

# Protect Your Business from Higher Taxes:

Prevent Improper Unemployment Insurance  
(UI) Benefit Payments or Overpayments

# Unemployment Insurance (UI)

UI is a short-term, partial wage-replacement program for workers who meet certain wage requirements and eligibility criteria. The following are some of the primary eligibility criteria that unemployed individuals must meet:

- Be unemployed through no fault of their own.
- Be able and available to work.
- Be willing to accept suitable work.
- Be actively seeking work.

UI benefits are funded entirely  
by **taxes** paid by you:

Employers.

Improper UI Benefit payments  
or overpayments result in  
higher taxes for all employers.

# What is an Improper UI Benefit Payment ?

- It is a payment of UI benefits that was paid to someone ineligible to receive those benefits.
- There are a number of causes of improper UI benefit payments.

# What are the Common Causes of UI Improper Payments?

1. Inaccurate or incomplete information was provided by the claimant or the employer.
2. The claimant fails to report work and wages.
3. The claimant intentionally or unintentionally reports the incorrect separation reason for their last employment.
4. The employer fails to respond timely and adequately to requests for eligibility information.

# Proper UI Benefit Payments Ensure:

- UI benefit payments are made to eligible UI claimants.
- Accurate benefit charges are made to employers' accounts.

# What Can You Do to Prevent Improper UI Benefit Payments?

- Provide complete and accurate employee separation information.
- Respond promptly or timely to any “Request for Eligibility Information” from the EDD.
- Report all new hires and rehires to the State Directory of New Hires by the required due date.



# How to Manage UI Costs

- Report new eligibility information within 10 days of learning about potential eligibility issues.
- Keep good employee Records.
- Give written warnings when necessary.
- Conduct and document exit interviews.
- Answer the EDD interviewer's questions with detailed responses.

# The EDD Relies on You to Assist in Determining UI Benefit Eligibility

By working closely with the EDD, you can assist the Department in making proper payments, which in turn can reduce employer costs across-the-board for all employers.

# Visit the EDD Website

For more information

[http://www.edd.ca.gov/Employer\\_Services.htm](http://www.edd.ca.gov/Employer_Services.htm)

<https://eddservices.edd.ca.gov/index.html>