

Texas Workforce Press Release

FOR IMMEDIATE RELEASE

DATE: April 26, 2016

MEDIA CONTACT: Lisa Givens

PHONE: 512-463-8556

TWC's Early Detection Reduces Improper Claims *State of Texas New Hire Program Results in Substantial Savings*

AUSTIN –Thanks to the prompt action of Texas employers and the Texas Workforce Commission's (TWC) new-hire cross match early detection strategy, an estimated \$174 million in potential improper unemployment benefit payments were prevented during state fiscal year 2015 (FY 2015). This early detection strategy relies on employers to report new hires and rehires within 20 days of employment to the Office of the Attorney General (OAG) of Texas.

TWC's new-hire cross matching system is an automated early detection strategy conducted on a weekly basis to detect and prevent fraud, reduce overpayment of unemployment benefits and help collect outstanding overpayments of benefits.

"TWC strives to improve its reporting systems to ensure program integrity," said TWC Chairman Andres Alcantar. "Every time newly hired or rehired worker information is provided to the State of Texas New Hire Program, it helps TWC protect the Unemployment Insurance Trust Fund."

The cross-match helps TWC recover funds from individuals with outstanding unemployment benefit overpayments. In FY 2015, TWC collected an estimated \$1.1 million in overpayments from individuals who were contacted by TWC to pay an existing debt after being notified that they had a new job.

TWC uses information about new hires and rehires from the State and National Directory of New Hires and compares it to the lists of individuals applying for unemployment benefits or with outstanding overpayments. This helps to detect unintended overpayment and fraudulent receipt of benefits.

When a match is detected, investigators determine whether an Unemployment Insurance (UI) claimant was hired during the same week they filed for UI benefits. If so, TWC sends an employment verification letter instructing the employer to enter the required earnings information through its online system or by calling 800-850-6442 to request a paper form.

"The earlier employers report the information to the state of Texas, the sooner the detection process can begin, resulting in quicker action to recover any overpayments," said Commissioner Representing Employers Ruth R. Hughs.

-more-

New hire reporting with the OAG is separate from quarterly wage reporting to TWC. Prompt reporting of new-hires' wages will help keep employer taxes lower because costs associated with fraudulent and unintended over payments will be kept at a minimum.

Unemployment claimants who have returned to work are encouraged to report their earnings as soon as possible after being hired at a new job or rehired with a previous employer to avoid unintended overpayment of benefits. To find out more about how and when to report work and earnings, visit the TWC [Report Your Work & Earnings](#) web page.

Employers who have questions about new-hire reporting compliance should visit the TWC's [New Hire Reporting page](#).

###lfg

The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the services it offers in coordination with its network of local workforce development boards, call 512-463-8942 or visit www.texasworkforce.org. To receive notifications about TWC programs and services subscribe to our [email updates](#).