

# PREVENTING & REPORTING UC FRAUD

## What is Employer Unemployment Compensation (UC) Fraud?

When an employer knowingly provides false information or withholds facts to avoid or reduce UC contribution liability.



## UC FRAUD IS A CRIME!

For more information about UC fraud, visit [www.uc.pa.gov/Fraud-FAQs](http://www.uc.pa.gov/Fraud-FAQs)

## Examples of Employer UC Fraud

- Deliberately reporting incorrect or zero wages.
- Intentionally misclassifying employees as independent contractors.
- Paying workers off-the-books or under-the-table wages to avoid paying UC taxes.
- Manipulating payrolls by shifting workers between employer accounts to improperly use a lower contribution tax rate. This is called State Unemployment Tax Act (SUTA) dumping.
- Knowingly providing false information regarding a worker's separation from employment or failing to respond to a claim notice that a worker has filed a UC claim while still working for you.

## Consequences of UC Fraud

UC fraud is a serious offense that can carry severe penalties.



For example, it may result in:

- Liens, fines, and a court-ordered operating suspension against your business.
- The fraudulent behavior being shared between state and federal agencies.
- Prosecution or even jail.

## Ways to Avoid UC Fraud

- Report the reason for employee separation quickly and accurately.
- Report new hires within 20 days and rehires if 60 days have passed from their first day of employment [www.pacareerlink.pa.gov](http://www.pacareerlink.pa.gov)
- Respond promptly to all information requests.
- File quarterly UC Tax and Wage reports and pay UC taxes timely.
- Attend appeal hearings.

## Help Stop UC Fraud!



If you know or suspect a business or individual is committing UC fraud, please contact us!



Online:

<https://benefits.uc.pa.gov/vosnet/Default.aspx>



Call the UC Fraud Hotline:

1-800-692-7469

Open Weekdays  
8:00am - 4:00pm

See your state's UC Employer portal [www.uctax.pa.gov](http://www.uctax.pa.gov) or the State Information Data Exchange System (SIDES), [naswa.org/services/sides](http://naswa.org/services/sides) for more information about reporting and responding electronically.



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