

N E W S R E L E A S E

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Date: October 1, 2020

News Release No.: 20-51

## Unemployment processing and payments continue during two week reset period

### *EDD provides updates on fighting fraud, and launch of new ID.me technology*

**Sacramento** – As the California Employment Development Department nears the end of a two week reset period on October 5, the agency reported a total of \$93.8 billion in unemployment benefits have been paid to workers since March between the regular Unemployment Insurance (UI) and extension programs and the federal Pandemic Unemployment Assistance (PUA) program.

The reset period came as a decision after the Governor's Strike team released a series of recommendations to help EDD expedite new claimant payments, reduce fraud and tackle backlog issues moving forward. As part of doubling down on systemically improving claim processing in the future, processing current claims and eliminating fraud, the EDD paused accepting new claims for two weeks.

### **Data Trends**

Due to that two week reset, the EDD is reporting claim levels based on recent activity during the week ending September 19. This avoids the significant week to week swing in initial claims for the state and the nation unrelated to changes in economic conditions. Any adjustments necessary once the reset is complete will be revised in future data releases.

Please see the UI Data Dashboard updates below, along with some initial [UI claims trend data](#) over the last several weeks for these top line data elements.

- Daily updates are available for the past two weeks on the EDD's new [Unemployment Initial Claims Backlog Dashboard](#) – reflecting applications for benefits that take more than 21 days **to issue a first payment or to disqualify the individual**.
- Daily updates are also available for the past two weeks on the EDD's new [Unemployment Continued Claims Backlog Dashboard](#) - reflecting individuals **who received at least one payment** and are now waiting more than 21 days for further processing of payment or disqualification in this week-by-week eligibility based program.

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<b>Unemployment Insurance (UI) - Data Dashboard</b>				
		<b>Current Week</b>	<b>Prior Weeks</b>	<b>Total</b>
		<b>September 26, 2020</b>	<b>WE 3/7 -9/19/20</b>	<b>WE 3/7 -9/26/20</b>
<b>Total Applications Submitted**</b> <i>(Approx. UI Online applications received from unemployed workers)<sup>1</sup></i>	<b>Reg. UI</b>	0	5,648,373	5,648,373
	<b>PUA</b>	0	4,330,285	4,330,285
	<b>PEUC<sup>2</sup></b>	207,475	935,320	1,142,795
	<b>FED-ED<sup>3</sup></b>	6,389	137,129	143,518
	<b>Total</b>	213,864	11,051,107	11,264,971
<b>Total Claims Processed**</b> <i>(Approx. applications processed by the EDD including reopened claims)<sup>4</sup></i>	<b>Reg. UI</b>	226,176	8,969,116	9,195,292
	<b>PUA</b>	99,824	3,600,649	3,700,473
	<b>PEUC<sup>2</sup></b>	214,128	1,013,729	1,227,857
	<b>FED-ED<sup>3</sup></b>	6,786	101,567	108,353
	<b>Total</b>	546,914	13,685,061	14,231,975
<b>Total Benefits Paid</b> <i>(Approx. combination of first benefit payments and continued claim bi-weekly payments)<sup>5</sup></i>	<b>Reg. UI</b>	\$1.4 billion	\$50.3 billion	\$51.7 billion
	<b>PUA</b>	\$579 million	\$34.1 billion	\$34.7 billion
	<b>PEUC<sup>2</sup></b>	\$242 million	\$3.2 billion	\$3.5 billion
	<b>FED-ED<sup>3</sup></b>	\$68.2 million	\$287 million	\$355 million
	<b>LWA<sup>10</sup></b>	\$946 million	\$2.7 billion	\$3.6 billion
	<b>Total</b>	\$3.2 billion	\$90.6 billion	\$93.8 billion
<b>Individuals Paid Benefits<sup>6,7</sup></b> <i>(Expressed as four-week rolling totals to account for different bi-weekly payment cycles)</i>	<b>Reg. UI</b>	3,293,000	3,326,000	
	<b>PUA</b>	1,558,000	1,690,000	
	<b>Total</b>	4,851,000 <sup>8</sup>	5,016,000 <sup>9</sup>	

\*\*California has announced a two week pause in its processing of new online initial claims for unemployment insurance benefits. Recognizing that the pause will likely result in significant week to week swings in initial claims for California and the nation unrelated to any changes in economic conditions, California's initial claims and continued claims for the regular UI program and Pandemic Unemployment Assistance Program published in the UI Claims News Release will reflect the level reported during the last week prior to the pause (WE 1. The Pandemic Unemployment Assistance (PUA) was implemented in California on April 28, 2020. This data includes new initial claims 2. The Pandemic Emergency Unemployment Compensation (PEUC) was implemented in California on May 27, 2020. PEUC claims are an extension of a regular UI claim. For the week ending September 19, 2020, (PEUC) total weeks claimed was 446,281. 3. FED-ED was implemented in California on July 1, 2020. FED-ED claims are an extension of a regular UI claim. 4. Claims processed through UI Online, along with about 5% of claims that arrive via paper of phone. This accounts for claims received in the current week as well as past weeks. The data also includes additional claims or claims that are re-opened when there is a break in certifying for benefits, for example when the claimant may return to work but then later come back to collect benefits on their initial claim. The total claims processed from 3/7- 9/26/20 may include multiple claims from the same applicant. 5. Includes \$600 federal stimulus payments EDD adds to each week of regular UI, PUA, PEUC, and FED-ED benefits. Regular UI benefits are paid out of California's UI Trust Fund with contributions from employers, PUA, PEUC, FED-ED and the \$600 federal stimulus payments are paid for by the federal government. The Total Benefits Paid may not add up due to the rounding data. 6. Counts include individuals claiming regular UI, PEUC, and FED-ED benefits. If an individual claims a regular UI benefit, PEUC, or FED-ED benefit in a four-week rolling time period, they are only counted once. 7. Four-week rolling totals accommodate for numerous variables that dictate what claimants receive benefits in any given bi-weekly period. Data excludes claimants were who fully employed, disqualified or had excessive earnings that would disqualify them for a week of benefits. 8. Four-week rolling total between week-ending September 5th and week-ending September 26th, 2020. 9. Four-week rolling total between week-ending August 29th and week-ending September 19th, 2020. 10. The Lost Wages Assistance (LWA) Program was implemented in California on September 5th, 2020 to provide eligible claimants with a Lost Wage Assistance payment of \$300 per week in addition to their weekly benefit amount beginning with weeks ending on or after August 1, 2020.

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## **EDD preparing for official launch of ID.me**

The EDD is preparing for the official launch of the new ID.me identity verification technology on Monday, October 5 as part of the process of applying for unemployment benefits. By more efficiently and effectively verifying the identity of claimants at the onset of a claim, our customers can avoid the lengthy manual review that can delay payments and EDD can more aggressively stop scammers at the front door.

Over the next few days, the department will be testing and closely monitoring the new identity proofing tool in a soft launch phase, working with some of the individuals who have signed up over the course of the reset period to receive a notification from EDD. We plan to report on our progress next week after the enhanced UI Online application process is fully reopened to welcome in all new applicants for benefits.

## **Updates on anti-fraud efforts**

The EDD has taken action to suspend or cancel suspicious high volume, multiple claims filed at the same address. This is in the wake of scams using extensive stolen identity information, particularly in the federal PUA program. Extra efforts are underway to verify the identities of high-volume multiple claimants citing the same address in order to protect benefits for any legitimate claimants who could be at that location while weeding out potentially fraudulent cases. For those claimants who have already gone through our current ID Verification process, provided copies of their ID documents, and their identity is verified in the system – the EDD will be able to eliminate or minimize any interruption in their benefit payments.

For those claimants who have never submitted copies of identity documents, we are taking additional verification steps with them now. These individuals are receiving an email, text and notice in the mail about the identity documents EDD needs them to provide. We encourage them to use the new Document Upload capability available through UI Online to help us expedite the verification of their identity so we can re-establish payments for legitimate claimants quickly. The EDD is taking every effort to ensure benefits are paid to eligible claimants, while shutting off or preventing any benefits paid to scammers.

Additionally, EDD investigators continue to partner with federal, state, and local authorities to bring offenders engaging in benefit fraud to justice. Since the beginning of August, investigators have contributed to more than 40 arrests throughout the state, while providing helpful benefits information to strengthen additional local investigations.

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## **Updates on federal Lost Wages Assistance Payments**

The EDD is now issuing two more weeks of extra \$300 Lost Wages Assistance (LWA) payments to qualifying Californians. These payments are going out to claimants who previously collected either regular UI, Pandemic Emergency Unemployment Compensation (PEUC) or FED-ED extension, or federal Pandemic Unemployment Assistance (PUA) benefits for the weeks ending August 22 and/or August 29.

These are the 4<sup>th</sup> and 5<sup>th</sup> weeks of LWA payments to be issued in California. An estimated 3.25 million claimants are expected to receive these payments by the end of next week either together in one \$600 sum or two separate \$300 payments depending on when those last weeks of August fall within their bi-weekly certification period. In addition to already receiving benefits for these two weeks, claimants must meet these eligibility requirements:

- Have a minimum weekly benefit award of \$100 or more on their initial claim, even if they received a lower payment during this time period because they reported wages.
- Attested that their unemployment is caused by the COVID-19 pandemic. The self-attestation is collected as a quick and easy yes or no question.

The EDD has completed paying the first three weeks of LWA payments for the weeks ending August 2, 9 and 15 for all claimants who have supplied the necessary self-attestation of their unemployment related to the pandemic. Some of those self-attestations continue to roll in and will be paid as long as the individual meets eligibility requirements and authorized federal funding remains available.

The EDD continues to closely monitor that funding before a 6<sup>th</sup> and final week of LWA payments can commence. Further details will be provided as soon as they are available.

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