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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. BAM DCI Crossmatch Codes.

Key Week Action Code Flag (h1)

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

Point of Detection (ei5)

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

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

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

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

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

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

<u>Prior Agency Action (ei6)</u>

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

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

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

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

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

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

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

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