

JobGateway® - Bigger and Better

JobGateway® was introduced in 2012 as Pennsylvania's labor exchange website for employers and job seekers. Employers can use JobGateway® to create or upload job postings, search a pool of more than 400,000 active job seekers, receive candidate recommendations, and have their job postings recommended to candidates with matching skills—all for free!

Perhaps you visited JobGateway® in its early days. If so, you'll want to have another look. Since its inception, the site has undergone continuous refinement and improvement, both in functionality and in ease of use. Here are just a few of the enhancements you'll discover:

- **A more powerful candidate search, and more relevant candidate recommendations.** A new search engine allows employers to home in on the perfect candidate for a position. Search results and recommendations are returned in order of relevance, and they can be filtered by candidate location, education, experience, skills, veteran status, and other criteria.
- **Internships.** Employers can now post internships and search for candidates looking for internship opportunities.
- **Enhanced communication.** Employers now have the ability to generate and send custom messages to job seekers from within JobGateway®.
- **A streamlined registration process.** It takes just minutes to join more than 93,000 other registered JobGateway® employers.
- **Recruitment resources.** JobGateway® puts a variety of tools and data at employers' fingertips, including labor market statistics, occupational profile information, information on tax credit and bonding programs, and a military occupation translator.

Of course, JobGateway® also comes with something not to be found on other recruitment and job search websites: trained staff at offices throughout the commonwealth waiting to offer personalized assistance to employers using the site. To find the nearest PA CareerLink® office, visit www.pacareerlink.state.pa.us.

If you've never been to JobGateway®, now is the time to check it out. If you haven't visited lately, stop by to see just how much has changed.

In this Issue...

- Electronic Filing Compliance
- The Pennsylvania New Hire Reporting Program
- How Will Unemployment Claims Affect My Contribution Rate
- Protect Your Business From Higher Taxes

Electronic Filing Compliance

We are pleased to report that over 99 percent of employers are filing their quarterly tax and wage reports electronically in the Unemployment Compensation Management System (UCMS), as required by law. Also, 90 percent of contributions are being paid by electronic options such as ACH debit, ACH credit or credit card. We would like to take a moment to thank the employer community for their compliance with the electronic filing requirement. Electronic filing and payment allows the department to more efficiently and accurately process tax/wage reports and payments. This has led to more accurate billings, experience rates, and payments of benefits to claimants.

How Will Unemployment Claims Affect My Contribution Rate

If an employer qualifies for an experience-based contribution rate, the employer's rate is a reflection of the employer's unemployment compensation (UC) history from the date the employer became subject to the Pennsylvania UC law. An experience rate takes into consideration wages paid by the employer and reported to the department, contributions paid to the UC Fund and benefits that are charged to the employer's reserve account.

Under the UC contribution rate formula, benefits charged to an employer's account put upward pressure on the employer's rate for subsequent calendar years.

The extent that UC benefit charges may affect an employer's rate depends on the amount of the charges in relation to other values that have a favorable impact on a contribution rate. If the amount of the benefit charges is high in comparison to the size of the employer's payroll or the amount of contributions the employer has paid to the UC Fund, the benefit charges will have a greater impact on the employer's rate.

One component of an experience rate is the "reserve ratio factor." This is the ratio of an employer's reserve account balance to his average payroll for the most recent three fiscal years. The higher the reserve ratio is, the lower the employer's rate will be. An employer's reserve account balance is determined by subtracting the benefits charged to the employer from the amount of contributions paid by the employer, over the lifetime of the employer's UC account. Benefit charges decrease the employer's reserve account balance and lower the reserve ratio, which can result in a higher contribution rate.

Another rate component is the "benefit ratio factor." This is the ratio of the employer's average benefit charges to his average payroll, both for the most recent three fiscal years. The higher the benefit ratio is, the higher the employer's rate will be. Benefit charges directly increase the benefit ratio and thus can raise the employer's contribution rate.

The benefit ratio factor looks only at benefit charges for the most recent three fiscal years. Therefore, benefit charges cease to affect the benefit ratio factor when they are no longer within this three fiscal year period. However, the reserve account balance is a lifetime figure. Benefit charges never leave the calculation of the employer's reserve account balance, but their impact can be diminished over time if the employer's future contributions exceed his future charges.

The Pennsylvania New Hire Reporting Program

The Pennsylvania New Hire Reporting Program was established in 1998 in accordance with federal and state law, and mandates that all employers report basic information about all newly hired and re-hired employees. Administered by the Center for Workforce Information and Analysis (CWIA) within L&I, the Pennsylvania New Hires Reporting Program aids in the collection of child support from non-custodial parents. Information provided by employers is matched against files containing the names of non-custodial parents who owe child support. When a match occurs, a notice is immediately sent notifying the employer to withhold child support, thus expediting child support payments. For calendar year 2014, nearly \$21.5 million in child support monies were collected due to the new hire cross match. Since 2010, child support collections activity from wage garnishments issued to obligors totaled \$134.5 million through December 2014, an average of \$2.2 million per month.

Data collected from the Pennsylvania New Hire Reporting Program is also used to detect fraud in the UC and workers' compensation programs. Since 1998, this matching process has identified in excess of 78,500 UC fraud overpayments resulting in the recovery of \$34.7 million.

CWIA continues to increase public awareness of the New Hire Program (and increase employer compliance with reporting laws) by conducting outreach meetings with employers at local CareerLink® offices, partnering with the Department of Human Services at the local level through the Office of Child Support Enforcement, and educating and informing both the public and employers about the importance of reporting new hires.

To learn more about the New Hire Reporting Program and reporting process, please visit www.CWDS.pa.gov and click on the "Report New Hires" hyperlink under the "Employers" section of the page.

Protect Your Business From Higher Taxes

Help Prevent Improper Payment of Unemployment Compensation (UC) Benefits



How Does UC Impact Employers?

In most states, UC benefits are funded by employer taxes.

Improper payment of UC benefits may result in higher taxes to all employers.

UC benefits allow unemployed workers to continue to buy goods and services.

- **What exactly is an improper payment?**
- **What causes an improper UC payment?**

An improper payment of UC benefits means that a claim for benefits was paid in error. An improper payment of benefits can result when **inaccurate information** is provided by the claimant or employer, or when information is not received by the UC office in a timely manner. Once an improper payment is detected, the claimant is notified of an overpayment.

Did you know . . .

- UC benefits to qualified unemployed workers are funded by employer UC taxes.
- The U.S. Department of Labor estimates that in fiscal years 2011 through 2014 more than 11 percent of UC benefits were paid improperly, usually because of inaccurate or missing information.
- Improper payment of benefits is a serious problem that has a financial impact on employers and can result in higher UC taxes to all employers.

What can you do to help prevent improper UC payments?

Be an active partner to help improve payment accuracy. Help reduce employer costs by taking three critical steps to provide important information to the UC program.

1. Provide complete and accurate employee separation information.

Avoid the need for costly appeals or overpayment of benefits. Provide separation information promptly when requested to help determine claimant eligibility for benefits, and as a result, accurate benefit charges to employers.

2. Respond promptly to any “Request for Verification of Weekly Earnings” from UC.

A prompt response to a request for verification of employee weekly earnings will help prevent improper payment of UC benefits. (An employee may be eligible for a partial UC payment, based on part-time work.)

3. Report all new hires to the State Directory of New Hires by the due date.

Timely reporting of all new hires helps prevent payment of ineligible UC claims after a claimant has returned to work.

The Costs and Consequences of Non-Compliance

Companies that do not comply with state and federal UC requirements for providing employee information face a number of preventable costs and consequences, including:

- ✓ Improper account charges for benefits paid to ineligible claimants
- ✓ Increases in employer UC taxes

In addition to following the UC requirements for reporting employee information, employer partnership with the UC program is just good business.

For more information, please visit www.uc.pa.gov; click on “Employers.”

UC Issues Update is published by the Pennsylvania Department of Labor & Industry on a quarterly basis. Questions, comments and feedback can be sent via email to uc-news@pa.gov. General UC Tax information is available by calling 866-403-6163 from 8 a.m. to 4:30 p.m. If you have questions regarding UC benefit charges to your account, please call 717-787-4677 from 8 a.m. to 4:30 p.m. **If you suspect fraud, report it online at www.uc.pa.gov under “Report Fraud,” or contact 800-692-7469.**

Auxiliary aids and services are available upon request to individuals with disabilities. Equal Opportunity Employer/Program