Unemployment Insurance Program Integrity and Improved Administration Framework

The COVID-19 pandemic revealed that the Unemployment Insurance (UI) program was both difficult for workers to access and vulnerable to fraud. The following bipartisan framework, developed by Senate Finance Committee Chairman Ron Wyden and Ranking Member Mike Crapo, would prevent future UI fraud and help ensure those who defrauded the system during the pandemic are brought to justice. It would also provide relief for claimants who were overpaid and cannot afford repayment or face other hardships, and take steps to make UI systems more accessible to eligible workers.

Unemployment Insurance Fraud and Overpayment Recovery

- Extends the federal statute of limitations for pandemic unemployment insurance fraud to 10 years (from 5 years under current law).
- Allows states to waive overpayments of pandemic unemployment insurance that have not been recovered as of date of enactment in non-fraud cases where repayment would be contrary to equity and good conscience. States are required to waive these non-fraud overpayments if no overpayment is established by December 31, 2025.
- Allows states to retain 5 percent of recovered overpayments of unemployment compensation and 5 percent of employer unemployment taxes collected as part of a state investigation. States may retain up to 25 percent of overpayment recoveries of fraudulent pandemic unemployment overpayments. Allows states to invest retained funds in unemployment insurance administration.

Unemployment Insurance Program Integrity

- Requires states to crossmatch unemployment compensation claims against the National Directory of New Hires (NDNH) to prevent claimants from collecting UI if they are working.
- Requires states to utilize systems such as the State Information Data Exchange (SIDES) to allow electronic transmission of accurate claim information between employers and states.
- Requires states to use crossmatching systems such as the Integrity Data Hub (IDH) to identify potentially fraudulent unemployment claims.
- Requires states to crossmatch unemployment compensation claims against the Social Security Administration's prisoner database to prevent fraud.
- Requires the Secretary of Labor to issue regulations to ensure proper implementation of crossmatching requirements.

Unemployment Insurance Administration and Technology

- Implements new access and technology requirements for online claim filing systems and in-person alternatives.
- Requires states to provide guidance to employers to facilitate their eligible workers' access to benefits.
- Provides for oversight of federal investments into the administration of UI programs.