Pennsylvania's Unemployment Compensation Programs...

UC Issues Update



Volume 16 Number 2 Summer 2013

Important Information Regarding Mandatory Electronic Filing

The Department of Labor & Industry, or L&I, Office of Unemployment Compensation, or UC, Tax Services is pleased to announce that the employer release of the Unemployment Compensation Management System, or UCMS, was made available to employers for the first quarter of 2013 wage and tax filing. This allows employers and third party administrators, or TPAs, to access information and file quarterly reports online. To access UCMS, go to https://www.paucemployers.state.pa.us or from the www.dli.state.pa.us website, click on the **JUMS** logo.

We strongly encourage all employers to begin registering and filing their quarterly reports and payments online, including any past due reports and amounts. Effective with the quarter ending March 31, 2014, all employers will be required to electronically file quarterly UC tax and wage reports.

UCMS offers three options for filing your quarterly reports:

- Key online This option is for those employers who have fewer than 100 employees. Employee information will be pre-populated making it easy to file.
- File Upload Employers with 100 employees or more must file wage detail via this method, or
- FTP May use this method of filing for employers with 100 employees or more.

Note: Magnetic media and all other formats are being discontinued. Employers must use one of the electronic filing methods identified above to file quarterly UC tax and wage reports.

If you have a payroll service or accounting firm that files on your behalf, we encourage you to register and log in to view filing and payment history and other account details online.

On page 2 is a user guide for your reference as well as tips for those employers that choose to file electronically using file upload or FTP. Additional instructions can be found on our website at www.dli.state.pa.us, Employers/ Unemployment Compensation/UC Management System/Understanding the Employer Tax Portion of UCMS.

If you have any questions, please contact the UC Employer Contact Center at 866-403-6163 or, within the Harrisburg area at 717-787-7679, which is staffed weekdays from 8 a.m. until 4:30 p.m., Eastern Standard Time. To ensure proper handling of your inquiry, please be prepared to provide the name of your business and your Pennsylvania UC account number.

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UCMS Quick Reference Guide

- Access <u>www.paucemployers.state.pa.us</u> or use the logo found on the L&I home page to access the UCMS Log in Page
- 2. Register to obtain your user ID and password and log in to your account
- 3. Employer Home Page Choose a menu option to navigate through your portal



- 4. Employer Profile
 - View or change demographic information
 - Update address, officers
 - Inactivate account
 - Manage representatives add or change third party administrator or TPA
 - Receive account messages
- Quarterly Reporting
 - Filing online limited to 100 employees
 - More than 100 employees use file upload or FTP. Files must be validated through the current version of File Checker prior to submission. The File Checker can be found by going to the website under UC Management System
- 6. Making a Payment four options
 - ACH debit* Payments made after 2 p.m. will post on the second business day
 - ACH credit* Bulk files (TPAs) should use the CCD+ to make their individual client payments
 - Credit card
 - Payment voucher

*Be advised that payments do not post immediately. Do not make a second payment for the same receivable; it will remove money from your bank account twice.

If you have questions or need assistance with your user ID or password, please call the UC Employer Contact Center at 866-403-6163, or within the Harrisburg area at 717-787-7679 between the hours of 8 a.m. to 4:30 p.m., Eastern Standard Time.

Tips for Electronic Filing Using File Upload or FTP

- Employers with more than 100 employees must file wage detail electronically via file upload or FTP.
 Employers with 100 or fewer employees may manually enter employee wage detail directly in the UCMS employer portal. Note that employee information is pre-populated in UCMS to facilitate the entering of quarterly wage detail by employers.
- Reimbursable financing method employers/clients should enter zeros for any taxable wage fields.
- File naming conventions must be according to those indicated in the UCMS File Layouts and Formats for Electronic Reporting of PA Quarterly UC Wage and Tax Data Handbook is found at http://www.portal.state.pa.us/portal/server.pt/community/uc_management_system/18222.
- The ICESA and SSA files are UC2A wage reporting only. Users must file a TAB file for the UC tax report.
- Upload the file one time. Depending on the size of your file and during high volume filing, it may take
 time for the system to process the data. You can see the status of your file(s) that include tax reporting by
 logging in and reviewing the "Manage Uploaded Files" screen. File(s) that only reflect wage reporting will
 not be displayed.
- If the files are incorrectly formatted, they will either fail to process or the data within the file will post inaccurately. Errors to watch for:
 - o If you use CSV format:
 - Too many commas
 - Not enough commas
 - Need to indicate both the guarter and year in the E Record
 - Do not use decimal points in any amount field in the E and S Records
 - Make sure there are no extra blank lines
 - If you use ICESA and SSA format:
 - Use caution when truncating the record length. The fixed-length file is 275 bytes
 - Make sure there are no extra blank lines
 - o If you use TAB format:
 - Left pad all currency fields with zeros. Do not put the zeros at the end of your data
 - Do not place any decimal points in any amount field
 - Make sure there are no extra blank lines
- Always use the UCMS File Checker Program to ensure that your files upload correctly and to reduce failures or inaccuracies. Access the current version of the File Checker Program at UCMS File Checker is found at http://www.portal.state.pa.us/portal/server.pt/community/uc_management_system/18222

SHARED-WORK: The Alternative to Layoffs

In March 2012, Pennsylvania implemented the Shared-Work Program. Shared-Work allows an employer to temporarily reduce the work hours of a group of employees as an alternative to a layoff. Employees covered by the plan receive a percentage of their UC weekly benefit amount, or WBA, while they work the reduced schedule if they are otherwise eligible for UC.

The percentage by which each employee's work hours are reduced is called the "reduction percentage." The employer determines the reduction percentage. It must be at least 20 percent and cannot exceed 40 percent. The reduction percentage must be the same for all employees participating in a shared-work plan. For example, if an employee normally works 40 hours per week, and the reduction percentage is 20 percent, then the employee's hours would be reduced by 20 percent. He or she would then work 80 percent of 40 hours, or 32 hours per week. If an employee in the same unit works 30 hours per week, then he or she would work 80 percent of 30 hours, or 24 hours per week.

For each week included in the plan, an employee receives a percentage of his or her UC WBA equal to the reduction percentage. For example, if the employee's WBA is \$400 and the employee's hours are reduced by 20 percent under the plan, the employee would receive 20 percent of \$400 or \$80 in shared-work UC. Within the effective period of the plan, the employer will be charged 100 percent of the UC paid to the employees.

Potential benefits to the employer include: keeping its skilled, trained employees; reducing future rehiring and costly retraining; and avoiding disruption in the business operations.

Click <u>here</u> to view our informational pamphlet on the Shared-Work Program.

Employers: You Can Increase Accuracy of Separation Information

One cause of improper unemployment compensation benefit payments in Pennsylvania is inaccurate, untimely and incomplete separation information. When an individual applies for UC, the department immediately sends a request for separation information to the employer. It is critical that the department mail the request to the proper employer address. Often, claimants will provide the department with the employer's local business address where the claimant had worked, but the employer's personnel department or headquarters is located elsewhere. Valuable time is lost when the department's request for separation information must be forwarded from one employer address to another for reply.

To assist employers in providing accurate and timely separation information, the department created an Employer Information Form, Form UC-1609P. An employer should use this form to provide the specific reason for the employee's separation and list the proper employer mailing address and contact person for UC purposes. The employer can then give this form to the employee at the time of separation. This form is available on the department's website at www.dli.state.pa.us. Simply click on "employers," then "downloadable forms" and then "unemployment compensation." A link to the Employer Information Form can be found there.

Employers - JobGatewaySM is Getting Even Better!

You may already know that JobGatewaySM (<u>www.jobgateway.state.pa.us</u>) gives employers the opportunity to place free, online job postings on a state-of-the-art website used by upwards of 300,000 active job seekers. You may not be aware, however, that some recent enhancements have been made to the site and that additional improvements are planned for this summer.

Employers - JobGatewaySM is Getting Even Better continued from page 4 €

Changes made in April of this year now allow employers to view occupational profile information as they post their jobs. With a couple of clicks, you can learn about the training, knowledge and skills required for an occupation, as well as the certifications that may be available, the technology that may be used, and the average rate of pay on the local, state and national levels. Another enhancement allows employers posting a job to view the descriptions, locations and pay of similar jobs that have been posted by other employers.

JobGatewaySM allows employers to search for qualified candidates and automatically recommends candidates for particular jobs based on their preferences and resumes. In July, both of these functions were greatly improved as a new search engine was brought online. In addition to providing more precise keyword matching, it allows employers to use Boolean operators (AND, OR, NOT, etc.) to refine their searches, and to filter search results according to a variety of criteria, including the candidate's location, education, certifications and willingness to relocate.

If you haven't visited <u>www.jobgateway.state.pa.us</u> lately, now's the time to stop by and see all that it has to offer.

Bank Change for PA Child Support State Collection and Disbursement Unit

(Submitted by the Pennsylvania Department of Public Welfare)

The Pennsylvania State Collection and Disbursement Unit, or PA SCDU, which processes statewide child support payments, will soon be changing banks. This change only affects employers who receive an Income Withholding for Support Notice, or IWO, from a Domestic Relations Section and remit child support payments electronically using EFT/ACH. Employers who remit child support payments by paper check are not affected. To determine if you are required by Pennsylvania law to remit child support payments electronically, please refer to page 2 of the IWO.

Due to this change, employers that currently use EFT software provided by PA SCDU must contact the PA SCDU Employer Maintenance Unit to receive a free patch to update the current software to support the new bank information.

Pennsylvania employers will receive a notice of this change by mail with additional information. In order to avoid unnecessary delays in the delivery of support payments to recipients, it is essential that employers direct support withholdings to the new bank account and routing numbers that will be provided in a forthcoming notice. PA SCDU's Employer Maintenance Unit is available to answer any questions concerning the bank account changes.

Employer Maintenance Unit Contact Information 877-676-9580 or pa-childsupp-2.fc-sls@xerox.com

PA SCDU offers ExpertPay as another option for the submission of child support payments via EFT/ACH. ExpertPay is a web-based solution for employers to submit child support withholdings. This service is free for all payments submitted to PA SCDU. The ExpertPay solution is similar to a bank draft; ExpertPay debits the company's bank account each pay period and transfers the funds to PA SCDU. With ExpertPay, payments can be easily submitted to every state, Puerto Rico and the District of Columbia to which the employer submits child support. ExpertPay allows employers to track, manage, and print reports on all child support withholdings. For employers currently using ExpertPay, this change will occur automatically. To find out more about ExpertPay or to register, go to www.ExpertPay.com.

Electronic Income Withholding Order for Child Support

(Submitted by the Pennsylvania Department of Public Welfare)

Did you know Pennsylvania has more than 1,300 employers participating in the Electronic Income Withholding Order, or e-IWO, program? With this program, employers are able to receive and respond to income withholding orders, as well as provide notifications of employee terminations and lump sum payments, using an electronic process that eliminates manual processing to manage paper orders.

How would an employer benefit from e-IWO?

- IWOs transmitted electronically look identical from state to state.
- All participating states send their IWOs electronically, meaning less child support mail to open.
- Employers can choose between three electronic transmittal options: system-to-system, PDF and spreadsheet.
- e-IWO saves employers time and money and is cost-free to implement.

In as little as three weeks, your company can join the hundreds of employers already benefiting from the e-IWO program. To get started, contact William Stuart at the Federal Office of Child Support Enforcement by phone at 518-399-9241 or by email at william.stuart@acf.hhs.gov.

EMPLOYERS - Do You Have New Hires?

Report your new hires electronically to the Pennsylvania New Hires Reporting Program, saving time and postage. Simply go to our website at www.pacareerlink.state.pa.us and click on the "Report New Hires" link under the "Employers" section. It's fast, free and paperless.

For questions about reporting new hire data, please contact New Hire Customer Service at 888-PAHIRES (888-724-4737) or by email at RA-LI-CWDS-NewHire@pa.gov.

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 year 2010 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 <u>three critical steps</u> 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."

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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 <u>uc-news@pa.gov</u>. General UC Tax information is available by calling 717-787-7679 or outside of the Harrisburg area, toll free 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 <u>www.uc.pa.gov</u> by clicking "Report Fraud", or contact 800-692-7469.