

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. 11-23, Change 2

TO: STATE WORKFORCE AGENCIES

FROM: JOSÉ JAVIER RODRÍGUEZ 
 Assistant Secretary

SUBJECT: National Identity (ID) Verification Offering (NIDVO) – Announcing a Deadline to Implement NIDVO Services and Providing Additional Participation Instructions

1. **Purpose.** To advise states that to remain eligible for participation in NIDVO and have the U.S. Department of Labor (Department) directly cover at least two years of transaction costs subject to funding availability, states must implement one or both of the NIDVO services no later than December 31, 2025. To successfully deploy prior to this deadline, as described in more detail below, a state should begin the implementation process **no later than October 20, 2025**.

2. **Action Requested.** The Department’s Employment and Training Administration (ETA) requests that State Workforce Agency (SWA) Administrators provide information in this Unemployment Insurance Program Letter (UIPL) to appropriate program staff.

3. **Summary and Background.**

a. Summary – The Department’s NIDVO initiative provides states with access to online ID verification services through the U.S. General Services Administration’s (GSA) Login.gov and in-person ID verification services through the U.S. Postal Service (USPS). Such services are intended to be part of a state’s multi-layered approach to fraud prevention and detection – providing access to government-operated ID verification services which can supplement the state’s existing tools. As described in UIPL No. 11-23, Change 1, state(s) must have entered into a data sharing agreement (DSA) with the Department by June 28, 2024, to participate in one or both of the NIDVO services and have the Department directly cover at least two years of transaction costs.

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To remain eligible for participation in NIDVO and have the Department directly cover at least two years of transaction costs, states must implement one or both of the NIDVO services no later than December 31, 2025. To successfully deploy prior to this deadline, as described in more detail below, a state should begin the implementation process **no later than October 20, 2025**. This deadline is necessary to ensure the states have identity proofing solutions in place as soon as possible and for the Department to determine the future costs of the NIDVO program.

The Department also reiterates that it is critical for states to openly communicate and provide robust feedback to the Department on their participation experience and the Department has outlined this partnership and process within the participation agreements described below. This UIPL also provides additional information regarding the individual-level data that participating states are required to report as part of this effort and announces changes to state and Department roles and responsibilities. The Department is also implementing a two-year Data Sharing Agreement (DSA) and Partnership Addendum (PA) cycle, which will reduce the administrative burden on both the Department and the states from having to execute the DSA and PA each year.

- b. Background – On March 11, 2021, the President signed American Rescue Plan Act (ARPA) into law (Public Law (Pub. L.) 117-2). Section 9032, ARPA, amended the Coronavirus Aid, Relief, and Economic Security (CARES) Act by creating Section 2118 which provided a \$2,000,000,000 appropriation to the Secretary of Labor (Secretary) to: (1) detect and prevent fraud, (2) promote equitable access, and (3) ensure timely payment of benefits to eligible workers with respect to unemployment compensation (UC) programs. These are commonly referred to as ARPA’s three pillars. ARPA describes allowable uses of these funds, including awarding grants for such purposes to states and territories administering UC programs and for systemwide infrastructure investment and development. The Fiscal Responsibility Act (FRA) (Pub. L. 118-5), signed into law on June 3, 2023, rescinded \$1,000,000,000 of the unobligated ARPA funds.

On July 13, 2023, the Department issued UIPL No. 11-23 announcing funding available under the ARPA to make available to states government-operated ID verification services developed by GSA to verify identities online through Login.gov and by USPS to verify identities in-person at participating USPS retail locations nationwide. This partnership between the Department and the service providers will further inform whether there is a need for standardized mechanisms for ID verification within the UI system as a potential long-term, federally supported sustainable public offering to states. On April 29, 2024, the Department issued UIPL 11-23, Change 1, that announced it will cover transaction costs for identity verification for participating states for at least the later of: two years after the date the state deploys NIDVO; or two years after the date of issuance of that UIPL, subject to the availability of funding and all applicable agreements being executed. If there is sufficient funding available, the Department may cover transaction costs for a longer period

for all states that have deployed or will deploy NIDVO, pursuant to the guidance in the UIPL.

As of November 30, 2024, a total of 19 states are currently using one or both services through NIDVO.

4. **Deploying ID Verification Services through NIDVO.** NIDVO is intended to be part of a state's multi-layered approach to fraud prevention and detection – providing access to government-operated ID verification services which can supplement the state's other fraud controls and mitigating tools. As described in UIPL No. 11-23, Change 1, state(s) must have entered into a DSA with the Department by June 28, 2024, to participate in one or both of the NIDVO services and have the Department directly cover at least two years of transaction costs, subject to available funding.

States must implement one or both of the NIDVO services no later than December 31, 2025, to remain eligible for participation in NIDVO and have the Department directly cover at least two years of transaction costs. If the service is not deployed and used in the state by the deadline, then the Department will not cover transaction cost for the NIDVO service. There are three stages that occur after signing the DSA and before deployment.

- 1) **Policy Review (PR):** ETA assesses whether the state is following the requisite due process requirements for ID verification services based on the state's answer to a 5-question Policy Review.
- 2) **Partnership Addendum (PA):** The state and Department execute a PA to the DSA, which memorializes the specific requirements, terms, and obligations of the participating state and Department for participation in NIDVO.
- 3) **IT Implementation:** The state partner works with the Department's Office of Chief Information Officer (OCIO) to conduct the necessary information technology (IT) implementation activities, including development of a web page to refer individuals to the service.

Included in the PA is the obligation for the state to report individual-level data to the Department, as originally described in Section 4.c.iii. of UIPL No. 11-23, for the Department to assess the efficacy and equity of the offerings. Further instruction regarding the state's obligation to report individual-level data is provided below and will also be included in the PA. Additional updates to this and other elements of participation in NIDVO may be made through the DSA and PA process with participating states as negotiated and approved by the Department and state.

The Department is also implementing a two-year DSA and PA cycle, which will reduce the administrative burden on both the Department and the states from having to execute the DSA and PA each year.

a. **States must implement one or both of the NIDVO services no later than December 31, 2025.** Based upon recent deployments with states currently participating in NIDVO, the Department estimates that the Policy Review stage will generally take 14 calendar days and execution of the PA will occur consecutively and also generally take 14 calendar days – amounting to a cumulative total of approximately four weeks. IT implementation can occur simultaneously with these two stages and can generally be completed within 4-6 weeks.

- i. Policy Review (PR): The PR process generally takes **14 calendar days**.
- ii. Partnership Addendum (PA):
 - o The PA process generally takes **14 calendar days**.
 - o This timeline starts **after** the Policy Review is complete.
- iii. IT Implementation:
 - o As noted above, the IT Implementation generally takes **4-6 weeks to complete**.
 - o The timeline starts **simultaneously** with the PR process.

This estimated timeline reflects timely correspondence between the Department and state. This timeline can be adjusted as needed, contingent on state resources, the pace of state engagement, and the deadline outlined in this UIPL.

To achieve deployment prior to the deadline stated above, a state should begin the Policy Review and IT Implementation stages **no later than October 20, 2025**. Should these stages require more time, the Department will coordinate with the state to complete the processes as quickly as possible. The Department will only grant an extension if the state has completed the IT implementation and issue(s) are found during deployment to production. However, the Department strongly encourages states to start the implementation process as soon as possible to mitigate the risks of unforeseen delay.

b. **Importance of Communication and Partnership during NIDVO Participation.** The Department realizes that this is a new endeavor for the Department in providing these types of services to states in the administration of the UI program. Also, because the process by which ID verification is conducted within the UI program continues to evolve and adapt, it is critical for states to openly communicate and provide robust feedback to the Department on their participation experience.

States must provide due process rights for all individuals, including individuals who verify their identify through the NIDVO process. To meet this requirement and reduce administrative burdens that could be incurred by the state when deploying NIDVO, the Department is committed to taking steps to work with states to ensure these requirements are met, including working closely in partnership with the state to ensure that all due process requirements explained in current and future guidance are

implemented within appropriate timelines. To meet these goals, it is essential that states work in partnership with the Department to address issues and share information regarding fraud to continue to strengthen the offering as fraud activity continues to evolve. This partnership and process has been memorialized via the PA.

- i. ***State Roles and Responsibilities.*** To ensure due process for individuals going through the NIDVO process, the Department added the following language to the PA.

If the Department or state UI agency identifies any ID verification compliance issues related to participation in the National ID Verification Offering before, during, or after the implementation of either (or both) login.gov or USPS, the state will:

- a) *Work in partnership with the Department to identify options to become compliant;*
- b) *Meet ID verification compliance with current and any future relevant guidance within 12 months of this executed Addendum or on a timeline agreed upon between the Department and the state; and*
- c) *Inform the Department about potential barriers to becoming compliant and/or challenges encountered/positive practices implemented as a result of becoming compliant.*

- ii. ***Department Roles and Responsibilities.*** Building on the addition described above regarding ***State Roles and Responsibilities***, the Department also added the following language to the PA.

Notify the state of any compliance issues identified related to participation in the National ID Verification Offering, including sufficient detail documenting the issue(s).

- a) *Collaborate with the state UI agency to assist in compliance as the project nears its deployment date and continue to serve as a strategic partner and collaborator in ensuring the state UI agency takes the necessary actions to meet the documentation requirements detailed in UIPL No. 16-21 and future guidance published by ETA.*

c. **Reporting Individual-Level Data in Accordance with the Partnership Addendum.**

As a condition to participate in the NIDVO services and as specified in the PA, the state must disclose certain data to the Department. The Department will store that data for the purpose of assessing the effectiveness and equity of ID verification at the point of delivery. Below are additional instructions about the list of required individual-level data elements. Additionally, states must link the state-provided elements with the result codes received back from the Department to Login.gov and USPS (as applicable).

- i. ***Individuals to be Reported and Frequency of Data Submission.*** The state must report all individuals referred to the NIDVO service(s) in the quarter in which they are referred by the state. If an individual completes a service in the quarter following the quarter in which the individual was referred (for example, referral to the service occurs on September 30th and verification is completed on October 3rd), then the state must also report this individual in the subsequent quarterly submission, including the updated verification result, using the same State Specific Unique Identifier in each case.
- ii. ***State-provided Elements.*** In addition to the individual-level data elements described in Section 4.c.iii.B. of UIPL No. 11-23, the state must also report the “**Date of Referral by State**” which is defined as the date the transaction was processed via NIDVO by USPS or Login.gov.
- iii. ***Linking State-provided Elements to Result Codes.*** By signing the PA, the state agrees to match the state-provided data elements with certain data elements received back from the Department with respect to Login.gov and USPS, where applicable. These additional result codes will only be returned for individuals who reached Identity Assurance Level 1 (IAL 1) or ID verified status.

5. **Inquiries.** Please direct inquiries to the appropriate ETA Regional Office.

6. **References.**

- Division B, Title I, Section 24, of the Fiscal Responsibility Act of 2023 (Pub. L. 118-5);
- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers (Pub. L. 117-2);
- UIPL No. 11-23, Change 1, *Announcing an Extension of Period of Time that Funding will be Available to Cover Transaction Costs and Announcing the Establishment of a Deadline for States to Enter into Data Sharing Agreements (DSAs) for the National Identity Verification Offering (NIDVO) Established in Unemployment Insurance Program Letter (UIPL) No. 11-23*, issued April 29, 2024, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23-change-1>; and
- UIPL No. 11-23, *Announcement of Grant Opportunities and National Identity (ID) Verification Offering under the American Rescue Plan Act (ARPA)*, issued July 13, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23>.

7. **Attachment(s).** N/A.