

N E W S R E L E A S E

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## **Employment Development Department Provides Update on Unemployment Insurance Program**

Sacramento – As California hits a year since the COVID-19 pandemic shook the economy, the Employment Development Department (EDD) today released the latest data on California unemployment insurance claims since the pandemic began, and provided updates on actions underway to strengthen customer service and implement additional federal benefits under the federal [American Rescue Plan Act](#).

One year ago this week, Californians began applying for unemployment benefits in historic proportions with claims surging 1,300 percent... Since then, the Department has processed approximately 20.9 million claims and paid a total of \$127.8 billion in unemployment benefits—more than five times the amount of benefits paid during the worst year of the Great Recession in 2010.

When Californians receiving unemployment insurance benefits come to the end of their benefit year, which is a 12 month period following the establishment of their claim, they will receive notice from EDD (via their UI Online account or through the mail) advising them that their claim has expired and they must reapply for another claim if they are still unemployed. Depending on their situation and eligibility status, the EDD will either move them to a new regular state Unemployment Insurance (UI) claim, or connect them, to the federal benefits that are now being renewed and expanded by the federal government.

The new [American Rescue Plan Act](#) adds up to 29 more weeks of benefits to both Pandemic Emergency Unemployment Compensation (PEUC) and Pandemic Unemployment Assistance (PUA) claims for weeks of unemployment starting March 14 and extending through the week ending September 4. The extra \$300 federal Pandemic Additional Compensation (PAC) payment being added to each week of benefits claimants receive.

For claimants who are not coming up on the end of their benefit year, the EDD will automatically add the newly approved extended weeks of benefits to their PUA and PEUC claims, as long as they continue to meet eligibility requirements. When they do come up to the end of their benefit year, they can expect to be notified by email, text, and mailed notices about the need to re-apply for benefits so the EDD can determine if they qualify for a new regular UI claim or can be connected with further federal benefits.

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Additional information will be posted on the Department's [federal unemployment benefits webpage](#) page as the information becomes available.

### **Helping Claimants Avoid Unnecessary Delays in Benefit Payments**

Since the onset of the pandemic, the Department has seen an unprecedented rise in calls to its contact center—with call attempts rising from 1.4 million in February 2020 to 48 million in April 2020. Nearly 7 million phone calls entered the call center during the last week of February 2021.

In an effort to combat long telephone hold times, the Department continues to boost online self-help options to help people without having to call, launched an online chatbot that answers common questions, and continues to hire and train its workforce. The Department has also overhauled and streamlined its training programs to graduate expert-level staff faster. In total, 4,024 EDD agents are helping answer claimant calls and determining eligibility for payment.

However, even with this added staff, agents cannot quickly respond to all the calls that come in each week. To avoid long telephone wait times or repeated attempts to reach the contact center, the public is urged to find online self-help information [here](#). The website also offers a chatbot that can answer common questions.

EDD has [expanded the availability of information](#) to help claimants who must certify their eligibility for benefits every two weeks in order to get payments. Claimants will now see this expanded information available when they go to complete their next certification. This new language helps assist the claimant with avoiding common mistakes in the certification process, which can unnecessarily delay payments.

### **Curbing Criminal Fraud Using New Tools and Systems**

Last year, Unemployment systems in every state were hit hard by fraud involving international and national crime syndicates. Criminals stole identities on the dark web and filed for federal PUA benefits, which did not require income or employment verification and allowed claimants to backdate claims.

Nationally, [about 35 percent of claims](#) nationally in 2020 were fraudulent. The Office of Inspector General [recently estimated](#) nationwide fraud in 2021 could top \$63 billion.

To prevent fraud resulting from identity theft, California was one of the first states to launch a new identity verification system, ID.me, to reduce fraud at the front end of the application process. Between March 2020 and January 2021, the Department's fraud screening measures and new security protections prevented up to \$60 billion in payments to fraudulent claims.

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The Department also thwarted scammers by no longer automatically backdating PUA claims. The Department has also invested in new fraud prevention technology and investigative tools to assist the process of preventing and catching acts of fraud.

As [previously reported](#), about 9.7 percent of the \$114 billion in benefits California paid on 19.5 million claims between March 2020 and January 2021 were confirmed to be fraud. An additional 17 percent of payments during that time (1.4 million claims) have been under active investigation. The Department suspended these claims until either the identity or eligibility of the claimant could be validated. Once the Department completes review of these claims, the total number of legitimate claims and fraudulent claims will be updated.

EDD provides resources for Californians at the [Help Fight Fraud webpage](#).

### **Helping Victims of Identity Theft**

In January, the Department set up a designated phone line and online reporting system for anyone who receives a 1099-G form with an inaccurate report of benefits and believes that identity theft was involved.

In addition, the Department recently expanded translations of the English and Spanish Form 1099-G fact sheets to include Simplified Chinese, Traditional Chinese, Vietnamese, Tagalog, Korean and Armenian. These guides provide claimants important information about the annual tax season process of receiving Form 1099-Gs from EDD.

Anyone who receives a 1099-G from the EDD in which they don't agree with the total benefits listed or suspect identity theft should report this as fraud by going to [Ask EDD](#), selecting "Form 1099G" and then choosing "Report Fraud." EDD will investigate and issue a corrected 1099-G as appropriate. [IRS recommends](#) the public save copies of whatever documentation they have regarding their attempts to get a corrected 1099-G from the state.

The [IRS has made clear](#) that taxpayers who are unable to obtain a timely, corrected 1099-G should still file an accurate tax return, reporting only the income they received.

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