

Unemployment Insurance Integrity and Accessibility Act – Section-by-Section Summary
Senate Finance Committee Chairman Ron Wyden and Ranking Member Mike Crapo

Title I – Unemployment Insurance Fraud and Overpayment Recovery

SEC. 101. EXTENSION OF THE STATUTE OF LIMITATIONS FOR FRAUD BY INDIVIDUALS UNDER CERTAIN UNEMPLOYMENT PROGRAMS.

Extends the federal statute of limitations for fraud related to federal pandemic unemployment programs to 10 years (from 5 years under current law).

SEC. 102. WAIVER OF RECOVERY OF NONFRAUD PANDEMIC OVERPAYMENTS.

Permits states to waive overpayments of federal pandemic unemployment benefits that have not been recovered as of date of enactment in non-fraud cases where repayment would be contrary to equity and good conscience.

Requires states to waive non-fraud overpayments whose collection would be contrary to equity and good conscience if no overpayment is established by December 31, 2025.

Requires GAO to conduct an ongoing review of the implementation of this section to ensure proper administration and to provide a report to Congress not later than one year after enactment and annually for two years thereafter.

SEC. 103. PERMISSIBLE USE OF UNEMPLOYMENT FUND MONEY FOR PROGRAM ADMINISTRATION.

Allows states to retain up to 5 percent of recovered overpayments of unemployment compensation, up to 5 percent of employer unemployment taxes collected as part of a state investigation and up to 25 percent of recovered fraudulent federal pandemic unemployment overpayments.

States may only use the retained amounts for the following purposes:

- (1) The payment of costs of deterring, detecting, and preventing improper unemployment insurance payments.
- (2) Uses relating to the proper classification of employees.
- (3) Uses relating to the provisions of State law implementing section 303(k) of the Social Security Act.
- (4) The payment to the Secretary of the Treasury to the credit of the account of the State in the Unemployment Trust Fund.
- (5) Modernizing the State's unemployment insurance technology infrastructure.
- (6) Improving access to unemployment compensation and reciprocity rates for eligible workers.
- (7) Improving the timely and accurate payment of unemployment compensation.
- (8) Complying with the requirements of section 303(q) of the Social Security Act (as added by section 301 of this bill).
- (9) Otherwise improving the administration of State and Federal unemployment compensation laws.

States may only retain up to 5 percent of recovered regular unemployment compensation overpayments if the state law provides that overpayments may be waived if they are not due to fraud and either the overpayment was due to the error of the state agency or repayment would be contrary to equity and good conscience.

This section is effective the earlier of the date the state changes its laws, regulations, or policies to comply with this section or December 31, 2026.

Title II – Unemployment Insurance Program Integrity

SEC. 201. USE OF NATIONAL DIRECTORY OF NEW HIRES IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION PROGRAMS.

Requires states to cross-match unemployment compensation claims against the National Directory of New Hires (NDNH) to prevent claimants from collecting unemployment insurance if they are working.

SEC. 202. ELECTRONIC TRANSMISSION OF UNEMPLOYMENT COMPENSATION INFORMATION.

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, ensuring states have the information they need to accurately pay benefits and identify potentially fraudulent claims.

SEC. 203. UNEMPLOYMENT COMPENSATION DATA CROSS-MATCHING.

Requires states to use cross-matching systems such as the Integrity Data Hub (IDH) to identify potentially fraudulent unemployment claims.

SEC. 204. INCARCERATED INDIVIDUALS.

Requires states to cross-match unemployment compensation claims against prisoner databases such as the Social Security Administration's Prisoner Update Processing System (PUPS) to prevent fraud.

SEC. 205. REGULATIONS.

Requires the Secretary of Labor to issue regulations to ensure proper implementation and utilization of cross-matching requirements under this title.

Title III – Unemployment Insurance Administration and Technology

SEC. 301. ACCESS TO BENEFITS.

Implements new access and technology requirements for state online claim filing systems, including:

- Ensuring the claim filing process is accessible for individuals with disabilities, individuals with literacy challenges, and individuals who speak a language other than English.
- Requiring that online claim filing systems comply with the Plain Writing Act, so that claimants can more easily understand the process and forms.
- Making online claim filing systems available on mobile and tablet devices.
- Allowing electronic submission of documentation needed to support a claim.
- Providing multiple communication options for seeking assistance with filing a claim.

Requires states to allow in-person claim filing for claimants unable to use the online system.

Requires states to provide best practices to employers to facilitate their eligible workers' access to benefits.

States must meet the requirements of this section no later than December 31, 2027.

SEC. 302. GAO STUDY AND REPORT ON THE USE OF FUNDING FOR UNEMPLOYMENT FRAUD PREVENTION, EQUITABLE ACCESS, AND TIMELY PAYMENTS.

Provides for oversight of federal investments into the administration of unemployment insurance programs by requiring a GAO study analyzing investments in UI fraud prevention, equitable access, and timely payments made through the American Rescue Plan Act.