



# Assembly California Legislature

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Assemblywoman, First District

## **AB 980: Employment Development Department Modernization**

### **BILL SUMMARY**

AB 980 will increase transparency and accessibility of claim information by requiring Employment Development Department (EDD) to make information about claims that have been approved available on its website for employers to review.

### **BACKGROUND**

When a worker files a claim for Unemployment Insurance (UI) benefits, the EDD transmits a *Notice of Unemployment Insurance Claim Filed* to the last employer reported on the application. The Notice provides information about the worker, including their reason for separation. If the employer disagrees with any information on the form, the employer may respond by mail or using the State Information Data Exchange System (SIDES), which allows the EDD to provide electronic notices when appropriate. This is the first opportunity for employers to contest any claims made related to their business. If the EDD rules in favor of the employee, the employer may contest the decision through an appeal overseen by the California Unemployment Insurance Appeals Board (CUIAB).

Following each State Fiscal Year, employers receive a *Statement of Charges to Reserve Account*, which includes an itemized list of UI benefit charges related to their business. This statement is received in the mail and is not provided online, in real-time for employers. If employers disagree with these charges, a protest may be submitted by mail or online using EDD's *e-Services for Business*.

### **PROBLEM**

Since the start of the COVID-19 pandemic, EDD has been embroiled in scandal and criticism for their failure to

process UI claims and excessive fraud within their system. Current estimates suggest that nearly \$11 billion has been paid out in fraudulent UI claims over the course of the pandemic, and their system is in desperate need of improvements to mitigate this.

Employers' lack of access to information on approved UI claims is a prime example of EDD's need for reform to prevent fraud. After a UI claim is approved, employers have no way of accessing a complete list of claims that have been approved to draw benefits from their account and dispute fraudulent claims until they receive their *Statement of Charges to Reserve Account*. This statement is delivered in the mail once a year, and only then do employers have necessary information to report potentially fraudulent claims. This excessive window of time between receiving statements leaves the potential for fraud to occur before an employer can report it.

### **SOLUTION**

AB 980 will modernize EDD's process of providing important financial information to employers regarding claimants that have been approved to receive benefits from their account. EDD will be required make this information available on its website in real-time, as claims are approved.

Furthermore, EDD will be required to update this list at least once every two weeks to ensure the list of approved claimants is current, and include on this webpage a method by which the employer can object to the approved claim and provide additional information about the claimant.

### **BILL STATUS**

**Assembly Insurance Committee Hearing- TBD**

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**Updated: 3/17/2021**