Protect Your Business From Higher Taxes

What exactly is an improper payment? What causes an improper UI payment?

An improper payment of UI benefits means that a claim for benefits was paid in error. An improper payment can result when inaccurate information is provided by the claimant or employer, or when information is not received by ODJFS in a timely manner. As soon as an improper payment is discovered, the claimant is notified of an “overpayment.”

Did you know …

• UI benefits for qualified unemployed workers are funded by employer UI taxes.

• The U.S. Department of Labor estimates that in fiscal year 2013 more than 9 percent of UI benefits were paid improperly, usually because of inaccurate or missing information supplied by the claimant or employer.

• Improper payment of benefits is a serious problem that can lead to higher UI taxes for all employers.

You can help prevent improper payments. See reverse for more details!
What can you do to help prevent improper UI payments?

Be an active partner to help improve payment accuracy. Help reduce employer costs by taking these three critical steps:

1. Report all new hires and rehires to the State Directory of New Hires by the due date, as required by law.

   Timely reporting of new hires and rehires helps prevent payment of ineligible UI claims after individuals return to work. For more information, please visit www.oh-newhire.com.

2. Respond promptly to requests for information from ODJFS.

   Responding promptly to requests for verification of employee weekly earnings will help prevent improper payment of UI benefits. It also will reduce the need for costly appeals. Also be sure to provide separation information to help determine claimant eligibility for benefits and accurate benefit charges to employers. (This goes for part-time employees, as well. Part-time employees may be eligible for partial UI benefits.)

3. Provide complete and accurate Wage Detail Reports each quarter.

   The information included in these quarterly reports – including the weeks worked and wages earned for all an employer’s employees – is used to determine claimants’ eligibility for benefits and their weekly benefit amounts.

The Costs and Consequences of Noncompliance

Companies that do not comply with state and federal UI 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 UI taxes
- Possible fines and penalties

Following the requirements for reporting employee information is the right thing to do and it’s just good business.

For more information about the Ohio UI program, please visit https://unemployment.ohio.gov

John R. Kasich, Governor
Cynthia C. Dungey, Director
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