuary2024.pdf.

[18] UIPL No.15-01, issued January 12, 2001, https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-15-01.

SEP	(40) SWA Had Documentation - Did Not Resolve Issue	$506,698,952
SEP	(50) Procedures Not Followed Preventing Detection	$201,682,184

The Benefits Timeliness and Quality guide sheets 1 and 2 in the ET Handbook No. 301, 5th Edition show the complexities of fact finding and the central role SWAs play in determining eligibility. However, the process demands employers and claimants provide complete, accurate, and timely facts to adjudicators, so the state can appropriately apply the law.

To address UI improper payments caused by separation-related issues, the State Information Data Exchange System (SIDES) was developed by states with funding from ETA and input from states, employers, and third-party administrators. SIDES is designed to enable more rapid and accurate communications between SWAs and employers, resulting in better initial eligibility determinations and a reduction in UI improper payments. While SWAs' participation in SIDES is voluntary, currently, 50 of the 53 SWAs are using SIDES for gathering separation information. The Department's Office of Inspector General found SIDES has contributed to reductions in separation-related improper payment rates in SWAs sampled during a recent audit and recommended greater employer use of SIDES.[19]

Overpayment Responsibility by Integrity Rate

The BAM program identifies the party or parties responsible for payment errors. As with cause, the distribution of overpayment responsibility varies considerably by integrity rate. The BAM investigator attributes responsibility to various parties based on their actions or inaction. Improper payment responsibility may be assigned to one or more parties.

Continuing eligibility for UC is determined on a weekly basis. During a continued claim series, a claimant must certify their eligibility for each week compensated. The SWA makes continued benefit payments based on the presumption of eligibility and the claimant's ongoing certification that requirements have been met. However, if a question of eligibility arises, the SWA is required to investigate, establish and weigh evidence, and make a determination of eligibility based on applying the facts to the law and regulation.[20] Such a determination may affect past, present, or future benefit payments.

The overpayment rate is the broadest measure of overpayments. Claimants certify their eligibility for each week that is compensated. Since the claimant is the principal source of information used to establish the presumption of weekly eligibility, as detailed in the table below, claimants alone were responsible for 67.93 percent of the dollars overpaid

[19] https://www.oig.dol.gov/public/reports/oa/2017/04-17-003-03-315.pdf

[20] UIPL No. 04-01, "Payment of Compensation and Timeliness of Determinations during a Continued Claims Series" https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-04-01, (October 27, 2000)

in the overpayment rate. Errors resulting in overpayments that were attributed exclusively to SWAs accounted for 4.99 percent of the amount overpaid. The claimant and the agency were jointly responsible for 9.96 percent of the dollars overpaid, while the claimant and employer were jointly responsible for 10.51 percent of the dollars overpaid.

Overpayment Responsibility by Integrity Rates (Percent of Amount Improperly Paid)									
Integrity Rates	Amount Improperly Paid	Claimant Only	Claimant & Employer	Claimant & Agency	Employer Only	Agency Only	Clmnt & Empl & Agy	Employer & Agency	All Others
Over payment	$4,716,661,038	67.929%	10.513%	9.963%	1.796%	4.993%	1.911%	1.688%	1.206%
Fraud	$1,818,866,413	70.832%	13.408%	10.465%	0.162%	0.089%	2.887%	0.045%	2.111%
Agency Resp	$940,604,565	N/A	N/A	52.685%	N/A	27.281%	9.878%	9.482%	0.556%
Under payment	$152,038,385	26.083%	17.241%	4.670%	36.577%	8.309%	1.671%	4.349%	1.100%

Claimants alone were responsible for 70.83 percent of the fraud overpayments. The agency responsibility rate includes improper payments in which the agency had contributory responsibility. The SWA was solely responsible for 27.28 percent of the amount overpaid. The agency and the claimant were responsible for 52.69 percent. State agencies shared responsibility with employers for 9.482 percent of the amount overpaid in this category.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets):
PIIA 2024 Integrity Rates by Responsibility.xlsx
PIIA 2024 Overpayment Rate by Cause and Responsibility.xlsx

Claimant Action Prior to Sample Selection for Overpayments

Responsibility for improper payments is assigned based on the action that various parties take on the payment being released. Prior claimant action provides additional details on improper payment responsibility and helps prioritize ways to prevent, reduce, and detect overpayments.

Continuing eligibility for UI is determined on a week-by-week basis. During a continued claim series, a claimant must certify their continuing eligibility for each week. Errors can occur anywhere in this business process. In the case of payment errors, BAM identifies the action that the claimant took prior to the sample selection. BAM assigns a code to indicate action(s) taken by the claimant affecting the payment error issue by recording the following actions:

- Claimant provided adequate and timely information to SWA for determination.
- Claimant provided adequate information to SWA after due date for determination.

- Claimant provided timely but inadequate information to SWA for determination.
- Claimant provided inadequate/incorrect information to SWA after due date for determination.
- Claimant did not respond to SWA request for information.
- SWA did not request the claimant to provide information.

Depending on the cause, BAM often finds claimants responsible for overpayments because they are a principal source of eligibility information. The data further emphasize the importance of verifying separation and earnings information with employers and conducting these verification actions.

For a detailed listing of this rate, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Overpayment_Cause_x_Prior_Claimant_Action.xlsx

Agency Action Prior to Sample Selection for Overpayments

In the case of payment errors, BAM case reviews identify the action that the state agency took before the payment was selected for the BAM sample. Prior agency action provides additional details on improper payment responsibility and helps prioritize ways to prevent, reduce, and detect overpayments. The table below shows prior agency action for those identified as overpaid.

Prior Agency Action for Overpayments	Percent of Dollars Overpaid	Estimated Amount
Not detectable by normal procedures	79.944%	$3,768,972,676
State had documentation did not resolve the issue	10.324%	$487,164,132
Procedures not followed or forms not completed precluding ability to detect issue	3.995%	$188,682,405
State identified issue but took incorrect action	3.444%	$163,481,924
State was in the process of resolving issue	1.945%	$91,843,209
State agency detected payment error using state or National Directory of New Hires crossmatch	0.164%	$7,793,908
Agency provided incorrect information	0.162%	$7,611,229
State agency detected payment error with wage record crossmatch	0.023%	$1,106,577
Total	100.00%	$4,716,656,060

For overpayments included in the overpayment rate, BAM estimates that $3.77 billion or 79.94 percent of the $4.72 billion of UI benefits overpaid were not detectable through normal agency procedures. BAM results indicate that the agency had sufficient information but did not resolve the issue for $487 million or 10.32 percent of the amount overpaid. The agency failed to follow its own procedures, which precluded the ability to detect the overpayment issue for an additional $189 million or 3.99 percent of the overpayment rate dollars overpaid. The agency identified the overpayment issue but took the incorrect action in about $163 million or 3.44 percent of dollars overpaid. At the time BAM selected the sample, the agency had resolved or was in the process of resolving improper payments constituting 1.95 percent of the amount overpaid.

For the Agency Responsible Rate, BAM estimated SWAs were responsible for approximately $941 million in overpayments because the state agency had full or partial responsibility for the overpayment.

Agency Responsible Rate by Prior Agency Action	Percent of Dollars OP	Estimated Amount
State had documentation but did not resolve the issue	53.923%	$506,698,952
Procedures not followed or forms not completed precluding ability to detect issue	21.484%	$201,682,184
State identified issue but took incorrect action.	19.061%	$180,027,049
Not detectable by normal procedures	2.183%	$20,656,563
Agency provided incorrect information	1.655%	$15,586,780
State was in the process of resolving issue	1.516%	$14,280,320
State agency detected payment error using state or National Directory of New Hires crossmatch	0.178%	$1,672,714
Total	100.000%	$940,604,562

Of these overpayments, the agency identified the issue but took incorrect action for 19.06 percent of the amount overpaid; the agency had documentation but did not resolve the issue for 53.92 percent of the agency responsible dollars overpaid; and the agency did not follow procedures thereby precluding the SWA's ability to detect the payment error for 21.48 percent of the amount overpaid. The remaining overpayments for which the agency had full or partial responsibility were either not detectable through normal procedures at the time the payment was issued, or the agency had resolved or was in the process of resolving improper payments detected through crossmatches or the error was committed by another SWA.

Again, we note there are UI program structural standards requiring due process that prevent stopping payment, without providing an opportunity for the claimant and employer to be heard once eligibility has been previously established. These requirements are based on legitimate policy reasons set in federal law and in many cases require the SWA to proceed with payment of benefits that may later be determined to be improper after a hearing occurs and a new eligibility determination is made.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages):
[PIIA 2024 Integrity Rates Cause x Prior Agency Action.xlsx]()

Employer Action Prior to Sample Selection for Overpayments

In the case of payment errors, BAM case reviews identify the action that the employer took before the payment was selected for the BAM sample. Prior employer action provides additional details on improper payment responsibility and helps prioritize ways to prevent, reduce, and detect overpayments.

As discussed in the previous section, a majority of overpayments included in the overpayment rate and fraud rate were undetectable by the agencies during their usual payment administration processes. Although claimants provide most of the information that agencies use in determining eligibility for UI benefits, employers also provide critical information to the agencies. Employers provide wage information, which is used to calculate the claimants' monetary eligibility and weekly benefit payments. Employers also respond to notices of new initial and additional claims by providing information on the claimant's separation from work. Employers submit notices of new hires, which agencies use to detect claims filed by individuals who have returned to work. Employers also provide detailed information that may corroborate or contradict claimant-provided information on issues that affect eligibility, such as information concerning availability for work, work search, job refusal, and benefit year earnings.

BAM data show that prior employer action is a critical factor in the agency's ability to prevent or detect many overpayments. BAM assigns a code to indicate action(s) taken by the employer affecting the payment error issue and records the following employer actions:

- Employer provided adequate information to SWA in a timely manner for the payment determination.
- Employer provided adequate information after due date for payment determination.
- Employer provided inadequate/incorrect information in a timely manner for payment determination.
- Employer provided inadequate/incorrect information after due date for payment determination.
- Employer did not respond to request for information.
- Employer did not report claimant as a "New Hire" as required by law.
- Employer, as an interested party or interested person, was not requested by agency to provide information for determination.
- Not an employer-related issue.

Because the state agency uses employer-provided information in its eligibility determinations, the accuracy and timeliness of this information affect whether benefits were properly paid. The following table displays prior employer actions for each of the integrity rates.

PIIA 2024 Integrity Rates – Estimated Dollars Overpaid by Prior Employer Action Impact

Prior Employer Action	Overpayment Rate $	Fraud Rate $ Overpayments	Agency Rate $ Overpayments
Prior Employer action as of the time that the KW payment was made			
Not An Employer Related Issue	$1,763,180,372	$629,751,433	$217,289,913
Agency Did Not Request Employer information	$1,354,340,301	$549,466,357	$130,096,723
Employer provided Adequate and Timely Information	$791,321,570	$305,006,214	$400,519,457
Employer Did Not Respond to request for information	$444,059,249	$177,547,146	$111,187,762
Employer Responded Timely but provided Inadequate/Incorrect information	$196,369,956	$58,539,592	$43,690,767
Employer Did Not Report New Hire as required by federal law	$77,269,993	$46,101,752	$1,628,705
Employer Adequate but Not Timely information	$65,688,878	$30,860,186	$30,698,654
Employer provided untimely and Inadequate/Incorrect information	$24,425,748	$21,593,728	$5,492,575
Sum of estimated dollars overpaid where an employer did not take action as required.	$807,813,824	$334,642,404	$192,698,463
Total Estimated Overpaid by Rate	$4,716,656,067	$1,818,866,408	$940,604,556
Percent of Total Dollars overpaid where a different employer action may have produced a different outcome	17.127%	18.398%	20.487%

This table shows estimated overpayments where an employer did not take action as required and the potential impact on overpayments. BAM estimates that employer actions contribute 17.13 percent of the overpayments included in the overpayment rate, 18.40 percent to the fraud rate dollars overpaid, and 20.49 percent of the overpayments included in the agency responsible rate. Overall, BAM data show that prior employer participation is an essential factor in the prevention or detection of many overpayments.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets):
PIIA_2024_Integrity_Rates_x_Prior_Employer_Action.xlsx

Point of Detection

BAM captures the point in its audit process at which it first detects a payment error. BAM detects most payment errors by verifying base period wages, benefit year earnings, and separation information with employers. The data suggest that taking additional steps to secure employer information or to conduct more in-depth claimant interviews may impact overpayment amounts.

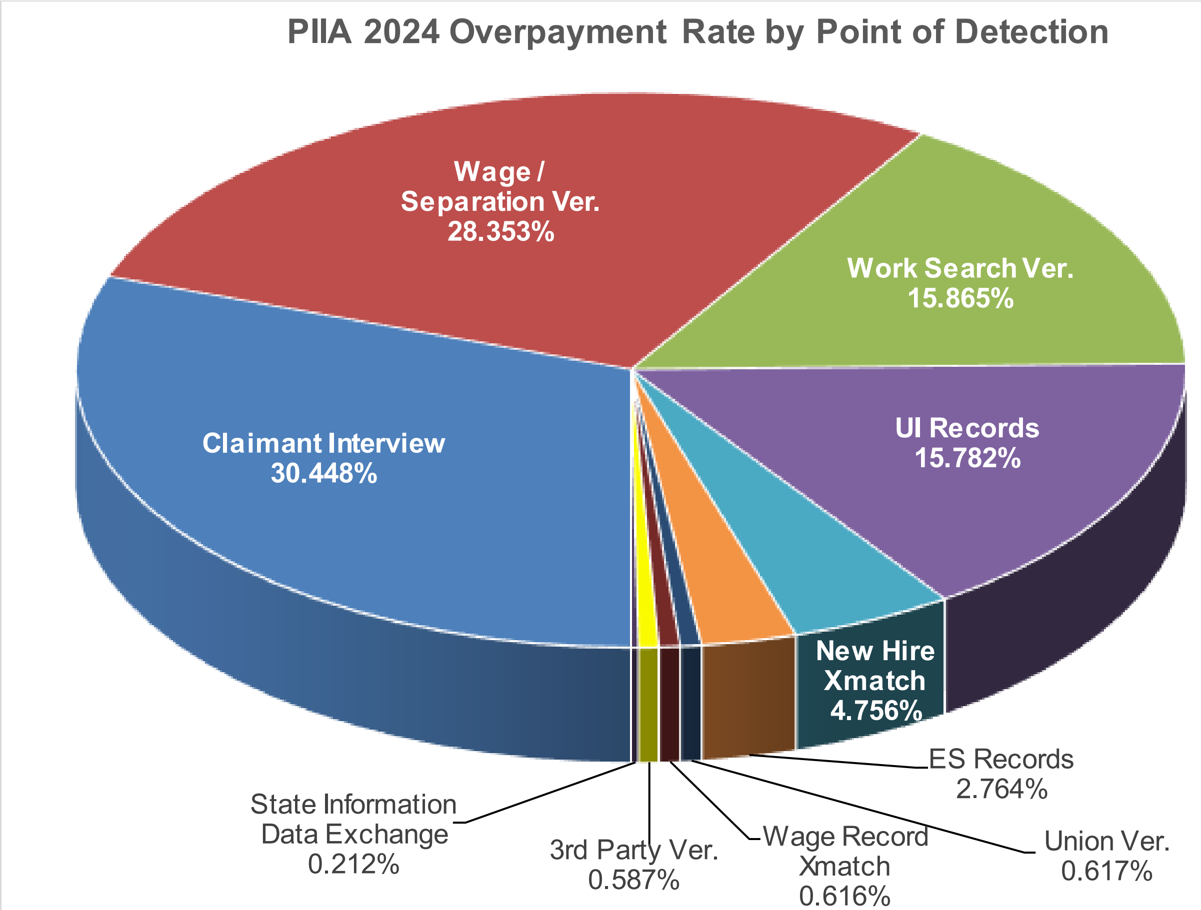
Within this framework, it is important to note that the BAM audit process differs substantially from normal UI operations in terms of cost, time, and effort. BAM exhausts all avenues in obtaining information. For example, BAM found significant errors when payment information is corroborated with employers and through extensive claimant interviews. Normal UI operations make reasonable attempts to obtain information, then must make determinations based on available information in order to make timely payments.[21] Therefore, this procedural difference may contribute to BAM identifying some of these overpayments which are not detected by the agency during the normal claims processes.

BAM also captures whether the agency had identified the overpayment at the time of sample selection. This table displays the Point of Detection for PIIA 2024.

State	Point of Detection	Percent of Dollars Paid	Percent of Dollars OP	Estimated Amount
US	Claimant Interview	4.255%	30.448%	$1,436,133,702
	Wage/Separation Ver.	3.962%	28.353%	$1,337,317,317
	Work Search Ver.	2.217%	15.865%	$748,302,175
	UI Records	2.205%	15.782%	$744,361,996
	New Hire Xmatch	0.665%	4.756%	$224,308,667
	ES Records	0.386%	2.764%	$130,388,365
	Union Ver.	0.086%	0.617%	$29,094,989
	Wage Record Xmatch	0.086%	0.616%	$29,039,248
	3rd Party Ver.	0.082%	0.587%	$27,708,758
	State Information Data Exchange	0.030%	0.212%	$10,000,849
Total		13.974%	100.000%	$4,716,656,066
Amt. Paid				$33,753,193,967
Sample				23,107

Aggregate PIIA 2024 Point of Detection data are displayed in the graph below.

[21] UIPL No. 04-01(October 27, 2000) and the associated content in UIPL No. 1145 (November 12,1971)

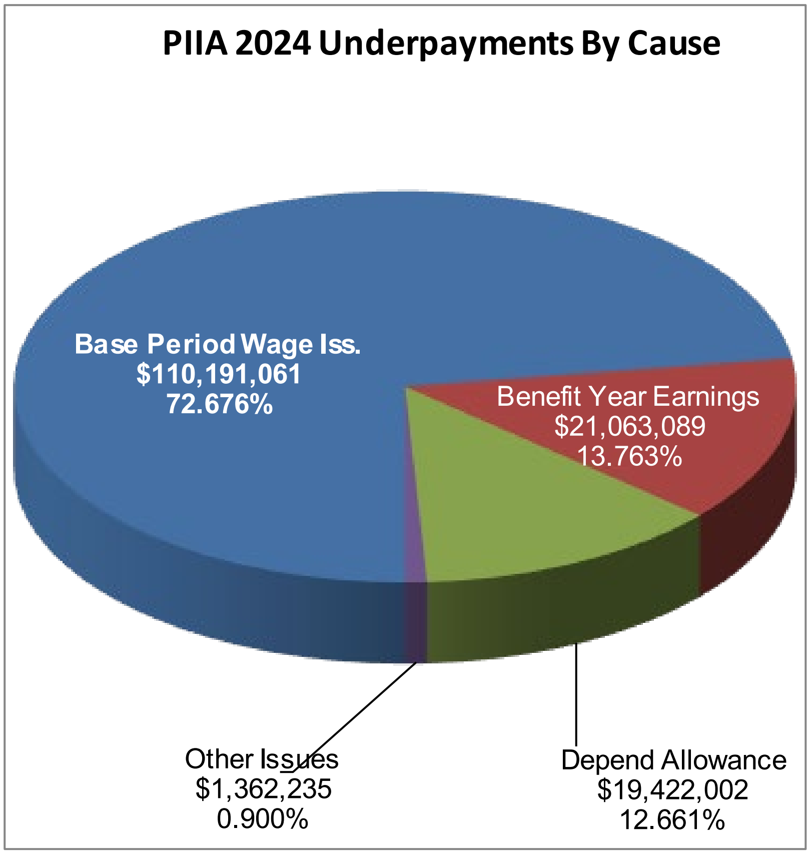


For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets):
PIIA 2024 Integrity Rates by Point of Detection.xlsx

II. Underpayments

Underpayment Rate

PIIA requires estimates of underpayment rates, in addition to overpayments. BAM estimates that a total of $152 million was underpaid in PIIA PY 2024 compared with $150.8 million was underpaid in PIIA PY 2023. As with PIIA PY 2023 data, PIIA PY 2024 excludes technically proper underpayments.



As a percentage of benefits paid, the PIIA 2024 national underpayment rate of 0.560 percent is lower than the PIIA 2023 UP rate of 0.620 percent.

As with overpayments, the BAM program captures the cause of and responsibility for underpayments. Errors in reporting, recording, or calculating base period wages accounted for over 72.676 percent of the amount underpaid and represented 0.327 percent of the amount of UI benefits paid. These errors were the leading cause of underpayments.

Employers report employees' wages to SWAs each calendar quarter. SWAs use these wages in the calculation of a claimant's weekly benefit amount and maximum benefit amount. Instances in which the weekly benefit amount increases after the BAM investigation represent underpayments used to produce the portion of the estimate.

The base period wage accuracy report shows the impact of misreported wages on benefit payments detailed in the Table below.

Accuracy Finding	Base Period Wages			Weekly Benefit Amount			Max. Benefit Amount		
	# of Cases	% of Cases	Avg. Error	# of Cases	% of Cases	Avg. Error	# of Cases	% of Cases	Avg. Error
Correct	19,649	85.03%		22,084	95.57%		21,778	94.25%	
Understated	2,003	8.67%	($9,133)	580	2.51%	($43)	766	3.32%	($1,333)
Overstated	1,455	6.30%	$5,153	443	1.92%	$94	563	2.44%	$2,401
Total	23,107	100.00%		23,107	100.00%		23,107	100.00%	

(See PIIA_2024_Base_Period_Wages_Report.xlsx for individual state findings. The spreadsheet has several worksheets or tabs and includes worksheets for underpayment cause and responsibility.)

Errors in reporting or recording benefit year earnings (BYE) were the second leading cause of underpayments – accounting for 13.76 percent of all underpayments and 0.06

percent of UI benefits paid. Generally, claimants can work and earn wages while collecting UI benefits if they properly report their earnings. However, weekly UI payments may be adjusted downward based on claimant reported earnings. For many of these underpayments, the claimant could have over-reported their weekly earnings, and, because of this error, BAM found that UI benefit amount paid was too small.

PIIA 2024 Report Period July 1, 2023 through June 30, 2024 Key Week Benefit Year Earnings (BYE) Analysis		
Count of KWs	Percent or $ amount	KW Finding and Outcome
23,107		Completed BAM Reviewed Cases
1,605	6.95%	Of the 23,107 KWs investigated, 1,605 (or 6.95%) had BYE initially reported for the key week
157	9.78%	Of the 1,605 KWs with BYE, 157 (or 9.78%) had BYE over reported
	$37.99	$37.99 was the average amount BYE over-reported in the 157 key weeks
136 of 157	$25.82	After investigation, the average benefit amount paid increased because BYE over-reporting was $25.82

Errors involving Dependent Allowance Issues were the third leading cause in paying the correct benefit amount due under state law. This issue cause accounts for 12.66 percent of all underpayments and 0.06 percent of UI benefits paid.

As with overpayments, the BAM program captures the responsibility for underpayments. The chart below shows the distribution of underpayment responsibility. The underpayments estimated from BAM paid claims samples represent underpayments only for those claimants who were originally found eligible for UC by the state.

BAM Estimated Underpayments by Responsibility PIIA 2024 (CY 2023 Qtr. 3 to CY 2024 Qtr.2)			
Responsibility	Percent of Dollars Paid	Percent of Dollars UP	Estimated Amount UP
Employer Only	0.164%	36.577%	$55,388,689
Claimant Only	0.118%	26.083%	$39,857,166
Claimant + Employer	0.077%	17.241%	$26,107,939
Agency Only	0.038%	8.309%	$12,718,597
Claimant + Agency	0.021%	4.670%	$7,151,420
Employer + Agency	0.020%	4.349%	$6,638,785
Clmnt+Empl+Agy	0.008%	1.671%	$2,609,571
All Others	0.005%	1.100%	$1,566,218
Total	0.450%	100.000%	$152,038,385

Employers alone were responsible for $55,388,689 or 36.58 percent of amount underpaid, which represented 0.16 percent of the amount of UI benefits paid.

Claimants alone were responsible for $39,857,166 or 26.08 percent of the amount underpaid, which represented 0.118 percent of the amount of UI benefits paid.

Because SWAs often send out confirmations to the claimant and base period employers at the time of monetary determination, responsibility for these types of underpayments is distributed among all the parties as detailed in the above Table.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets)
PIIA_2024_Base_Period_Wages_Report.xlsx

Denied Claims Accuracy

Improper Denial Rates - BAM estimates the percentage of claimants improperly denied benefits. Denied Claim Accuracy (DCA) rates include three subcategories: monetary denials, separation denials, and nonseparation denials. The BAM program does not assign a dollar estimate to improper denial rates; however, BAM investigators correct improper denials when permitted by law.

Each week, BAM units in the SWAs select samples of denied UI claims from three populations (defined by the type of issue on which a benefit denial was based) -- monetary, separation, and nonseparation. DCA measures the accuracy of disqualifying monetary, separation, and nonseparation determinations for both intrastate and interstate claims.

Unlike the investigation of paid claims, in which all prior determinations affecting claimant eligibility for the compensated week are evaluated, the investigation of denied claims is limited to the issue type upon which the denial determination is based. DCA investigators verify facts contained in the benefit system, obtain any missing information, and conduct new and original fact-finding that may impact the denial determination. The DCA audits record error information similar to paid claim accuracy: Dollar Amount of Error (when available), Error Issue Action Code, Error Cause, Error Responsibility, Error Detection Point, Prior Agency Action, Prior Employer Action, DCA Action Appealed, and Prior Claimant Action.

DCA Rate Table

The following table summarizes the DCA rates for the three denial categories.

PIIA 2024 US Denied Claims Accuracy Rates

Denial Type	BAM Population of Denials	Improper Denial Rate*	Adjusted Improper Denial Rate**	Over-Payment ***	Proper Denial****
Monetary	982,444	13.72%	12.22%	0.25%	8.06%
Separation	1,415,537	11.36%	9.57%	0.11%	7.54%
Nonseparation	3,245,489	12.89%	10.60%	0.27%	5.18%

DCA Rate Table Notes:

In several states, the population from which the BAM DCA samples were selected may not include all determinations that meet the definition for inclusion in the DCA population. This limits the degree to which inferences about the population can be made from BAM DCA data. States are still in the process of resolving these population issues.

* Improper Denial Rate is the percentage of denied claims that BAM DCA concluded were erroneous, whether official agency action was taken to issue payment or increase the claimant's WBA, MBA, or remaining balance.

** Adjusted Improper Denial Rate excludes erroneous denials that were corrected by the agency and claims for which eligibility was established on appeal prior to DCA case completion.

*** Overpayments are discussed below

**** Proper Denial is the percentage of properly denied claims, but BAM identified a procedural error, such as basing the determination on the wrong reason or section of the law or applying an incorrect period of denial.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets)
PIIA_2024_Improper_Denial_Rates_All_States.xlsx

Monetary Denials

PIIA 2024 US Denied Claims Accuracy Rates

Denial Type	BAM Population of Denials	Improper Denial Rate	Adjusted Improper Denial Rate	Over-Payment	Proper Denial
Monetary	982,444	13.72%	12.22%	0.25%	8.06%

SWAs determine the monetary[22] eligibility of claimants when they file a new initial claim or a transitional claim (to establish a new benefit year). As a note, the BAM program

[22] See the 2023 Comparison of State Unemployment Laws Chapter 3 (pp. 3-1 to 3-4) for Monetary

samples monetary denials two weeks after a denial is issued where the claimant is still monetarily denied. However, these numbers are based on the federal reports. States may continue to adjust claim status up until the end of the report quarter and later. BAM estimates are based on the population selected for review). The BAM program estimates that 13.72 percent of the 7,559 monetary denials included and reviewed in the BAM DCA sample cases were improper. These UI claims were denied because the agency had initially determined that the claimant had not earned sufficient base period wages in covered employment prior to being unemployed or failed to meet other requirements for monetary eligibility, such as sufficient earnings in a minimum number of weeks or quarters. The BAM DCA investigation identified additional wage credits or an alternate or extended base period for these claimants that had not been included in the original monetary determination or identified other errors in the original determination.

The BAM program records the agency's action whether the state redetermined the claimant's monetary eligibility prior to or during the DCA investigation. For a small portion of these improper monetary denials, the SWA had identified the additional wages and issued a redetermination establishing eligibility independent of the BAM investigation, or the initial denial was reversed on appeal. When the improper monetary denial rate is adjusted for these agency-initiated redeterminations or appeals reversals, the improper denial rate for monetary determinations decreases to 12.22 percent.

In states with alternative base period (ABP), federal regulation (the Standard for Claim Determinations Appendix A to Part 602) and ETA UIPL No. 17-19 establish claimant rights and SWA responsibilities. The BAM review identified a concern regarding some SWAs' compliance with these responsibilities. BAM data indicates that 36.24 percent of monetarily denied claimants living in states with such a legal provision received a determination regarding their alternative base period eligibility.

Generally, the ABP provision provides that when the claimant is monetarily ineligible for the regular base period (first four of the last five completed calendar quarters), the claimant's monetary eligibility must be reconsidered using the wages the four most recent completed calendar quarters, prior to filing the claim for benefits. In other words, such state laws allow claimants two opportunities for becoming monetarily eligible. As noted above, federal regulation and UIPL No. 17-19 require that the claimant must be provided a monetary determination for both the initial and alternative monetary determination calculations (if the state has an ABP and has considered monetary eligibility under its ABP provisions).

Entitlement https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/monetary.pdf

Improper Denials by Type of Monetary Determination -- PIIA 2024 July 1, 2023 through June 30, 2024				
Agency Monetary Determination Redetermination Status	Sample*	Estimated Population	Percent of Population	Improper Denial
Monetary Redet before	735	100,577	10.24%	55.03%
No Monetary Redet before	4,566	621,600	63.27%	8.09%
Alternative Base Period Redet	2,234	256,772	26.14%	11.36%
Other	24	3,495	0.36%	0.37%
US Total	7,559	982,444	100.00%	
US % Improper				13.72%

* Excludes cases not meeting DCA definition for inclusion in population withdrawn claims, and claims for which monetary eligibility was established upon receipt of CWC, UCFE, and/or UCX wage credits.

In PIIA PY 2024, 39 states had ABP provisions in their state laws.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets)
PIIA 2024 Proper and Improper Monetary Denials.xlxs

Separation Denials

PIIA 2024 US Denied Claims Accuracy Rates

Denial Type	BAM Population of Denials	Improper Denial Rate	Adjusted Improper Denial Rate	Over-Payment	Proper Denial
Separation	1,415,537	11.36%	9.57%	0.11%	7.54%

Overpayments attributable to separation issues involve inadequate or inaccurate claimant and/or employer information regarding the reason for the claimant's separation from employment, as well as inaccurate action taken by agencies. They can involve claimants who are initially determined eligible, but due to later information of a disqualifying job separation (such as quitting a job without good cause or being discharged for misconduct under the state UI law) are subsequently determined to be ineligible. The SWAs are responsible for identifying and pursuing separation issues, conducting fair and impartial fact-finding hearings, and determining whether the employment separation is disqualifying[23]. Separation fact finding hearings involve input from both employers and claimants and the facts may be disputed. As shown in the Agency Responsible rate detailed in the chart below, the UI Agencies also contribute to separation improper payments.

[23] UIPL No.15-01 (January 12, 2001) https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-15-01

To be eligible for UC, states generally require[24] claimants to be unemployed due to no fault of their own, discharged for non-disqualifying reasons, or must have voluntarily left employment for a non-disqualifying reason provided in state law (such as workplace harassment, unsafe working conditions, domestic violence, or to relocate with a spouse)[25]. Agencies conduct fact-finding investigations when a separation issue has been identified. Separation issues generally involve an act of misconduct (fired) or leaving employment without good cause (quit). During fact-finding, the agency gathers information from the claimant, employer(s), and relevant third parties through structured interviews. Based on the findings of fact and the application of state laws, SWAs issue a determination on whether the claimant is eligible for benefits.

Separation issues normally are identified when a new initial claim or an additional claim is filed. Commonly, separation issues are addressed after a claimant is found monetarily eligible. In PIIA PY 2024, there were approximately 7.64 million monetarily eligible new initial claims and approximately 3.14 million additional claims. No separation determinations were required for nearly 70.41 percent of these claims because the reason for separation was lack of work or reduction of hours. SWAs completed almost 3.19 million separation investigations and found disqualifying circumstances in 1.42 million of these determinations that resulted in denial of benefits.

In PIIA PY 2024, BAM estimated that 11.36 percent of the separation denials included in the BAM DCA population were improper. When redeterminations and appeal reversals are considered, the improper denial rate for separations in PIIA PY 2024 is adjusted to 9.57 percent.

Nonseparation Denials

PIIA 2024 US Denied Claims Accuracy Rates

Denial Type	BAM Population of Denials	Improper Denial Rate	Adjusted Improper Denial Rate	Over-Payment	Proper Denial
Nonseparation	3,245,489	12.89%	10.60%	0.27%	5.18%

Nonseparation issues include the claimant's ability to work, availability for work, disqualifying /deductible income during the benefit year, failure to meet work search requirements, and failure to report as required by the SWA to provide information related to the UI claim or to receive reemployment services. There is often a distinction between issues that result in an indefinite disqualification and issues that result in a single or a specific number of weeks of ineligibility. Disqualified claimants have no right to benefits until they requalify, usually by obtaining new employment and/or by serving an established disqualification period. In some cases, benefits and wage credits may be reduced. An ineligible claimant is prohibited from receiving benefits until the condition causing the ineligibility ceases to exist. Eligibility issues are generally determined on a

[24] Federal Law does not contain a separation provision. States have the discretion to develop standards according to state law.
[25] https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-15-01

week-by-week basis. Although nonseparation issues can be detected at various points in the UI claims taking process, these issues generally affect the claimant's past, current, or ongoing eligibility for UI benefits.
For the 3.25 million nonseparation denials included in the DCA population, BAM estimates an improper denial rate of 12.89 percent and when redeterminations and appeals reversals are considered, the adjusted improper denials rate is 10.60 percent.

Overpayments and Proper Denials

The BAM program determined that small percentages of the monetary denials (0.25 percent), separation denials (0.11 percent), and nonseparation denials (0.27 percent) resulted in overpayments. Overpayments can occur if the period of disqualification for UI benefits was less than it should have been, and the claimant received compensation during the period that they should have been ineligible for benefits. Overpayments can also occur if the claimant received a partial payment that was too large. A partial payment is a reduction in the claimant's weekly benefit amount and is issued when the claimant has earnings or other deductible income (such as pension, vacation, severance, and Supplemental Security Income) for weeks of claimed UI benefits. For some of these compensated weeks, the BAM audit identified additional income that reduced benefits further or in some cases eliminated eligibility for benefits entirely.

In all three types of denials, the BAM program concluded that the claimant was properly denied but the agency committed a procedural error, such as basing the determination on the wrong reason or section of the law or applying incorrect dates to the period of denial. For example, a claimant may have been denied because of a monetary determination that the claimant had earned insufficient wages in the minimum number of weeks required by state law. The BAM audit determined that the claimant did meet the minimum weeks test but was still ineligible due to insufficient total wage credits earned in the base period. For separation and nonseparation determinations, these errors typically involve citing the wrong issue or the wrong section of the law in the determination (for example, quit versus fired or availability versus reporting).

For a detailed listing of these denial rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Improper_Denial_Rates_All_States.xlsx

Agency Action on Improper Denials

Not every improper denial finding results in the agency issuing a rectifying payment to the claimant (i.e., making payment, increasing the claimant's weekly benefit amount, maximum benefit amount, or modifying the dependents' allowance), for example, in some states, determination finality rules apply. BAM investigators record the following agency actions:

- Official Action to Pay - Agency or BAM took action to issue payment.
- No Payment Due - Claimant was not entitled to payment due to other disqualifying issue(s) or the claimant did not file a claim for the week(s), which

were improperly denied.

- Unable to Take Official Action - No official action could be taken due to finality or other provisions of state law prohibiting redetermination.
- Overpayment - Claimants received payment for weeks of unemployment to which they were not entitled; and
- Procedural Error - Claimant properly denied, but BAM identified a procedural error on the part of the agency such as applying the wrong section of the law.

As represented in the Table below, the Agency or BAM took action to ensure that benefits were paid, or in some cases, claimants were ineligible for payment due to other disqualifying issues. In other cases, the agency is precluded from acting because of the time that has elapsed since the denial was issued (state determination finality rules) or by other provisions of the law or the claimant requested no payments after being denied.

PIIA 2024 reporting period July 1, 2023 through June 30, 2024 (Batch Range 202327 through 202426)							
Sample Denial Type	Total Denial Error Rate	Improper Denial Rate*	Improper Denial Official Action To Pay	Improper Denial No Payment Due/Not Entitled	Improper Denial Unable to Take Official Action (finality)	Over-payment Claimant eligible	Proper Denial Wrong Reason or Procedural Error
Monetary	22.03%	13.72%	10.41%	1.94%	1.38%	0.25%	8.06%
Separation	18.99%	11.36%	4.62%	3.61%	3.14%	0.11%	7.59%
Nonseparation	18.34%	12.89%	6.37%	4.36%	2.16%	0.27%	5.19%

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Agency_Action_on_Improper_Denials_By_Denial_Type.xlsx

Cause for Improper Denials

The distribution of the causes of improper denials varies considerably among the three denial types and rates. The elements included or excluded from the various rates are controlled by business process definitions, which influences the distribution. Generally, the improper denial cause is directly related to the sample type. For example, monetary denials are related to the base period wages.

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Improper_Denials_by_Cause.xlsx

Responsibility for Improper Denials

The party responsible for erroneous denials varies by type of denial determinations. The table below shows the responsibilities by individual(s).

Denial Sample Type	Percent of Improper Denials						
	Employer Only	Agency Only	Claimant Only	Employer & Agency	Employer & Claimant	Claimant & Agency	All Others
Monetary	14.08%	26.24%	20.25%	7.20%	14.16%	13.32%	4.76%
Separation	1.99%	39.70%	11.22%	17.56%	8.63%	10.54%	10.36%
Nonseparation	1.43%	37.73%	37.32%	1.60%	3.39%	12.37%	6.15%

Employers were solely responsible for 14.08 percent of the erroneous monetary denials due to misreporting or underreporting employees' wages. A small percentage of these improper monetary denials involved employers misclassifying claimants as independent contractors during the base period. Claimants were responsible for another 20.25 percent of the erroneous monetary denials, and agency error accounted for approximately 26.24 percent of the improper monetary denials. States often hold claimants responsible for improper monetary denials because the state sends a notice to the claimant showing the information used and instructs the claimant to notify the state if the information used is incorrect. The remainder of the improper monetary denials had shared responsibility between these parties and others.

The SWAs were solely responsible for 39.70 percent of the incorrect separation denials and 37.73 percent of the improper nonseparation denials. The BAM investigation found that claimants were solely responsible for a smaller portion of the separation denials. Claimants were solely responsible for approximately 37.32 percent of the erroneous nonseparation denials.

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA 2024 Improper Denials by Responsibility.xlsx

Improper Denials by Prior Agency Action

Because the SWAs, either solely or jointly with other parties, are responsible for the majority of the erroneous nonmonetary denials and for a considerable proportion of the monetary denials, it is informative to examine agency action prior to the DCA investigation.

Agencies had resolved or were in the process of resolving the issue for 10.34 percent of the erroneous monetary denials. For improper nonmonetary denials, the agency identified the issue but took the incorrect action for 53.10 percent of the improper separation determinations and 32.14 percent of the erroneous nonseparation determinations.

Although the agency followed its procedures, the issue or information was undetectable for 44.81 percent of the improper monetary denials, 21.90 percent of improper separation determinations and 36.70 percent of the erroneous nonseparation determinations. For these claims the agency issued its determination to deny eligibility based on information that, although incomplete, was the best available under normal procedures at the time of its decision.

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Improper_Denials_by_Prior_Agency_Action.xlsx

Separation Denial Issues

A majority of the separation denials concerned voluntary quits (VQ), representing 53.44 percent of the population of separation type denials. Discharges represent 45.73 percent of the population of separation type denials. “Other” separation denials include a small number of labor disputes, military separations, or claimants who were still job attached (partial unemployment). Claims that were denied for VQ issues were slightly more likely to be in error (13.31 percent) than denials issued for discharges (9.06 percent). Separation denials that were based on “Other” issues were incorrect at the highest improper denial rate (12.99 percent) of separation denial types. The following table displays sample and population classification of these separation denial determinations and improper denial rates by type.

Separation Type	Sample Cases	Population of separation type denial	Percentage of Type in Population	Improper Denials
Voluntary Quit	4,216	756,446	53.44%	13.31%
Discharge	3,424	647,318	45.73%	9.06%
Other	70	11,773	0.83%	12.99%
Total	7,710	1,415,537	100.00%	
Total % Improper Denials for all Separation Types				11.36%

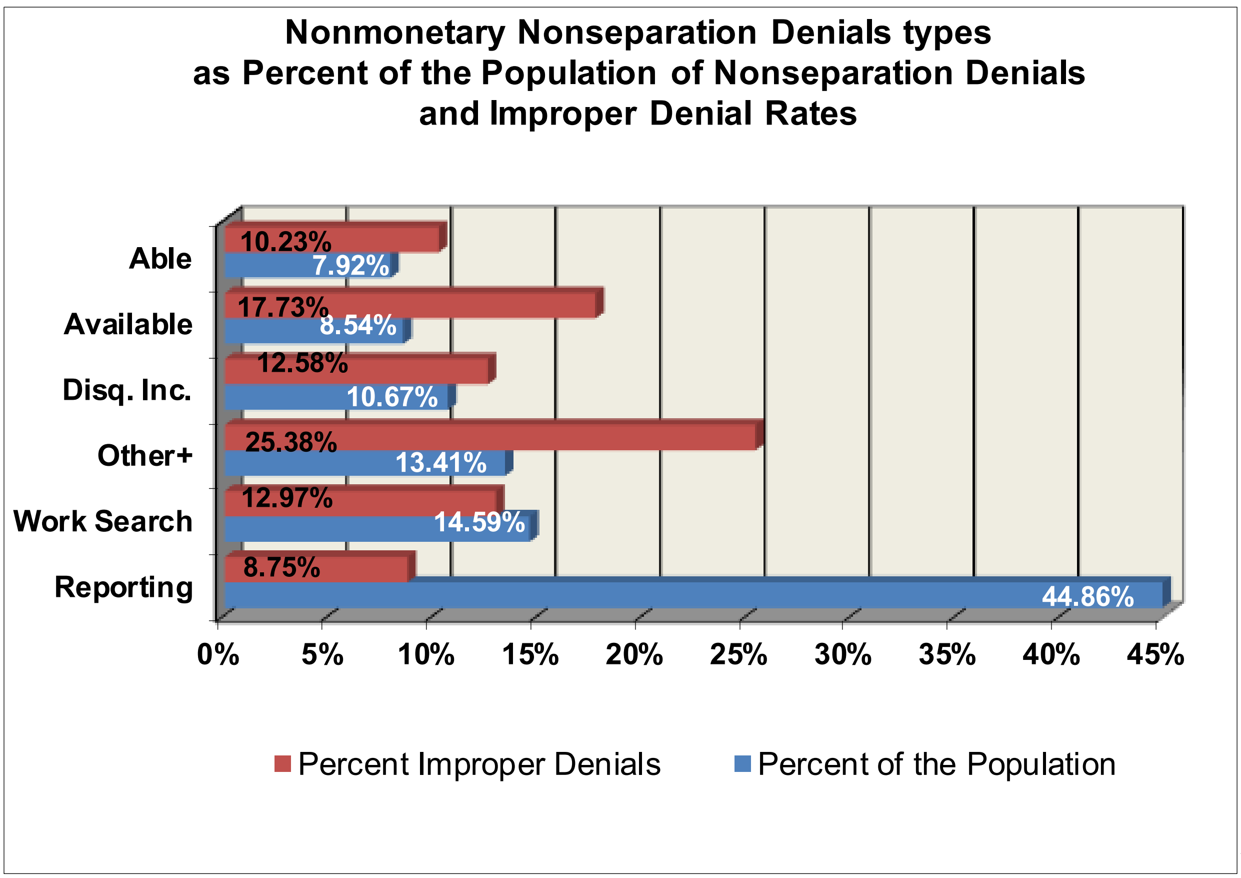
For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Denied_Claims_Accuracy_Separation_Determinations.xlsx

Nonseparation Denial Issues

The largest category of nonseparation denials in PIIA PY 2024 involved claimants failing to report when SWAs require them to provide information related to the UI claim or to receive reemployment services. This category type had an improper denial rate of 8.75 percent, which was the lowest rate for the reporting period. The “Other” category of nonseparation denials is not large in number. The following table displays sample and population classifications of these nonseparation denial determinations and improper denial rates by type.

Nonseparation Denial Type	Sample Cases	Estimated Population of Denials	Percentage of Denial in Population	Percent Improper of Denials in the Population
Able	660	257,119	7.92%	10.23%
Available	716	277,056	8.54%	17.73%
Work Search	1,281	473,475	14.59%	12.97%
Disqualifying Income	1,049	346,294	10.67%	12.58%
Reporting	3,161	1,455,840	44.86%	8.75%
Other+	825	435,255	13.41%	25.38%
N/A	2	450	0.01%	35.45%
Total	7,694	3,245,489	100.00%	
% Improper				12.89%

The bar chart below shows the same data as the table above and displays both the percentage of the total nonseparation denial determinations and improper denial rates.



For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2024_Denied_Claims_Accuracy_Nonseparation_Determinations.xlsx

Links to Additional BAM Paid and Denied Claims Data and BAM Methodology

Integrity Rates*
- PIIA_2024_Integrity_Rates_all_states.xlsx
- PIIA_2023_-_PIIA_2024_Integrity_Rate_Changes.xlsx

Integrity Rates - Cause / Responsibility*
- PIIA_2024_Integrity_Rates_x_Cause.xlsx
- IPIA_2020_Thru_PIIA_2024_Integrity_Rates_by_Quarter_&_State.xlsx
- PIIA_2024_Integrity_Rates_by_Responsibility.xlsx
- PIIA_2024_Overpayment_Rate_by_Cause_and_Responsibility.xlsx
- PIIA_2024_Work_Search,_ES_Reg_Counts.xlsx

Integrity Rates - Prior Action / Point of Detection*
- PIIA_2024_Integrity_Rates_Cause_x_Prior_Agency_Action.xlsx
- PIIA_2024_Cause_x_Prior_Claimant_Action.xlsx
- PIIA_2024_Integrity_Rates_x_Prior_Employer_Action.xlsx
- PIIA_2024_Integrity_Rates_by_Point_of_Detection.xlsx
- PIIA_2024_Claim_Filing_Methods.xlsx

Underpayments and Denied Claim Accuracy*
- PIIA_2024_Base_Period_Wages_Report.xlsx
- PIIA_2024_Improper_Denial_Rates_All_States.xlxs
- PIIA_2024_Denied_Claims_Accuracy_&_Error Rates.xlsx
- PIIA_2024_Agency_Action_on_Improper_Denials_By_Denial_Type.xlsx
- PIIA_2024_Improper_Denials_by_Cause.xlsx
- PIIA_2024_Improper_Denials_by_Prior_Agency_Action.xlsx
- PIIA_2024_Proper_and_Improper_Monetary_Denials.xlsx
- PIIA_2024_Denied_Claims_Accuracy_Separation_Determinations.xlsx
- PIIA_2024_Denied_Claims_Accuracy_Nonseparation_Determinations.xlsx
- PIIA_2024_Improper_Denials_by_Responsibility.xlsx

BAM Methodology
- PIIA_2024_Methodology_and_Program_Description
- PIIA_2024_Claimant_Responsiveness_and_Method_Claimant_Information_Obtained
- PIIA_2024_Report_State_Contacts.xlsx
- ET_395_Handbook_5th_Edition_BAM_State_Operations_Guidance
- Code_of_Federal_Regulations-Quality_Control_in_the_Federal_State_UI_System

Other References
- Comparison_of_State_Unemployment_Insurance_Laws_PIIA_2023
- Significant_Provisions_of_State_UI_Laws_January_2025

*** Notes: The spreadsheets may have several pages or worksheets**
Prepared by: U. S. Department of Labor
Employment and Training Administration
Office of Unemployment Insurance
Division of Performance Management (May 2025)