

REQUEST FOR RECORDS DISPOSITION AUTHORITY
(See Instructions on reverse)

NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NIR)
 WASHINGTON, DC 20408

1. FROM (Agency or establishment)
 Department of Labor

2. MAJOR SUBDIVISION
 Employment and Training Administration

3. MINOR SUBDIVISION
 Unemployment Insurance Service

4. NAME OF PERSON WITH WHOM TO CONFER
 John Sharkey

5. TELEPHONE
 (202) 219-7656

LEAVE BLANK (NARA use only)

JOB NUMBER
 NI-369-94-3

DATE RECEIVED
 7-1-94

NOTIFICATION TO AGENCY

In accordance with the provisions of 44 U.S.C. 3303a the disposition request, including amendments, is approved except for items that may be marked "disposition not approved" or "withdrawn" in column 10.

DATE
 9-10-94

ARCHIVIST OF THE UNITED STATES
Andy Huskamp Peterson

6. AGENCY CERTIFICATION

I hereby certify that I am authorized to act for this agency in matters pertaining to the disposition of its records and that the records proposed for disposal on the attached ___ page(s) are not now needed for the business of this agency or will not be needed after the retention periods specified; and that written concurrence from the General Accounting Office, under the provisions of Title 8 of the GAO Manual for Guidance of Federal Agencies,

is not required; is attached; or has been requested.

DATE: 6/15/94

SIGNATURE OF AGENCY REPRESENTATIVE: *Charles W. Steele*
 Charles W. Steele

TITLE: *Dept. Records Officer*
 ETA Records Officer

7. ITEM NO.	8. DESCRIPTION OF ITEM AND PROPOSED DISPOSITION	9. GRS OR SUPERSEDED JOB CITATION	10. ACTION TAKEN (NARA USE ONLY)
	(See Attached)	369-86-1	

Copies sent to Agency, NNT, NSX, NNW, NIA @ 9/15/94

UNEMPLOYMENT COMPENSATION

A FEDERAL-STATE COOPERATIVE SYSTEM

INTRODUCTION

The Federal-State Unemployment Insurance system, initiated in the Social Security Act in 1936, offers the first economic line of defense against the ripple effects of unemployment. By cash payments made directly to laid off workers it ensures that at least shelter and clothing can be met on a week-to-week basis while an active search for new work takes place. This mechanism is grounded upon Federal law, but executed in its relationship to the employer and the unemployed worker through State law and by State employees.

Conceptually, unemployment compensation is designed to provide benefits to most workers out of work due to no fault of their own for periods between jobs. Except in a few States where there are small employee payments, the system is financed by a payroll tax on employers. About 97 percent of the wage and salary workers are now covered by the Federal-State system. The Federal taxing provisions are in the Federal Unemployment Tax Act, chapter 23 of the Internal Revenue Code (FUTA). Railroad workers are covered by a separate Federal program. Veterans with recent service in the Armed Forces and civilian Federal employees are covered by a Federal program, chapter 85, title 5, United States Code, with the States paying benefits as agents of the Federal Government.

Under all State unemployment insurance laws, a worker's benefit rights depend on his experience in covered employment in a past period of time, called the base period. The period during which the weekly rate and the duration of benefits determined for a given worker apply to him is called his benefit year.

The qualifying wage or employment provisions attempt to measure the worker's attachment to the labor force. To qualify for benefits as an insured worker, a claimant must have earned a specified amount of wages or must have worked a certain number of weeks or calendar quarters in covered employment within the base period, or must have met some combination of wage and employment requirements. He must also be free from disqualification for causes which vary among the States. All but a few States require a claimant to serve a waiting period before his unemployment may be compensable.

All States determine an amount payable for a week for total unemployment as defined in the State law. Usually a week of total unemployment is a week in which the claimant performs no work and receives no pay. In most States a worker is partially unemployed in a week of less than full-time work when he earns less than his weekly benefit amount. The benefit amount for such a week is the difference between the weekly benefit amount and the part-time earnings, usually with a small allowance as a financial inducement to take part-time work.

QUALIFYING WAGES AND EMPLOYMENT

All States require that an individual must have earned a specified amount of wages or must have worked for a certain period of time within his base period, or both, to qualify for benefits. The purpose of such qualifying requirement is to restrict benefits to covered workers who are genuinely attached to the labor force.

BENEFIT ELIGIBILITY AND DISQUALIFICATION

All State laws provide that, to receive benefits, a claimant must be able to work, must be seeking work, and must be available for work. Also, he must be free from disqualification for such acts a voluntary leaving without good cause, discharge for misconduct connected with the work, and refusal of suitable work. The purpose of the provisions is to limit payment to workers unemployed primarily as a result of economic causes.

The Office of Quality Control has the mission to establish and maintain a quality control (QC) system and related initiatives which focus on the quality of administration by State Employment Security Agencies; to review and analyze the economy and effectiveness of the administration and operation of these activities including oversight of corrective actions; to develop new or model procedures for SESA use based on analyses of QC results; and to develop and validate quality control sampling methodologies and data gathering techniques used for QC data analysis and sampling validation purposes.

The information in the Quality Control System described does not duplicate the information in DOL's Unemployment Insurance Information System (1984) and is unique to the Office of Quality Control.

PROGRAM OVERVIEW.

The Unemployment Insurance (UI) Benefits Quality Control (BQC) system is a diagnostic tool for the use of Federal and State Employment Security Agency (SESA) staff in identifying errors and their causes and in correcting and tracking solutions to these problems. Representative samples of UI payments are drawn and examined intensively to determine if they were made to eligible claimants and if these claimants were paid the proper amounts. On the basis of the errors identified, States will be able to develop corrective action plans and implement them to ensure accurate administration of their laws, rules, and procedures.

The major objectives of the BQC system are to:

- assess the impact of State and Federal laws and requirement on the system's accuracy and integrity,
- achieve improvements in program accuracy and integrity,
- encourage more efficient administration, and

- improve program quality and solvency through error reduction.

State resources are targeted to perform detailed investigations of benefits paid in the largest permanently authorized regular programs and Federally funded programs. The accuracy of monetary determinations and the proper detection and resolution eligibility issues are assessed by detailed investigations of "key weeks" of selected benefit payments. This is accomplished through examination of records and contacts with claimants, employers, and other parties such as Job Service, to verify all aspects of the claim that could affect eligibility for payments.

Each case investigated in BQC represents a large number of payments in the population. It is very important that staff adhere to accepted methodology to ensure the reliability of inferences made from the data coming out of the investigations.

States have the responsibility to draw samples, perform investigations, identify errors, compute error rates, analyze data, and initiate corrective action if appropriate. The primary Federal responsibilities are to a) ensure system integrity through monitoring SESA practices and procedures and b) analyze QC data to assess the impact of Federal requirements on the UI system.

Data gathered on incorrect payments include such information as amount of error, type of error, responsible party, and cause of error. States can tabulate and analyze these data to plan corrective action focused on those areas where trends have been identified and track the impact of corrective action by monitoring the results of subsequent BQC samples.

BQC is different from other SESA efforts to control erroneous payments. While the UI fraud investigator tries to identify specific cases of fraud and recapture any overpayments, the BQC investigator looks at sample cases to produce statistics on the UI program in general. Errors uncovered as a result of BQC are corrected where feasible; however, the primary purpose is to identify system-wide problems.

The BQC system has been designed to be as highly automated as possible. States' UI computers that support QC operations have the capability to link with both the State mainframe computers and with the DOL host computer. This system is designed to increase the accuracy of data flows by minimizing the number of paper transactions and simplifying data storage and retrieval; to increase the usefulness of the data by simplifying data retrieval and raising the sophistication with which it can be manipulated and combined with other data; and to reduce the amount of time QC staff must spend in data handling.

- a. On a weekly basis, SESAs produce a record titled, SFSUM, which contains data for the sample and population sizes. A Record Type One is also created for each case selected in the Quality Control sampling process. These records include control data downloaded from existing automated State UI files to the QC micro computer for completion through field investigations by the SESA QC staff. The Record Type One is used to load the data into the Informix database which is comprised of tables.

Data is entered in the b_master, b_errisu, and b_comparison tables. A description of the tables is as follows:

B_MASTER - This table contains all data fields in the Quality Control database that must be filled once the SESA QC staff have completed the case investigation.

B_ERRISU - This table contains space to record issues found through the case investigation. It will not be completed for every case.

B_COMPARISON - This table contains statistical data unique to the sample.

Disposition: Archival Retention, Transfer three year old data annually to the National Archives beginning in year four. (Example, in 1992 run a program abstracting 1988 activities and transfer to Archives. In 1993 run a program abstracting 1989 activities...)

b. System Documentation

System specifications, file specifications, and record layouts relating to the files.

Disposition: Permanent. Transfer copy of documentation with datasets. Transfer updates and changes with subsequent transfer of the datasets.