

# ***Workers Denied: How to Diagnose and Prevent Improper Unemployment Insurance Denials***

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## **Summary**

Unemployment insurance (UI) benefits can be a lifeline for unemployed workers. But each year many workers who apply for benefits are improperly denied. An improper denial occurs when a state UI agency denies UI benefits to a worker who, based on the law and the facts, is entitled to benefits.

Any improper denial can cause significant hardship for a worker, even if the denial is ultimately reversed. For example, consider if you are laid off from your job. While you feverishly try to find job openings in your area, and deal with the emotional impact of job loss, you apply for UI. Weeks later, your claim is denied. Even if you appeal, in the meantime you still must scramble to figure out how to pay your rent, keep your lights on, and keep your family fed.

Improper denials are a major barrier for workers trying to access the UI benefits they are due. Over the past ten years, between nine and 19 percent of all denials have been improper.<sup>1</sup> Improper denials can occur for a variety of reasons, including the state UI agency misapplying the law, employers failing

## **Key Points**

- An improper denial is when a state UI agency denies a worker unemployment insurance (UI) benefits even though the worker is entitled to those benefits based on the law and facts.
- Improper denials can leave workers without critical support during periods of unemployment.
- The U.S. Department of Labor calculates and reports state improper denial rates via the Denied Claims Accuracy (DCA) program.

## **Key Solutions**

- Stakeholders can use the DCA annual report and associated data to:
  - Determine if their state has high improper denial rates;
  - Locate pain points in their state's determination processes;
  - Identify sources of pain points their state's determination processes;
  - Review their state's actions to identify and fix improper denials; and
  - Identify additional resources that can help narrow down the causes of and solutions for their state's improper denials.
- Federal and state governments and agencies can adopt best practices to prevent improper denials.

to provide accurate or complete information on wage<sup>2</sup> or separation reports,<sup>3</sup> or workers being confused by questions on applications or fact-finding questionnaires. A high rate of improper denials can be a symptom of a broader problem in a state's data collection and/or entitlement determination processes.<sup>4</sup>

This brief provides an overview of the federal data available on improper denials in each state so that stakeholders can identify where their states are falling short in processing claims and how to address these problems to reduce improper denials and improve workers' access to UI benefits. The brief begins with an introduction to the U.S. Department of Labor's Denied Claim Accuracy (DCA) data. Subsequent sections walk through how to conduct an annual state-specific "check-up" using DCA data to: (1) determine the severity of improper denial symptoms; (2) locate pain points; (3) find the sources of the problem; (4) review state agency's actions to detect and remedy the problem; and (5) identify areas for further investigation. The brief concludes with recommendations to reduce the likelihood of improper denials to ensure eligible workers can access the UI compensation they are entitled to.

## Checking Up on State Improper Denial Rates Using the Denied Claims Accuracy Program

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Unemployment insurance is a joint federal-state program that is administered by state agencies with federal oversight. One role that the federal government plays is in assessing the accuracy of paid and denied UI claims. As a part of the Benefit Accuracy Measurement (BAM) program, USDOL uses Denied Claims Accuracy (DCA) data to assess whether state UI systems are running properly. USDOL aims to "identify system-wide problems, so that when corrected, future errors can be prevented."<sup>5</sup> State participation in these programs is mandatory.<sup>6</sup> For the BAM and DCA programs, USDOL collects random samples of cases from each state to perform quality control on state UI entitlement and payment amount determinations.<sup>7</sup> For the DCA program, USDOL collects and reviews a sample of each state's weekly denied claims.<sup>8</sup>

Denials are categorized by the reason for denial: (1) Monetary, (2) Separation, and (3) Nonseparation.<sup>9</sup> Each year, USDOL collects and assesses at least 150 cases for each category of denial per state.<sup>10</sup> Monetary denials encompass denials on the basis of the worker having inadequate wages or hours in their base period or alternate base period.<sup>11</sup> Separation denials include when workers are denied due to an ineligible reason for job loss like voluntarily quitting without good cause, being discharged for misconduct, or being unemployed due to a labor dispute (in states with this disqualification).<sup>12</sup> Nonseparation denials include denials due to the worker not being able, available, or actively seeking work, the worker receiving or failing to report disqualifying income (such as severance), the worker refusing suitable work when offered, or the worker's failure to meet the state's reporting requirement.<sup>13</sup>

To assess the accuracy of a denial, USDOL uses the existing case file, but also conducts new fact-finding interviews and data collection.<sup>14</sup> USDOL's investigation is limited to the determination category that was the original basis for the state denying the worker benefits.<sup>15</sup> The most current DCA report at the time the brief was drafted was for 2023. Results from that report will be discussed herein unless otherwise noted.

Along with annual reports summarizing its DCA findings nationwide, USDOL also provides state level data on improper denial rates, causes, responsible parties/entities, and much more. The DCA report does not

estimate the dollar amount of benefits unpaid to workers due to improper denials.<sup>16</sup> However, a 1998 pilot study of the DCA program estimated that improper denials may result in benefit losses of “over 3 percent of all regular state benefits paid to workers.”<sup>17</sup> Thus, it is high time for a check-up.

## Step 1: Are you in a State of *Improper Denial*? How to Find Data on Each State’s Improper Denial Rate

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The DCA report and associated data are the diagnostic tools that stakeholders, including policymakers, advocates, workers, and states can use to identify whether a state is issuing a high rate of improper denials. Stakeholders can start by reviewing five key overview metrics included in the DCA rate table.

### Where Can You Find National and State Results?

- Nationwide DCA rate results are included in the “Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance” report issued annually and available on the [USDOL website](#).
- State-specific DCA rate results are available in the “Improper Denial Error Rates” tab within the “Improper Denial Rates All States” excel file that is available for download from the [Benefit Accuracy Measurement homepage](#).

### What Results are Included in the DCA Rate Table?

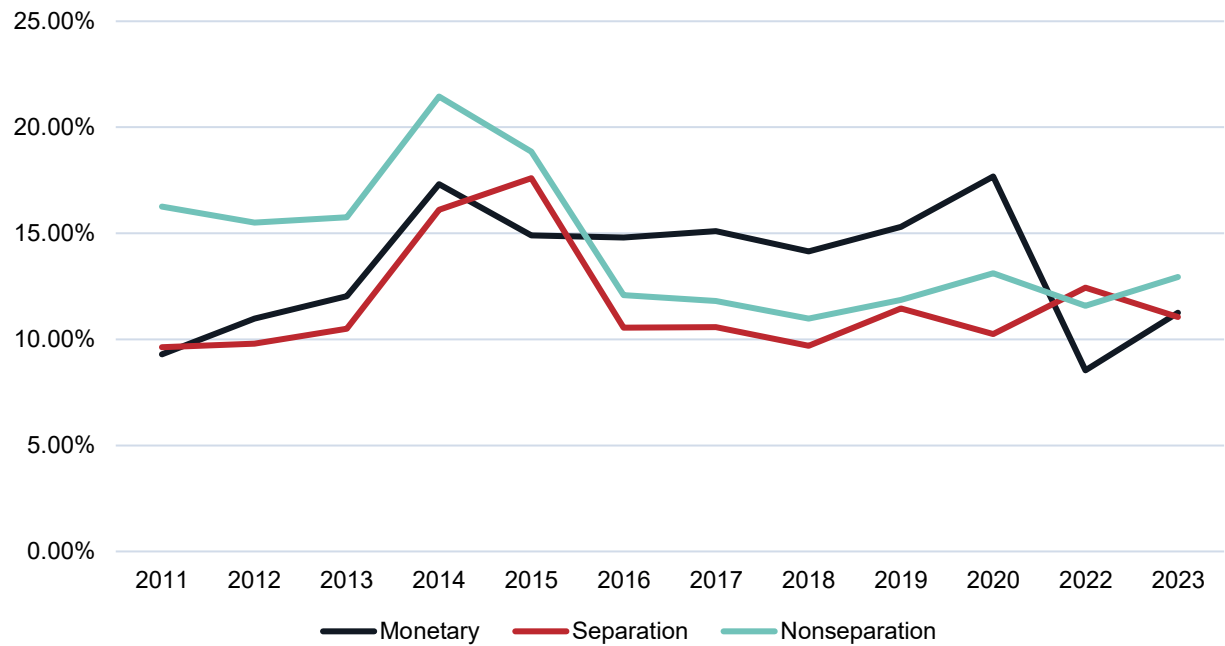
The DCA rate results include several important metrics for each category of denial:<sup>18</sup>

- **Total Denial Error Rate:** The weighted proportion of denials that contain errors. A high error rate alone can indicate a problem in the UI data collection and determination process. However, not all errors result in improper denials.
- **Improper Denial Rate:** The weighted proportion of denials that contain errors that make the denial improper.
- **Adjusted Improper Denial Rate:**<sup>19</sup> The weighted proportion of improper denials that were *not* corrected before being sampled and assessed for DCA. As background, sometimes an improper denial may be corrected either by an appeal reversal or the state UI agency affirmatively changing its determination *prior* to the DCA investigation.
- **Overpayment Rate:** The weighted proportion of denial cases where USDOL found that the state UI agency paid a worker for weeks in which the worker was not eligible or paid the worker at a higher rate than the worker was eligible for.
- **Proper Denial Rate:** The weighted proportion of cases where the worker was properly denied, but the state UI agency based the denial on the wrong cause or made a procedural error.<sup>20</sup>

### What are the Most Recent National Results?

The most recent DCA rate table is contained within the BAM 2023 report. As Chart 1 shows, since 2011, the U.S. rate for improper denials of each category has been between 10 to 15 percent. The greatest fluctuation in recent years was the U.S. improper denial rate for monetary determinations. In 2020, the U.S. rate was 17.68 percent. No data were reported for the subsequent sample year (2021) due to the COVID-19 pandemic.<sup>21</sup> Then in 2022, the rate dropped to 8.54 percent. Finally, in 2023, the improper monetary denial rate rose slightly to 11.26 percent. Causes and responsibilities for improper denials are discussed in subsequent sections of this brief.

**Chart 1: U.S. Average Improper Denials by Type**

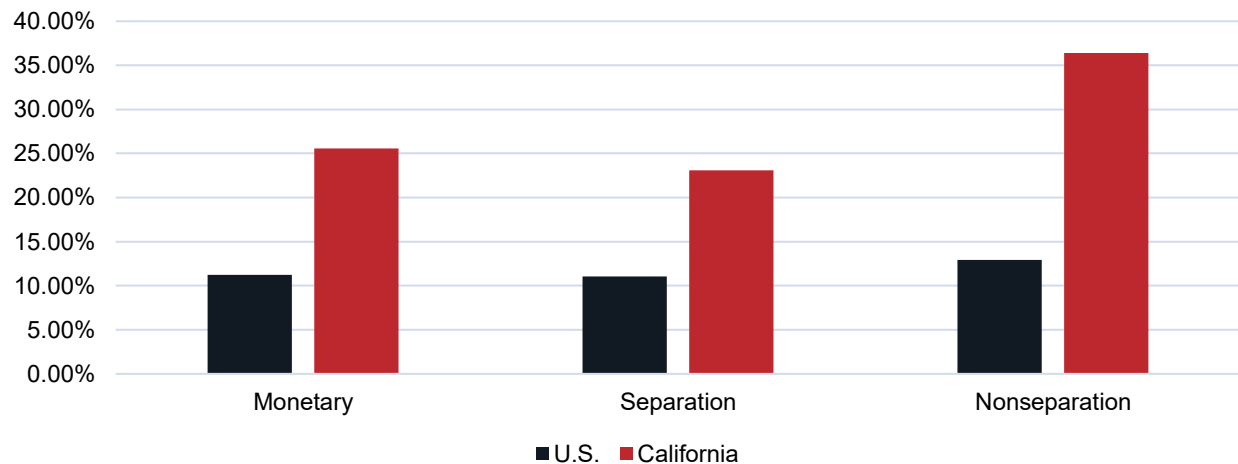


***State-Specific Check-Up: California***

California presents an interesting case study for improper denials. As Chart 2 illustrates, the state's improper denial rate is higher than the national rate for each of the three types of denials. Moreover, the state's total *error* rate is more than twice that of the national rate for separation and nonseparation denials. Thus, the state provides a useful case study for how to use the DCA data to pinpoint the locations and sources of a state's high improper denial rates.

California's error rate for monetary denials is alarmingly high; the error rate is 97.45 percent. While most errors may not result in improper denials, this still indicates that California has strong symptoms of a problem in its data collection and/or entitlement determination process for all three determination categories. The next section reviews how DCA data can be used to narrow down which entitlement requirements for each determination category are most likely to be the basis for an improper denial.

**Chart 2: 2023 Improper Denial Rates: US and California**



## Step Two: Where Does it Hurt? How to Find Pain Points for Each Category of Denial

When a state (or the U.S. overall) has a high improper denial rate for one or more determination categories (monetary, separation, and/or nonseparation), the next step is to zero in on the exact location of the problem, which we refer to as the “pain point.” What entitlement requirements are leading to the most improper denials? For example, when a state UI agency makes a nonseparation determination it must use claimant, employer, and third-party information to assess whether claimants meet a wide range of requirements including being able and available for work, not receiving disqualifying income (like severance), and conducting adequate work searches. Some eligibility requirements may more frequently be the basis for improper denials.

### Monetary Denial Pain Points

#### What National and State Monetary Denial Pain Point Data Are Available?

There is a broad range of national and state-specific pain point data. Some of the national data are reviewed in the “Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance” report issued annually and available on the [USDOL website](#).

Additional national and state-specific monetary pain point data include:

- The “Monetary Denial by Type” tab within the “Improper Denial Rates All States” excel file that is available for download from the [Benefit Accuracy Measurement homepage](#). This breaks down monetary determinations by whether the agency conducted a monetary redetermination before the DCA investigation. Improper denial rates are listed for the following conditions:
  - **No monetary redetermination**
  - **Monetary redetermination that did *not* include application of the alternative base period or extended base period**
    - In many states, if a worker does not have adequate wages or hours in the base period, the worker can still meet monetary eligibility if they have adequate wages after or, in some cases, before the base period.<sup>22</sup> While the base period typically

considers wages and hours during the first four of the last five completed quarters, the alternative base period (ABP) considers the worker's more recent wages/hours, typically in the last four completed quarters.<sup>23</sup> As of the 2023 DCA report, 39 states had adopted an ABP.<sup>24</sup> Some states additionally or instead allow a worker to meet eligibility with wages earned and hours worked *before* the base period.<sup>25</sup> This is known as the extended base period (EBP).<sup>26</sup>

- **Monetary redetermination that did include the alternative base period or extended base period** (see explanation of these terms above)
- **Other**
- The “Total Errors Denial Cause” tab within the same file also breaks down the percent of total denied errors by denial type. While these data are informative, recall that not all errors in determinations result in improper denials.
- The “Base Period Wages Report” excel file that is available for download from the [Benefit Accuracy Measurement homepage](#). This contains information on wage reporting accuracy that is collected as a part of the Paid Claims Accuracy portion of the BAM program. Although these data are collected for a different sample than the DCA sample (those of paid claims rather than denied claims), gross errors in wage collection for paid claims could suggest a systemic problem that would impact denied claims.

#### State-Specific Monetary Check-Up: California and Georgia

The sheer amount of DCA data on monetary denial pain points, and relevant BAM data, is helpful but also can be a bit overwhelming. Thus, this section reviews how to use these data to inquire into the relatively high (as compared to the national data) improper denial rate for monetary denials in California and Georgia. California's improper monetary denial rate is 25.58 percent; Georgia's is 34.81 percent. The national improper monetary denial rate is 11.26 percent. Because states have different monetary entitlement criteria, data from Georgia and California are not used here to rank the states as better or worse than one another, but instead to show how the DCA monetary denial data can point to different pain points in different states.

The “Monetary Denial by Determination Type” tab in the “Improper Denial Rates All States” file is an apt place to start a search for pain points in the monetary determination process. The national data are presented below in Table 1. Data for California are presented below in Table 2. Data for Georgia are presented below in Table 3.

**Table 1. U.S. Monetary Denial by Determination Type**

Agency Monetary Determination Action and Redetermination Status	Sample	Estimated Population	Percent of Population	Improper Denial
Monetary redetermination before DCA investigation that did NOT apply Alternative Base Period/Extended Base Period	582	103,193	7.21%	56.05%
No Monetary redetermination before DCA	4,611	965,559	67.51%	6.21%
Monetary redetermination before DCA investigation that DID	2,259	358,804	25.09%	12.00%

Alternative Base Period/Extended Base Period				
Other	17	2,751	0.19%	7.80%
Total	7,469	1,430,307	100.00%	
% Improper				11.26%

**Table 2. California Monetary Denial by Determination Type**

Agency Monetary Determination Action and Redetermination Status	Sample	Estimated Population	Percent of Population	Improper Denial
Monetary redetermination before/during DCA investigation that did NOT apply Alternative Base Period/Extended Base Period	27	29,873	18.98%	90.40%
No Monetary redetermination before DCA	95	113,543	72.15%	1.72%
Monetary redetermination before/during DCA investigation that DID apply Alternative Base Period/Extended Base Period	12	13,946	8.86%	81.01%
Total	134	157,362	100.00%	
% Improper				25.58%

**Table 3. Georgia Monetary Denial by Determination Type**

Agency Monetary Determination Action and Redetermination Status	Sample	Estimated Population	Percent of Population	Improper Denial
Monetary redetermination before/during DCA investigation that did NOT apply Alternative Base Period/Extended Base Period	11	1,331	9.33%	83.64%
No Monetary redetermination before DCA	132	12,757	89.41%	29.86%
Monetary redetermination before/during DCA investigation that DID apply Alternative Base Period/Extended Base Period	2	132	0.92%	33.63%
Other	1	49	0.34%	0.00%
Total	146	14,267	100.00%	
% Improper				34.81%

Nationally, and in both California and Georgia, a strong majority of cases in the DCA sample did not have a monetary redetermination conducted independently by the state UI agency prior to or during the DCA investigation. Both the national and state-specific data indicate a higher improper denial rate for cases where the state UI agency *did* conduct an independent redetermination. In a way, that makes sense, as



cases without redeterminations may be more straightforward. For example, these may more often include cases where the facts are clear. Wage records in those cases may more often be complete and accurate. That would mean that the state UI agency is simply determining whether a worker earned adequate wages in the corresponding period.

Redeterminations may be more likely to occur in more challenging cases, where the facts are not clear. This might occur at times when wage records are inaccurate or incomplete. For example, when a worker is misclassified as an independent contractor by their putative employer, the worker's wages will not show up in the wage record report. Likewise, if an employer underreports a worker's wages and the worker catches the error, then that could lead to a redetermination as well.

The "Base Period Wages Report" may help illuminate whether accurately collecting the facts presents a pain point for the state. The "Base Period Wages Report" should be used with caution as it is generated as a part of the BAM Paid Claims Accuracy program rather than the DCA program and uses a sample of paid claims rather than denied claims. However, a high error rate in the base period wages collected for paid claims may suggest a systemic problem that contributes to improperly denied claims.

In the "Wage Reporting Accuracy" tab of the "Base Period Wages" report, USDOL provides data on the percent of cases for which the base period wages are correct, understated, and overstated. Nationally and in California, more than 85 percent of base period wages for paid claims cases are correct. As compared to the national rate, California has a lower percentage of cases for which the base period wages are understated. However, the average error in California is \$11,691 versus \$8,338 nationally. Thus, this may be a slight pain point for California.

Georgia presents a different picture. In Georgia, base period wages in paid claims are only correct 50 percent of the time. However, in the 31.61 percent of cases when base period wages are understated, this is by an average of \$6,022. Georgia law requires workers to have higher base or alternative base period wages to qualify for UI than California.<sup>27</sup> So, if these errors in paid claims are indicative of errors in denied claims, it is possible that smaller errors in base period wages in Georgia may result in more improper monetary denials.

The "Total Errors Denial Cause" tab within the "Improper Denial Rates All States" file further supports that incorrect base period wages may be a slight pain point for California and a more significant pain point for Georgia. Here again, these data should be used with caution, as while the error rates are for the DCA sample, not all errors result in improper denials. Incorrect base period wages account for 24.32 percent of California's errors in monetary denials. While this is much lower than the national rate, California has a nearly 100 percent error rate in denials versus about 20 percent nationally. In Georgia, incorrect base period wages account for 98.29 percent of monetary denial errors. Thus, this is plainly a pain point for Georgia.

The data suggest another potential pain point in monetary denials for California. Nearly three quarters of the monetary denial errors in California result in proper denials but can be blamed on improper alternative base period procedure. As background, if the worker's base period wages are insufficient, the state UI agency may need to review the alternative base period. USDOL reports that state UI agencies often fail to provide an alternative base period determination where legally required to do so.<sup>28</sup> "[O]nly 39.16 percent of monetarily denied claimants living in states with such a legal provision received a determination regarding their alternative base period eligibility."<sup>29</sup> California and Georgia are among the majority of states with an alternative base period.<sup>30</sup> While improper alternative base period procedures may most often still result in



proper denials (because the worker did not have adequate earnings in the alternative base period to overcome the original denial), this may be a pain point that accounts for some of California's improper monetary denials as well. In contrast, this measure accounts for none of the errors in Georgia. Thus, base period wages are pain points in both California and Georgia, and alternative base period procedures may be a pain point for California.

## Separation Denial Pain Points

### What National and State Separation Denial Pain Point Data Are Available?

National data are reviewed in the “Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance” report issued annually and available on the [USDOL website](#).

Additional national and state-specific separation pain point data include:

- The “Separation Denial by Type” tab within the “Improper Denial Rates All States” excel file that is available for download from the [Benefit Accuracy Measurement homepage](#). This provides the improper rate of denials based on:
  - Voluntary quit issues;
  - Discharge issues; and
  - Other issues (“labor disputes, military separations, or claimants who were still job attached.”)<sup>31</sup>
- The “Total Errors Denial Cause” tab within the same file, which is described above.

### State-Specific Separation Check-Up: California and Massachusetts

California (23.06%) and Massachusetts (26.47%) have the nation’s highest improper separation denial rates for 2023. Investigation into pain points for separation denials should start by reviewing the “Separation Denial by Type” tab in the “Improper Denial Rates All States” file.

The data indicate some similarities and differences between the national and California data. About 57 percent of the national and California separation cases are for voluntary quit issues. Then, about 42 percent of the cases are for discharge issues. California’s improper denial rate for each type of separation case is around 23 percent. The nationwide average improper denial rates for these types are much lower, at around 11 percent. Consequently, both voluntary quit and discharge issues may be pain points for California.

In contrast with the U.S. and California data, nearly 77 percent of separation denials in the Massachusetts sample are for voluntary quits. The improper denial rate for voluntary quit cases is 20.86 percent. While discharges make up a much smaller share of the Massachusetts sample, the improper denial rate for these cases is much higher, at 44.84 percent. So, while both types of separation denials have a heightened improper denial rate as compared to the national data, the data paint a different picture than California. States have different laws, regulations, policies, and procedures regarding separation eligibility, so the examples of Massachusetts and California are not used for comparison. Instead, the examples are used to show how the data can help locate different pain points and assess the severity of the pain at each point.

The “Total Errors Denial Cause” tab within the “Improper Denial Rates All States” file indicates that about 23 percent of California’s errors in separation denials are due to separation issue information. The greatest cause of separation errors are cases where the state UI agency properly denied the worker but used improper procedure or based the denial on the wrong law. Thus, it’s possible that procedural issues could

also contribute to *improper* denials and that could be another pain point for the state, in addition to voluntary quits and discharges. Then, about 30 percent of separation errors are improper but the worker was denied on another issue.

Massachusetts' separation errors have similar causes. Nearly 32 percent of errors in separation denials are due to separation issue information. Then, 31 percent of errors were due to improper procedure or law but resulted in proper denials. About a quarter of the errors resulted in improper denials but the worker was still ineligible based on another issue. Finally, in over 8 percent of errors, the worker was improperly denied but they were not entitled to benefits because they did not claim the weeks. This issue is discussed further in Step Four.

## Nonseparation Denial Pain Points

### What National and State Nonseparation Denial Pain Point Data Are Available?

National data are reviewed in the "Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance" report issued annually and available on the [USDOL website](#).

Additional national and state-specific nonseparation pain point data include:

- The "Nonseparation Denial by Type" tab within the "Improper Denial Rates All States" excel file that is available for download from the [Benefit Accuracy Measurement homepage](#). This provides the improper rate of denials based on the following Issues:
  - **Able**
    - Generally, under federal law,<sup>32</sup> workers must "have the physical and mental capacity to perform work" during the corresponding week.<sup>33</sup>
  - **Available**
    - Under federal law,<sup>34</sup> workers must be available to work ("ready, willing, and able to accept work") during the given week.<sup>35</sup> State laws vary on whether workers who are on vacation or leave their locality are available for work.<sup>36</sup> Federal law bars states from denying eligibility based on "provisions relating to availability to work, active search for work, or refusal to accept work" to workers in a state-approved training who otherwise meet eligibility criteria.<sup>37</sup>
  - **Work Search**
    - Generally, under federal law,<sup>38</sup> workers are required to actively seek work unless they meet an exemption, such as being in approved training, being temporarily laid off, or being a member of a union and seeking work through a union hiring hall.<sup>39</sup> State laws and policies vary greatly on the number, type, and reporting requirements for work search activities.<sup>40</sup>
  - **Disqualifying/Unreported income**
    - Workers are not entitled to UI benefits if they receive disqualifying income or fail to report deductible income. States vary as to which types of income are disqualifying or deductible.<sup>41</sup> Common types of income that are classified as disqualifying or deductible in states include workers' compensation payments, holiday, back pay, dismissal payments, or vacation pay.<sup>42</sup> Workers are generally required to report all sources of income in their initial application and during their weekly claims.

- **Reporting error**
  - “Issues involving reporting requirements relate to requests for backdating of new or additional claims, late filing of continued claims, and failure to report as required to provide claims information.”<sup>43</sup>
- **Other** (“refusal of suitable work, [immigration] status, athlete, school, seasonality”).<sup>44</sup>
- The “Total Errors Denial Cause” tab within the same file, which is described above.

#### State-Specific Nonseparation Check-Up: California and New Hampshire

The “Nonseparation Denial by Type” tab in the “Improper Denial Rates All States” data file is a helpful place to start an investigation into a state’s nonseparation denial pain points. National data are presented in Table 4 below. Data for California are in Table 5. Data for New Hampshire are in Table 6. California’s nonseparation improper denial rate is 36.38 percent; New Hampshire’s is 23.16 percent. The national improper nonseparation denial rate is 12.94 percent.

**Table 4. U.S. Nonseparation Denial by Type**

Type of Nonseparation Denial	Sample of Type	Estimated Population of Type	Percent of Estimated Population	Improper Denial Rate
Able	754	292,547	8.87%	12.46%
Available	748	307,912	9.34%	11.74%
Work Search	1,207	454,031	13.77%	16.07%
Disqualifying/Unreported Income	957	329,686	10.00%	15.14%
Reporting	3,161	1,451,881	44.04%	9.10%
Other	899	460,304	13.96%	21.53%
Total	7,726	3,296,361	100.00%	
% Improper				12.94%

**Table 5. California Nonseparation Denial by Type**

Type of Nonseparation Denial	Sample of Type	Estimated Population of Type	Percent of Estimated Population	Improper Denial Rate
Able	17	37,587	14.09%	19.14%
Available	20	38,999	14.62%	12.56%
Work Search	8	15,965	5.99%	30.15%
Reporting	8	16,109	6.04%	37.58%
Other	75	158,076	59.26%	46.87%
Total	128	266,736	100.00%	
% Improper				36.38%

**Table 6. New Hampshire Nonseparation Denial by Type**

Type of Nonseparation Denial	Sample of Type	Estimated Population of Type	Percent of Estimated Population	Improper Denial Rate
Able	10	896	5.93%	0.00%

Available	13	1,326	8.78%	36.14%
Work Search	68	6,777	44.86%	33.76%
Disqualifying/Unreported Income	28	2,590	17.14%	7.92%
Reporting	35	3,441	22.78%	15.29%
Other	1	77	0.51%	0.00%
Total	155	15,107	100.00%	
% Improper				23.16%

As the data show, nationally the greatest number of denial cases are due to reporting issues. This is not the case in California where “other” issues, which may include failure to accept suitable work, meet criteria for athletes or students, or additional requirements<sup>45</sup> make up the majority of denial cases. These cases also have the highest improper denial rate, at 46.87 percent, of all nonseparation issues in California. So, “other” issues clearly present a pain point for California. Unfortunately, little more can be learned from the “Total Errors Denial Cause” data for California. Able and Available *and other eligibility errors* account for 62.4 percent of nonseparation errors in California. Thus, nonseparation denials generally, and especially with respect to “other” issues, are a pain point for California.

New Hampshire presents a different story. In New Hampshire, the greatest number of denial cases are due to Work Search issues. The improper denial rate for these cases is 33.76 percent. The “Total Errors Denial Case” data for New Hampshire are not especially clarifying. Able and Available and other eligibility errors account for about half of all nonseparation errors.

Work search requirements vary greatly by state. So, as with other variations in state-specific data, differences should be carefully considered. For example, although California and New Hampshire are alike in that they are part of a minority of states that do not require a set number of work search activities. New Hampshire requires weekly reporting of work search activities; California does not.<sup>46</sup> The threshold for satisfactory work search activities may be different for these states, as well. Thus, from the DCA data it can be concluded that work search issues are a pain point in New Hampshire and “other” issues are a pain point in California, but further inquiry under step three is needed to determine the exact source of the pain.

## Step Three: What is the Source of Pain? Understanding Data on “Responsibility” for Improper Denials

While the state UI agency issues determinations, including denials, improper denials do not necessarily indicate that the agency made a mistake. In some cases, the agency is working without the proper facts. For example, an employer may have provided inadequate information on a wage or separation report. Or a worker may have misunderstood the questions on a fact-finding questionnaire. For each category of denials, the DCA program reports responsibility of the state UI agency, employers, workers, some combination of the three, or all others. Responsibility varies greatly by type of denial and by state. Responsibility is not synonymous with fault. Instead, responsibility data helps to identify the source of errors in the determination process, which can help inform the treatment for a particular type of improper denial.

## Where Can You Find National and State Responsibility Data?

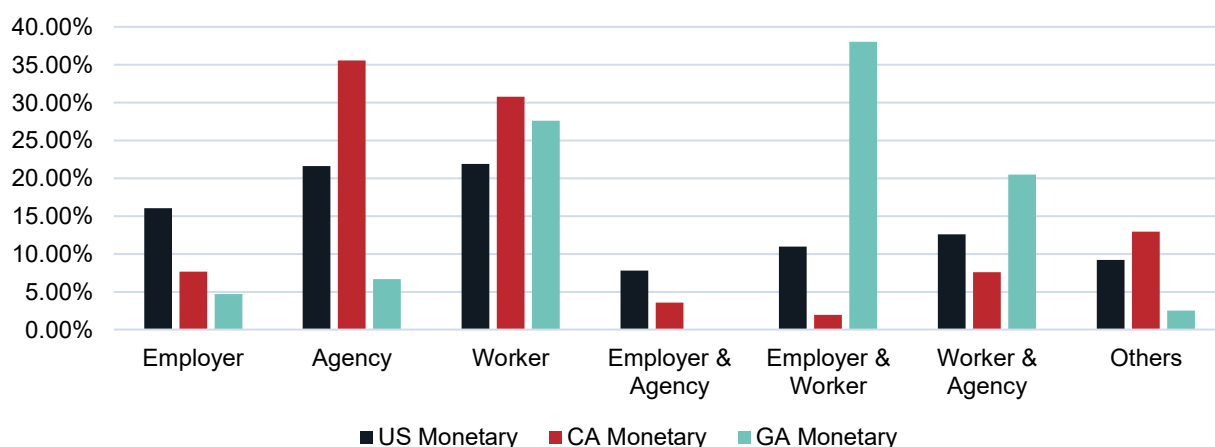
National data are reviewed in the “Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance” report issued annually and available on the [USDOL website](#).

Additional national and state-specific data are available in the “Responsibility for Denial Error” tab within the “Improper Denial Rates All States” excel file that is available for download from the [Benefit Accuracy Measurement homepage](#).

## State-Specific Responsibility Check-Up: California, Georgia, Massachusetts, and New Hampshire

As Chart 3 illustrates, there are significant differences in responsibility for improper monetary denials in the U.S., California, and Georgia. Nationally, state UI agencies, workers, and employers hold similar shares of responsibility for improper monetary denials. In California, the agency and workers split most of the responsibility. In Georgia, workers and employers and workers combined share the greatest responsibility. Employers can be responsible for monetary denials when they misclassify workers or underreport wages.<sup>47</sup> States may assign responsibility to workers for improper monetary denials when the worker failed to report errors in the monetary determination or wage report.<sup>48</sup>

**Chart 3: Responsibility for Improper Monetary Denials:  
U.S., California, and Georgia**



As with improper monetary denials, shares of responsibility for improper separation denials differ between the U.S., California, and Massachusetts. However, generally most of the responsibility is assigned to the agency alone, or the agency and workers or employers. Nationally, less than three percent of the responsibility for improper separation denials is held by employers alone. Employers are not solely responsible for any portion of improper separation denials in California or Massachusetts. Workers alone are responsible for 15.56 percent of improper separation denials in California, versus 8.14 percent nationwide, and only 2.36 percent in Massachusetts.

Nationally, and in California and New Hampshire, most responsibility for improper nonseparation determinations is assigned to agencies alone or workers alone. In the U.S. and New Hampshire, but not California, about 12 percent of responsibility is jointly held by workers and state UI agencies.

Responsibility for improper denials can be an important factor in whether state UI agencies can identify and fix improper denials, which is discussed next.

## Step Four: What Are Agencies Doing to Identify and Fix Improper Denials?

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As part of the DCA program, USDOL tracks whether states can and do identify and fix improper denials. This is an essential part of the program because, where possible and due, improper denials should be corrected so that workers entitled to benefits receive them. As the “Adjusted Improper Denial Rate” data field discussed in Step One indicates, in some cases states will already have reversed an improper denial in advance of the completion of the DCA investigation. The sections below review data available regarding action taken by the state (1) prior to the completion of the DCA investigation, and (2) after the DCA investigation.

### What Data Are Available Regarding Prior Agency Actions?

Prior agency actions are those that a state UI agency takes before a case is selected for a DCA sample or the investigation is complete.<sup>49</sup> These data are available in the “Prior Agency Action X Denial Error” tab within the “Improper Denial Rates All States” excel file that is available for download from the [Benefit Accuracy Measurement homepage](#).

As with other DCA data, actions are reported by denial categories. The following metrics are reported as percentages of improper denials nationally and by state:<sup>50</sup>

- **Not Detected by Normal Process:** The agency properly followed the procedure, but the error was not detectable.
- **Agency Resolved:** The agency resolved the issue either before the DCA investigation was complete or before the case was selected for a DCA sample.
- **Agency Identified but Took Incorrect Action:** The agency properly identified the issue but did not take the proper action to resolve the issue.
- **Agency Identified but Did Not Resolve:** The agency properly identified the issue but did not resolve the issue.
- **Agency Failed to Follow Procedure:** The agency did not identify the issue because it failed to follow procedure.
- **Error Detected by Crossmatching:** The agency identified the issue through crossmatching (such as with the national wage record files or the National Directory of New Hires) and took action to resolve the issue prior to completion of the DCA investigation.
- **Agency Provided Incorrect Information:** The agency provided inaccurate information to employers, workers, or third parties.
- **Other State Workforce (UI) Agency Error:** The determination was based on incorrect information from a different state UI agency.

### State-Specific Prior Action Check-Up: California, Georgia, Massachusetts, and New Hampshire

Table 7 shows the Prior Agency Action data for the improper denial rates that were reviewed in Steps One through Three nationally, and for California, Georgia, Massachusetts, and New Hampshire. The “Error Detected by Crossmatching,” “Agency Provided Incorrect Information,” and “Other State Workforce (UI)

Agency Error” fields were excluded because they account for less than a fraction of a percent of the improper denials for these cases.

As with previous data, the national and state-specific data can present different pictures. Nationally, 44.67 percent of errors resulting in improper monetary denials cannot be detected by normal procedures. However, in Georgia, the rate of undetectable monetary errors is 72.85 percent. This may be due to workers and employers bearing the greatest responsibility for monetary denials in the state. It also may explain why Georgia’s agency resolution rate is zero, while nationally 13.10 percent of cases are resolved prior to conclusion of the DCA investigation.

For improper separation denials, the U.S. and California rates are quite similar. In about half of cases in the U.S. and in California, the agency identified the error but took incorrect steps to resolve it. In Massachusetts, the agency identified the error but took incorrect action in more than 71 percent of cases. Further inquiry is needed to determine whether there are common missteps states are making to resolve improper separation denials nationally. Although these metrics are similar, the underlying laws, processes, and errors may not be.

For improper nonseparation denials, the New Hampshire findings are distinct. Whereas about 40 percent of nonseparation denial errors were not detectable by agencies nationwide and in California, for New Hampshire only 5.46 percent of errors were not detectable. This may explain why the state has a much higher error resolution rate than California or the U.S. As Step Two illuminated, the pain points for improper nonseparation denials were different for New Hampshire, California, and the U.S. This will influence whether and how an error can be detected and fixed.

**Table 7. Prior Agency Action for Improper Denials for U.S. and Select States and Denial Categories**

State	Sample Type	Sample *	Improper Denial Rate	Not Detected by Normal Process	Agency Resolved	Agency Identified Incorrect Action	Agency Identified Not Resolved	Agency Procedure Not Followed
				Percent of the Improper Denials				
US	Monetary	7,469	11.26%	44.67%	13.10%	10.81%	20.78%	10.23%
California	Monetary	134	25.58%	32.89%	17.61%	16.38%	26.04%	7.07%
Georgia	Monetary	146	34.81%	72.85%	0.00%	0.00%	20.94%	6.21%
US	Separation	7,719	11.05%	20.74%	2.20%	49.87%	9.81%	17.37%
California	Separation	136	23.06%	20.94%	0.00%	48.07%	4.73%	26.26%
Massachusetts	Separation	134	26.47%	19.50%	1.82%	71.11%	0.00%	7.57%
US	Nonseparation	7,726	12.94%	37.57%	10.45%	32.64%	9.89%	8.10%
California	Nonseparation	128	36.38%	44.51%	20.85%	29.91%	2.73%	2.00%
New Hampshire	Nonseparation	155	23.16%	5.46%	39.61%	26.40%	16.99%	11.54%



## What Data Are Available Regarding Subsequent Agency Actions?

For denials found to be improper, USDOL also reports on the state UI agency's actions to remedy the errors found by DCA. These metrics can be found in the "Agency Action on Improper Denials" tab within the "Improper Denial Rates All States" excel file that is available for download from the [Benefit Accuracy Measurement homepage](#). The following metrics are reported as percentages of improper denials nationally and by state:<sup>51</sup>

- **Official Action to Pay:** The state UI agency or USDOL issued payment to the claimant for the improperly denied period.
- **No Payment Due Not Entitled:** The worker was not issued a payment because they either did not claim the week or were disqualified for another reason.<sup>52</sup>
- **Unable to Take Official Action:** In some cases, a state's finality rules may prevent the state UI agency from taking action to remedy the improper denial.<sup>53</sup>

For the **No Payment Due Not Entitled** metric it can be useful to review the number of cases for which the worker was denied but did not claim the weeks and therefore could not be paid. This can indicate that a state UI agency is not adequately informing workers that if the denial is subsequently reversed, the worker will only be paid for the weeks that they properly claimed. For example, in some cases, a state UI agency may deny a worker's entitlement in its entirety, such as by finding the worker is not monetarily eligible for UI. The worker may appeal but not realize that in the meantime they need to continue filing claims. Or the state UI agency may deny the worker's entitlement prospectively for subsequent weeks, such as if the agency determines that the worker started a business and no longer meets the state's definition of "unemployed." Here again, the state UI agency should inform the worker of the responsibility to continue filing weekly claims in case the decision is ultimately reversed.

USDOL reports on the number of weeks that the worker was improperly denied but did not claim the weeks in the "Total Errors Denial Cause" tab within the "Improper Denial Rates All States" excel file that is available for download from the [Benefit Accuracy Measurement homepage](#). These rates vary greatly by both denial type and state. These rates should be reviewed in conjunction with the corresponding "Total Denial Errors" rate for that denial category and state. Failure to consider these metrics together can lead to false alarms. For example, in 2023, 100 percent of the errors in separation denials in Utah could not be paid because the worker did not claim the corresponding weeks. However, Utah's total denial errors rate for separations was only .70 percent.

## State-Specific Subsequent Action Check-Up: California, Georgia, Massachusetts, and New Hampshire

Table 8 provides data on subsequent actions for previously discussed determination categories nationally, and for California, Georgia, Massachusetts, and New Hampshire. There are several key takeaways from these data. First, while California has an alarmingly high error rate for monetary denials, most of these errors resulted in a proper denial. Although this brief is specifically focused on *improper* denials, when an agency properly denies a worker but provides an incorrect legal basis for the denial or fails to follow the proper procedure, it can still harm the worker and even potentially violate the worker's due process rights. Second, the number of improper denials subsequently paid varies greatly by state and denial category. In Georgia, more than a quarter of improper denials could not be paid, likely due to state finality or other rules. Third, and finally, these data must be considered in light of the prior steps of the improper denial check-in. The variation in the U.S., California, and New Hampshire's Official Action to Pay rates may owe to the different nonseparation types that contributed to each jurisdiction's improper nonseparation denial

rate. As the steps illustrated, improper denials are a complex problem, and not all categories and types of improper denials are equally remedial. The next step will highlight further resources that can help stakeholders diagnose and address improper denials.

**Table 8. Agency Subsequent Action on Improper Denials**

State	Sample Type	Sample*	Population	Total Errors	Improper Denial Rate	Improper Denial Official Action to Pay	Improper Denial No Payment Due Not Entitled	Improper Denial Unable to Take Official Action
US	Monetary	7,469	1,430,307	19.91%	11.26%	7.42%	1.92%	1.96%
CA	Monetary	134	157,362	97.45%	25.58%	24.74%	0.50%	0.34%
GA	Monetary	146	14,267	34.80%	34.81%	8.17%	0.00%	26.63%
US	Separation	7,719	1,406,929	20.29%	11.05%	4.69%	3.79%	2.57%
CA	Separation	136	191,081	42.17%	23.06%	9.02%	12.62%	1.42%
MA	Separation	134	29,783	38.24%	26.47%	12.62%	13.11%	0.74%
US	Nonseparation	7,726	3,296,361	19.63%	12.94%	6.23%	5.11%	1.60%
CA	Nonseparation	128	266,735	44.30%	36.38%	26.88%	8.72%	0.79%
NH	Nonseparation	155	15,107	27.18%	23.16%	13.78%	8.78%	0.60%

## Step Five: What Further Investigation May Be Needed?

Improper denials can be a symptom of a broader problem. Completing Steps One through Four using DCA data can help identify the severity of a state's symptoms, locate the pain points in a state's system, zero in on the sources of the pain, and identify the degree to which improper denials are ultimately fixed. However, further steps may be needed to diagnose the exact problem and identify a solution. The following are additional diagnostic resources.

### Review Historical DCA Data

As with medical symptoms, context matters. Is your cough getting better or worse? Is your state's improper denial rate for a given determination type improving or worsening? For example, New Mexico's improper monetary denial rate is 15.81 percent which is slightly higher than the nationwide rate of 11.26 percent. However, a review of the prior years' DCA reports shows that the state's improper monetary denial rate peaked in 2019 at 52.63 percent and has steadily decreased in subsequent years. This does not mean that the state is "cured" but it can help inform diagnosis and treatment of the problem. In contrast, Massachusetts' improper separation denial rate is 26.47 percent, but in the previous year's report it was 13.95 percent. So, it may be helpful to inquire into what changed in the separation determination process in the past year.

## Consult with the State UI Agency

State UI Agencies can provide a lens into their internal operations and struggles. Are there adequate staff with expertise to conduct determinations? Is state or federal statutory or case law difficult to understand or apply? Are there technological or legal barriers to preventing or fixing improper denials?

For example, in 2023, the same year as the most recent DCA report, Georgia announced plans to update its 40-year-old UI technology.<sup>54</sup> The change is expected to “grant both claimants and employers with a user-friendly interface.”<sup>55</sup> Given that employers and workers were the primary parties responsible for improper monetary denials, the antiquated technology may help explain those errors. Likewise, improving access to and understandability of the online system may help prevent those errors.

## Consult with Workers and Employers

Because workers and employers can be responsible for improper denials, and because workers are directly impacted by improper denials, it is important to connect with these parties and their advocates to learn about their experiences with the UI system. For example, in New Hampshire, work searches are the primary type of improper nonseparation denials. Do workers understand their work search responsibilities? Do they understand the questions they are asked regarding work searches in their weekly claims?

## Review Overall Denial Rates

A high improper denial rate with a low overall denial rate could potentially harm fewer workers than a low improper denial rate with a high overall denial rate. Denial rates for each state can be accessed at [The Century Foundation Data Dashboard](#).

## Review the Rules

UI entitlement requirements may be set by federal or state statutory law, regulations, or case law or by state UI agency policy. Complex or ambiguous laws may be difficult for state UI agencies to apply or for workers and employers to understand. Agency rules and policies can increase or reduce eligibility complexity. For example, in many states, work search criteria are not set out in statute or regulation but instead are set forth in the agency’s interpretation of the law.

## Review the State’s Technology

Many state UI systems are operating with antiquated technology that may slow the determination process or prevent improvements in worker and employer communications and data collection. While improved technology may provide many advantages including improving denied claims accuracy, investigation is still needed. For example, one study found that information and technology-based automation does not attenuate the increased error rate caused by overly complex rules and processes.<sup>56</sup> Moreover, The Century Foundation found that “technology modernization was associated with an increase in denial rates across the country.”<sup>57</sup> It is not clear whether the overall increase in denials will mean an increase in *improper* denials.

It is clear that technology can present new errors. For example, the Michigan Integrated Data Automated System (MiDAS) had a 93 percent error rate in its first two years.<sup>58</sup> The system falsely accused workers of fraud and was subsequently the subject of a \$20 million dollar settlement.<sup>59</sup> Technological problems have also been reported in Pennsylvania,<sup>60</sup> Kentucky, and Florida.<sup>61</sup>

## Review Active Litigation

The courts can play an important role in investigating problems in state UI systems. For example, in New Mexico, the state UI agency was found to have improperly denied benefits to 18 workers because the system extended the fraud disqualification period beyond the one-year period set forth in law.<sup>62</sup>

## Review State Oversight Reports on UI Administration

Many states have oversight commissions or bodies that conduct regular check-ups of the state UI agencies and operations. These can provide useful insights into the causes of and possible remedies for improper denials. For example, a report by California's Legislative Analyst's Office (LAO) raised concerns about the state's high rate of improper denials. The LAO found that "between \$500 million and \$1 billion annually in UI payments go unpaid each year due to improper denials."<sup>63</sup>

## Review Worker Appeals

Worker appeals can be a way to reverse improper denials to ensure that workers receive the benefits to which they are entitled. USDOL reports national and state appeal reversal rates on [its website](#) quarterly. While it is beneficial to have a high reversal rate in states with high improper denial rates, this also may be cause for further concern about errors in agency decisions. For example, the LAO study found that half of California determinations were reversed on appeal.<sup>64</sup> Through comparison with other states' data, the authors found that determinations were "twice as likely to be overturned" in California.<sup>65</sup>

## Finding a Cure for Improper Denials

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There is no single cure for high improper denial rates. Not only can improper denials occur in three categories of determinations, with a multitude of different locations and sources of problems, but there are 53 different state UI systems with their own procedures, laws, and policies. In the prior sections, check-ups of California, Georgia, Massachusetts, and New Hampshire showed how DCA data and other diagnostic resources can be used to zero in on the problem and its source in each state. Just as a Band-Aid will not fix a sore throat, what works to treat one cause of improper denials may not treat another. Treatment for an improper denial rate must be tailored to the exact problem within the state.

That said, there are some best practices to maintain healthy UI systems which may prevent high improper denial rates and improve workers' access to UI benefits.

## Improve Agency Communication with Workers and Employers

State UI agencies rely on worker and employer reports to make accurate determinations. However, if workers and employers do not understand the questions they are being asked, their responsibility to respond, or the basic components of UI, then they may be more likely to provide inadequate or incorrect information, or no information at all. State UI agencies should use [plain language](#) in worker and employer communications. Agencies should regularly test communications with a representative sample of workers and employers to ensure that information is understandable and accessible.

Plain language can also ensure that workers who are improperly denied have a fair opportunity to appeal the determination. A report in Washington found that, "[t]he reasons that some claimants were found ineligible or were disqualified and then denied benefits also were not easy for many of them to

understand—in part because of the myriad rules surrounding benefit claims, and in part because of the communication issues.”<sup>66</sup>

## **Facilitate Timely, Accurate, and Complete Employer Reports**

States and state UI agencies should facilitate timely and complete employer reports. In recognition of the challenge and importance of obtaining employer reports, the Unemployment Insurance Integrity Act of 2011 prohibits noncharging of employers who have established a pattern of untimely or inadequate responses and whose lack of timely or adequate responses caused an erroneous payment to a worker.<sup>67</sup> While the Act focused on the problem of erroneous *approvals* of benefits, employer reports are also critical for preventing erroneous *denials* of benefits. States may benefit from facilitating employer participation in the [State Information Data Exchange System \(SIDES\)](#) which can be integrated into some employers’ existing record-keeping systems. State UI agencies should consult with employers about challenges in submitting wage or separation reports.

States and state UI agencies should regularly audit putative employers to root out misclassification and employers’ underreporting of wages paid to workers. Federal law already requires state UI agencies to conduct regular audits of employers.<sup>68</sup>

## **Keep Laws, Policies, and Procedures Consistent with the Purpose of UI**

UI was created to protect workers and the economy from the adverse impacts of job loss and economic downturns. The Social Security Act requires that workers be paid “when due,”<sup>69</sup> meaning “at the earliest stage of unemployment that such payments were administratively feasible after giving both the worker and the employer an opportunity to be heard.”<sup>70</sup> Yet, UI systems have been accused of being “built to assume that you’re guilty and make you prove that you’re innocent.”<sup>71</sup> Overly complicated laws can create barriers for workers trying to access unemployment insurance and therefore be antithetical to the purpose of UI.

Moreover, overly complicated laws may lead to improper denials. One study using BAM and DCA data found more complex UI eligibility requirements and determination processes are associated with higher administrative error rates.<sup>72</sup> Strict and complex federal and state statutory and case law may make the determination process more cumbersome. For example, labor dispute disqualification statutory and case law can be extremely complex and, depending on the state, can rely on specialized information like if and when the employer notified the state UI agency of the labor dispute,<sup>73</sup> if the worker is a member of a union, if the worker pays dues to a union that participated in a work stoppage, if the worker’s wages, working conditions, or hours could be impacted by the labor dispute,<sup>74</sup> if the labor dispute is the net cause of the worker’s unemployment, if and when the labor dispute has ended, etc.<sup>75</sup> Where these requirements are set forth in statutory or case law, state UI agencies may be less able to attenuate errors and improper denials.

## **Adequately Fund UI Administration and Technology**

State UI “administrative funding declined by 23 percent between 1989 [ . . . ] and 2019.”<sup>76</sup> The federal government’s underfunding of state UI agencies thwarts states’ ability to improve performance.<sup>77</sup> Further, the lack of reliable and sufficient long-term funding of state UI agencies means that states are left understaffed and cannot make agile technological improvements.<sup>78</sup> While the short-term ARPA modernization grants allowed states to make critical improvements to enhance program performance,<sup>79</sup>

the rescission of these funds left states in a lurch.<sup>80</sup> Improper denials can neither be prevented nor treated if state UI agencies cannot afford sufficient staff and technology.

## Conclusion

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Improper denials are a symptom of a problem in state UI systems. They can leave workers and the economy without necessary funds. Improper denials also create administrative burdens for state UI agencies who must identify, remedy, and reverse these errors. Stakeholders can and should use DCA data to conduct regular check-ups of states' denied claims accuracy. There is no single cause or cure for improper denials, but there are best practices to reduce the likelihood of improper denials. With proper investigation and treatment, fewer workers will be left without the benefits that they both need and are entitled to.

## About NELP

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Founded in 1969, the National Employment Law Project (NELP) is a nonprofit advocacy organization dedicated to building a just and inclusive economy where all workers have expansive rights and thrive in good jobs. Together with local, state, and national partners, NELP advances its mission through transformative legal and policy solutions, research, capacity-building, and communications. NELP is the leading national nonprofit working at the federal, state, and local levels to create a good-jobs economy. Learn more at [www.nelp.org](http://www.nelp.org).

## Endnotes

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<sup>1</sup> Derived from Improper Denial Rates from the U.S. Department of Labor Denied Claims Accuracy Program annual reports and data files from 2013 to 2023. *Unemployment Insurance Performance Management* U.S. Dep't of Labor, <https://oui.doleta.gov/unemploy/bqc.asp> (last visited July 16, 2025).

<sup>2</sup> U.S. Dep't of Labor, *Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance Year 2023 33* (2023), [https://oui.doleta.gov/unemploy/bam/2023/PIIA\\_2023\\_Benefit\\_Accuracy\\_Measurement\\_Annual\\_Report.pdf](https://oui.doleta.gov/unemploy/bam/2023/PIIA_2023_Benefit_Accuracy_Measurement_Annual_Report.pdf) (hereinafter DCA 2023 Report).

<sup>3</sup> U.S. Dep't of Labor, *ET Handbook No. 395 VIII-52* (5th ed. Nov. 17, 2009), <https://www.dol.gov/agencies/eta/advisories/handbooks/et-handbook-no-395-5th-edition> (hereinafter ETA 395)

<sup>4</sup> DCA 2023 Report, *supra* note 2, at 1.

<sup>5</sup> *Id.*

<sup>6</sup> ETA 395, *supra* note 3, at VIII-1.

<sup>7</sup> 20 C.F.R. § 602.21(g); *Benefit Accuracy Measurement Program Fact Sheet*, U.S. Dep't of Labor, [https://oui.doleta.gov/unemploy/bam/2002/bam\\_fact.asp](https://oui.doleta.gov/unemploy/bam/2002/bam_fact.asp) (last visited July 16, 2025).

<sup>8</sup> Case samples are from regular UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Servicemembers (UCX). ETA 395, *supra* note 3, at VIII-12.

<sup>9</sup> *Id.*, at VIII-1.

<sup>10</sup> *Id.*, at VIII-2.

<sup>11</sup> *Id.*, at III-10.

<sup>12</sup> *Id.*, at III-11.

<sup>13</sup> DCA 2023 Report, *supra* note 2, at 34-35.

- <sup>14</sup> U.S. Dep’t of Labor, *Benefit Accuracy Measurement State Data Summary Improper Payment Information Act Year 2014* 27 (2014), [https://oui.doleta.gov/unemploy/bam/2014/IPIA\\_2014\\_Benefit\\_Accuracy\\_Measurement\\_Annual\\_Report.pdf](https://oui.doleta.gov/unemploy/bam/2014/IPIA_2014_Benefit_Accuracy_Measurement_Annual_Report.pdf).
- <sup>15</sup> *Id.*
- <sup>16</sup> DCA 2023 Report, *supra* note 2, at 5.
- <sup>17</sup> Stephen A. Woodbury & Wayne Vroman, *The Incidence and Cost of Wrongfully Denied Unemployment Benefits* 29 (2001). Report supported by the Division of Performance Review, Office of Workforce Security, U.S. Dept. of Labor.
- <sup>18</sup> DCA 2023 Report, *supra* note 2, at 27.
- <sup>19</sup> *Id.*
- <sup>20</sup> *Id.*, at 27, 31-32.
- <sup>21</sup> USDOL provided “operational flexibilities regarding sampling [ . . . ] due to the COVID-19 pandemic.” U.S. Dep’t of Labor, *Benefit Accuracy Measurement Payment Integrity Information Act State Data Summary Performance Year 2021* 25 (2021), [https://oui.doleta.gov/unemploy/bam/2021/PIIA\\_2021\\_Benefit\\_Accuracy\\_Measurement\\_Annual\\_Report.pdf](https://oui.doleta.gov/unemploy/bam/2021/PIIA_2021_Benefit_Accuracy_Measurement_Annual_Report.pdf). Consequently, only seven states sampled denials. *Id.* Thus, USDOL did not issue a DCA report for 2021. *Id.*
- <sup>22</sup> DCA 2023 Report, *supra* note 2, at 28.
- <sup>23</sup> *Id.*
- <sup>24</sup> *Id.*
- <sup>25</sup> U.S. Dep’t of Labor, *Comparison of State Laws*, 2023, at 3-2 to 3-4, <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2023/complete.pdf> (hereinafter Comparison).
- <sup>26</sup> *Id.*
- <sup>27</sup> *Id.*, at 3-5 to 3-7.
- <sup>28</sup> DCA 2023 Report, *supra* note 2, at 28.
- <sup>29</sup> *Id.*
- <sup>30</sup> Comparison, *supra* note 25.
- <sup>31</sup> DCA 2023 Report, *supra* note 2, at 34.
- <sup>32</sup> 42 U.S.C. §503 (a) (12).
- <sup>33</sup> U.S. Dep’t of Labor, *ET Handbook No. 401 I-1-12* (5th ed. Aug. 16, 2017), <https://www.dol.gov/agencies/eta/advisories/handbooks/et-handbook-no-401-5th-edition> (hereinafter ETA 401).
- <sup>34</sup> 42 U.S.C. §503 (a) (12).
- <sup>35</sup> Comparison, *supra* note 25, at 5-26.
- <sup>36</sup> *Id.*, at 5-26 to 5-30.
- <sup>37</sup> 26 U.S.C. §3304 (a) (8).
- <sup>38</sup> 42 U.S.C. §503 (a) (12).
- <sup>39</sup> U.S. Dep’t of Labor, Unemployment Insurance Program Letter 05-13, *Work Search and Overpayment Offset Provisions Added to Permanent Federal Unemployment Compensation Law by Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012* 3 (Jan. 10, 2013), <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-05-13>.
- <sup>40</sup> Comparison, *supra* note 25, at 5-30 to 5-32.
- <sup>41</sup> *Id.*, at 5-43 to 5-49.
- <sup>42</sup> *Id.*, at 5-43 to 5-49.
- <sup>43</sup> ETA 401, *supra* note 27, at I-1-13.
- <sup>44</sup> DCA 2023 Report, *supra* note 2, at 35.
- <sup>45</sup> *Id.*
- <sup>46</sup> Comparison, *supra* note 25, at 5-31 to 5-32.
- <sup>47</sup> DCA 2023 Report, *supra* note 2, at 33.
- <sup>48</sup> *Id.*
- <sup>49</sup> ETA 395, *supra* note 3, at VIII-50.



<sup>50</sup> *Id.*, at VIII-51.

<sup>51</sup> DCA 2023 Report, *supra* note 2, at 31.

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> Owen Hester, *Georgia Department of Labor Looking to Modernize the State's Unemployment System* WGXA News (Sept. 27, 2023, at 15:52 ET), <https://wgxa.tv/news/state-news/georgia-department-of-labor-looking-to-modernize-the-states-unemployment-system>.

<sup>55</sup> *Id.*

<sup>56</sup> Matthew M. Young, et al. *Complexity, errors, and administrative burdens* 2847, 2862, Public Management Review (Dec. 21, 2023), <https://doi.org/10.1080/14719037.2023.2288247>.

<sup>57</sup> Andrew Stettner & Laura Valle-Gutierrez, *A Pandemic Lifeline, Nation's Unemployment System is Inadequate and Unprepared for Next Downturn* The Century Foundation (Nov. 1, 2022), <https://tcf.org/content/report/a-pandemic-lifeline-nations-unemployment-system-is-inadequate-and-unprepared-for-next-downturn/>.

<sup>58</sup> Paul Egan, *Michigan Integrated Data Automatic System Experiences 93 Percent Error Rate During Nearly Two Years of Operation* GovTech (July 31, 2017), <https://www.govtech.com/data/michigan-integrated-data-automated-system-experiences-93-percent-error-rate-during-nearly-two-years-of-operation.html>.

<sup>59</sup> Adrienne Roberts, *Thousands of Michigan Residents Wrongly Accused of Fraud to Get \$1,600 Checks* Detroit Free Press (Jan. 2, 2024, at 16:44 ET), <https://www.freep.com/story/money/business/michigan/2024/01/02/michigan-midas-unemployment-false-fraud-settlement-money/72084899007/>.

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<sup>65</sup> *Id.*

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<sup>71</sup> Badger & Parlapiano, *supra* note 61.

<sup>72</sup> Young, et al., *supra* note 56, at 2861 – 62.

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