

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 21-13

TO: STATE WORKFORCE AGENCIES

FROM: GERRI FIALA /s/
Acting Assistant Secretary

SUBJECT: Unemployment Insurance (UI) State Information Data Exchange System (SIDES) Messaging Video Availability

- Purpose.** To provide information on the availability of a messaging video that promotes the benefits and ease of use of UI SIDES and SIDES E-Response to employers and third-party administrators (TPAs) that deal with UI information requests.
- References.**
 - Executive Order (E.O.) 13520, *Reducing Improper Payments* (November 20, 2009);
 - Improper Payment Information Act of 2002 (IPIA), 31 U.S.C. 3321;
 - Improper Payment Elimination and Recovery Act of 2010 (IPERA), 31 U.S.C. 3301;
 - Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), 31 U.S.C. 3321;
 - Unemployment Insurance Program Letter (UIPL) No. 19-11, *National Effort to Reduce Improper Payments in the Unemployment Insurance (UI) Program*; and
 - UIPL No. 18-12, *Unemployment Insurance (UI) Supplemental Funding Opportunity for Program Integrity and Performance and System Improvements*.
- Background.** On November 20, 2009, President Obama signed E.O. 13520, *Reducing Improper Payments*. It emphasized the need to eliminate waste, fraud, and abuse in federally administered programs while protecting access to these programs by their intended beneficiaries. Subsequently, the IPIA, as amended by IPERA and later IPERIA, required Federal agencies to review their programs and program activities annually, identify programs and areas that may be susceptible to significant overpayments, and develop and implement corrective action plans for any “high-risk” programs. The UI program is a “high-risk” program. Under IPERA, an agency which reports an improper payment rate of 10 percent or higher for a program it administers will be determined to be out of compliance and will trigger oversight by Congress, the Office of Management and Budget (OMB), and the Office of the Inspector General.

On June 10, 2011, the U.S. Department of Labor (Department) issued UIPL No. 19-11, *National Effort to Reduce Improper Payments in the UI Program*, to notify stakeholders that UI integrity is a top priority and provide a strategic plan to reduce the rate of UI improper

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payments. One strategy the UIPL indicated the Department would undertake as part of this plan was the development of outreach and marketing tools for states to use with businesses and TPAs to promote participation in UI SIDES and SIDES E-Response.

UI SIDES and SIDES E-Response were developed through a strategic partnership between the Department, employer representatives, and state UI agencies. UI SIDES is an integrated computer-to-computer interface between employers' information technology systems and state agency networks, designed for employers and TPAs that typically handle a large volume of UI information requests. UI SIDES is especially helpful to those employers that operate in multiple states. For employers with a limited number of UI claims throughout the year, the SIDES E-Response Web site provides an easy and efficient portal for electronically posting responses to information requests from state agencies. SIDES E-Response is available in participating states to any employer or TPA with Internet access.

In UIPL No. 18-12, the Department announced a supplemental funding opportunity to help states develop their own state-specific strategies to reduce the improper payment rate. As a condition of eligibility, those funding opportunities required states that had completed development of UI SIDES and SIDES E-Response to implement a messaging campaign targeting employers and TPAs, which includes specific messaging to improve employers' awareness of their responsibility to respond to state requests for separation information and/or earnings/wage verifications.

4. **Messaging Video.** The Department developed a messaging video that states can use to promote employer and TPA participation in UI SIDES and SIDES E-Response. The messaging video focuses on the numerous benefits these systems offer to employers and TPAs:

- **Free of charge.** Both systems are offered *free of charge* to employers and TPAs, although there are internal IT system development costs to integrate UI SIDES.
- **Secure.** Both systems have multiple layers of security to protect the sensitive data exchanged between the state UI agency and employers and TPAs.
- **Ensure accurate information exchanges.** Both systems provide a nationally-standardized format that ensures complete information is provided through standard edits, validations, and business rules.
- **Reduce administrative costs.** Both systems reduce the volume of time and resource-consuming paperwork, postage costs, follow-up phone calls, and unnecessary appeals.
- **Save time.** Both systems are electronic, eliminating delays related to mail delivery, reducing paper handling, and ensuring information requests are fully completed.
- **Minimize UI rates.** Both systems will help employers and TPAs keep UI tax rates as low as possible by providing timely and accurate information to the state UI agency, preventing payments to former workers who do not meet eligibility requirements.

The video discusses the problems addressed by UI SIDES and SIDES E-Response, distinguishes the differences between the two systems, and includes a broad spectrum of workplace images to illustrate the benefits to all employers, large and small. Additionally, this four-minute messaging video provides a call to action for employers and TPAs to use UI

SIDES in participating states, and to encourage employers in states that do not offer UI SIDES and SIDES E-Response to contact their state to encourage them to offer these systems.

States may use this video to meet the supplemental funding opportunity requirement to implement at least one messaging tool to promote UI SIDES and SIDES E-Response. The messaging video will be posted to the UI Payment Integrity home page (www.dol.gov/dol/maps/tools.htm), to the UI Community of Practice under the 'Resources' tab (ui.workforce3one.org), and the UI SIDES Web site (info.uisides.org). In addition, the Department will mass mail DVD copies of the video to each UI Director for all states to use.

5. **Action Requested.** State administrators are requested to:
 - a) Distribute this information throughout the UI community and to interested stakeholders, such as Chambers of Commerce and other industry associations, that may promote UI SIDES and SIDES E-Response to their members; and
 - b) Identify strategies to share this video with the employer and TPA community as part of the state's UI SIDES and SIDES E-Response messaging campaign, within the context of the state's strategic plan to address UI improper payments.

6. **Inquiries.** Questions should be directed to the appropriate Regional Office.