



**EMPLOYMENT AND
ECONOMIC DEVELOPMENT**

Pandemic-era Unemployment Insurance Programs

April 7, 2025



Minnesota Statutes 268.03

“...The public good is promoted by providing workers who are unemployed through no fault of their own a temporary partial wage replacement to assist the unemployed worker to become reemployed....”

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- Eligibility based: primarily laid off – but also quits and discharges where the worker did not cause their own unemployment
- Temporary: up to 26 weeks
- Partial wage replacement: about $\frac{1}{2}$ of weekly wage up to statutory maximum (currently \$914)
- To become reemployed: able to work, available for work, looking for work or something substantially similar (training for work)

UI is a Federal-State Partnership

- Created by the Social Security Act of 1935
- States have flexibility to adjust certain program parameters, but not all
 - State laws must *conform* to federal law
 - States must administer the program in *compliance* with federal guidance
 - Administrative funding is federal and conditional upon *conformity* and *compliance*
- During recessions, the Federal government frequently creates additional or extended benefit programs
 - Promotes economic security in difficult times

UI is multiple benefit programs in one

Always On

- Regular UI (state)
- Combined Wage (between states)
- Unemployment Compensation for Federal Employees (federal)
- Unemployment Compensation for Ex-Service Members (federal)
- Trade Re-adjustment Allowance (federal)

Periodically On

- State Additional Benefits (AB, state funded)
- Extended Benefits (EB, federal/state)
- Federal Extended Benefits (federal)
- Disaster Unemployment Benefits (federal)

Pandemic

- Pandemic Unemployment Assistance (PUA)
- Pandemic Emergency Unemployment Compensation (PEUC)
- Additional \$600 (Federal Pandemic Unemployment Compensation)
- Additional \$300 (Lost Wages Assistance)

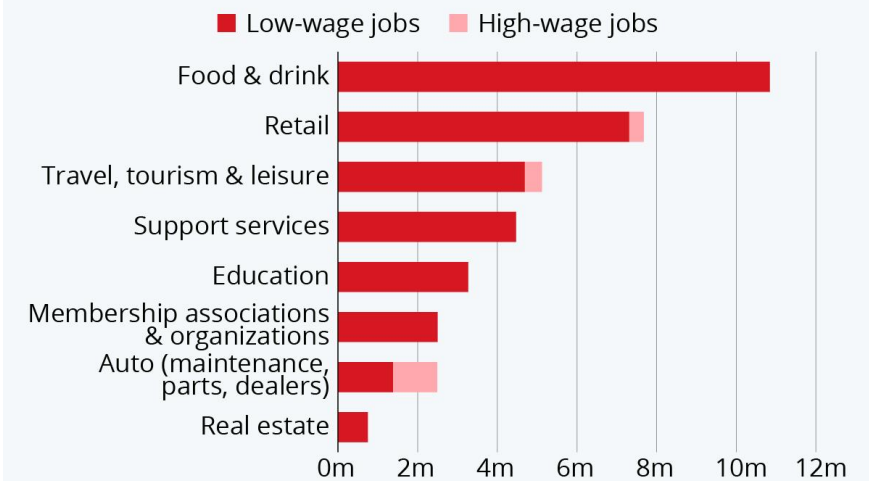
Background on pandemic UI programs

A Federal choice to use UI as an emergency response

- Massive surge in layoffs
- Need for economic assistance for tens of millions of Americans
- Federal government did not have the tools to deploy funds at scale
- Decision to run Federal assistance through state UI programs

Coronavirus Outbreak Puts 37 Million U.S. Jobs at Risk

Number of production and non-supervisory jobs in the U.S. at risk of short-term layoffs, by industry

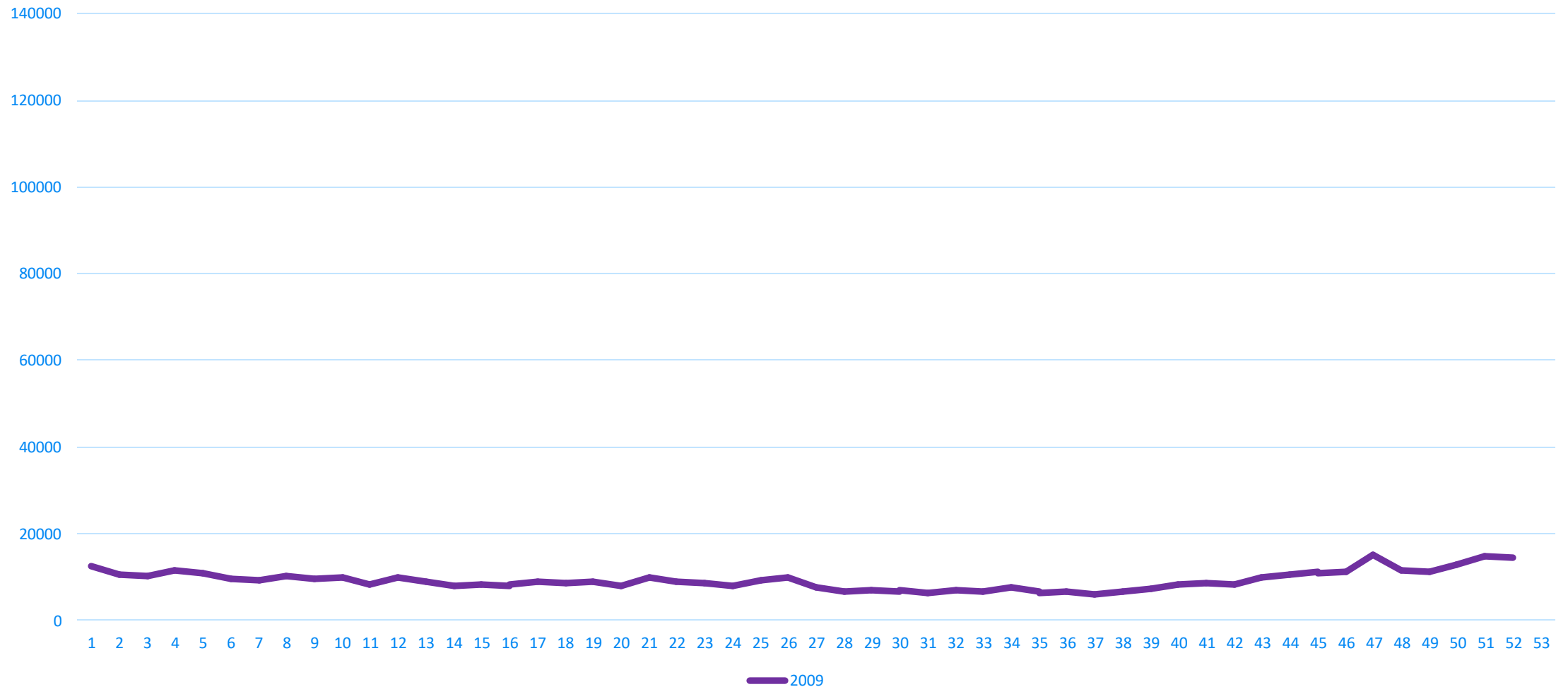


Source: Job Quality Index

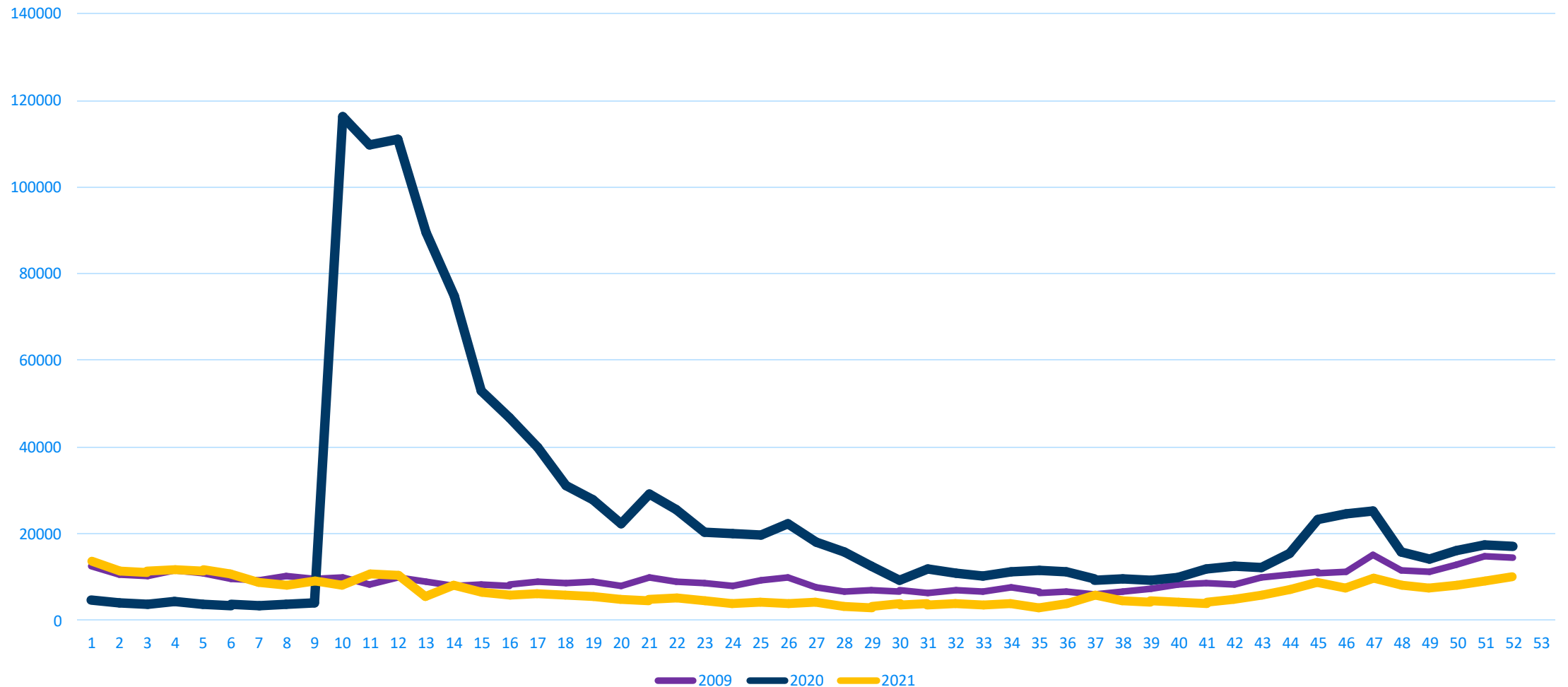


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The Great Recession



The Great Recession with the Pandemic Initial Claims



Minnesota's UI COVID Response

Minnesota starts making unemployment payments to self-employed, independent contractors

Published April 24 | Coronavirus in Minnesota | FOX 9

ST. PAUL, Minn. (FOX 9) - Minnesota is among the first states to start making unemployment payments to those who are self-employed, independent contractors and others eligible that normally wouldn't qualify for unemployment benefits.

Unemployment claims surge as states await federal guidance

Minnesota issues first \$600 CARES Act payments to people receiving unemployment benefits

Published April 8 | Coronavirus in Minnesota | FOX 9

Since March 16, 367,462 Minnesotans have filed for unemployment.

Minnesota is one of the first states to begin making the \$600 payments.

UI COVID Response: By the Numbers

- **1,352,915 applications** for benefits (**200,000** in 2019)
- **873,707** applicants received at least one payment
- **\$14,852,874,935** in payments (**\$800 million** in 2019)
- That's 353,639,879 bags of groceries
- That's 18,047,236 rent payments



Federal government created several new programs: Base Programs

- Pandemic Emergency Unemployment Compensation (PEUC)
 - Provided extended benefits following exhaustion of regular UI and PEUC
- Extended Benefits (EB, federal/state)
 - Provided extended benefits following exhaustion of regular UI and PEUC
- Pandemic Unemployment Assistance
 - For applicants not eligible for regular UI (generally, self-employed), but unemployed due to the pandemic

Federal government created several new programs: Supplemental Programs

- Lost Wages Assistance (LWA)
 - Supplemented benefits in regular UI, PUA, PEUC, or EB
 - \$300 for each week eligible for a base program (ran through fall 2020)
- Federal Pandemic Unemployment Compensation (FPUC)
 - Supplemented benefits in regular UI, PUA, PEUC, or EB
 - At first \$600, later \$300, for each week eligible for a base program (ran through fall 2021)
- Mixed-Earner Unemployment Compensation (MEUC)
 - \$100 weekly supplement of the FPUC supplement
 - Only available for self-employed individuals who were forced to go on as smaller, UI account because they had some UI eligibility and so could not be on PUA

Federal government created several new programs: State program reimbursements

- Waiting week reimbursement
 - Normal waiting week was waived during the pandemic
- 50% of charges to reimbursing employers (non-profits)
- Shared Work

Many states struggled

- States are required to implement federal programs in conformance with federal (USDOL) instructions
 - This guidance was often slow to come during the pandemic
- Many states had historically failed to update their business processes and technology systems
 - This led to major delays and errors
 - This was not the case in Minnesota

US NEWS

Florida residents risk coronavirus exposure to line up for unemployment benefits

By [Emily Jacobs](#)

Published April 8, 2020 | Updated April 8, 2020, 3:41 p.m. ET

Hundreds of Florida residents risked coronavirus exposure in order to be able to file paper applications for unemployment after a state website used as a portal for benefits crashed, local media reports.

Aerial footage outside a library in Hialeah, which the city used as one of three locations to pick up and file paper applications, showed hundreds of people lined up for help, a sign of the crippling effects of the coronavirus pandemic.

Good business process reinforces program integrity

- Minnesota has always been a very seasonal state for UI
- This meant that we had built our program to scale up in busy seasons
- Pandemic was a very, very, very, very...busy season – but one that did not require breaking our existing management processes or controls
 - This was NOT the case in other states

Cybercrime: Imposters and Hijackers

Account Imposters

- Fraudsters create accounts using stolen or synthetic identities to file fraudulent UI claims
- They often use personally identifiable information (PII) obtained from data breaches or social engineering

Account Hijackers

- Cybercriminals take over legitimate **existing** UI accounts by stealing login credentials through phishing, malware, or credential stuffing
- Hijackers can redirect benefit payments, change contact information, or lock out legitimate users
- Signs of hijacking include unauthorized password changes, altered direct deposit details, and unexpected login alerts

Identity Verification and Change Monitoring

- Verify IDs with authentication
- Data validation and pattern recognition

Threat Monitoring & Anomaly Detection

- Analytics to detect suspicious patterns
- Monitoring of various web analytics data to prevent

Account Protection & Recovery

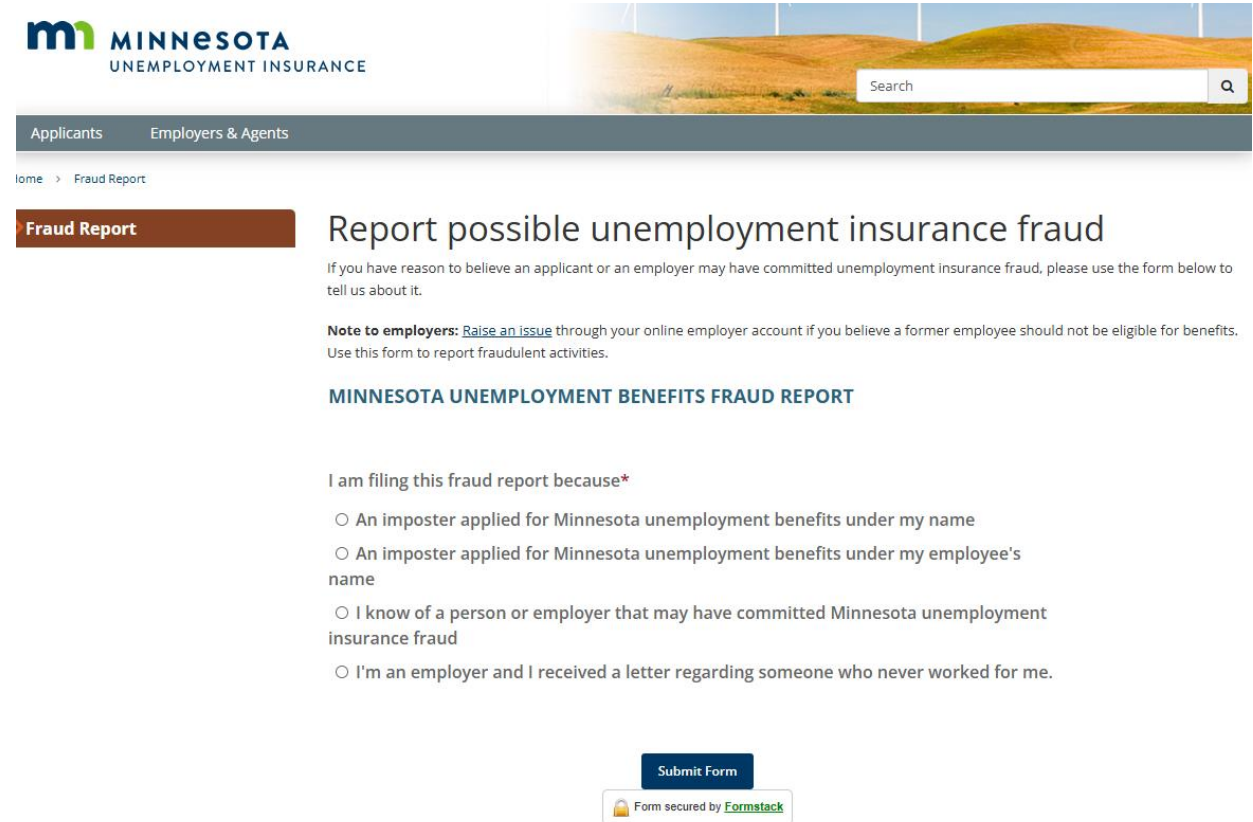
- Secure password reset & account recovery processes
- Educate users on phishing & fraud prevention, provide fraud reporting tools

Misrepresentation

- Occurs when an applicant or employer:
 - Knowingly makes a false statement or representation
 - Deliberately fails to disclose material facts
 - Knowingly withholds information to obtain (or prevent receipt of) unemployment benefits

Misrepresentation: Controls

- Confirmation of facts as represented
 - Employers can raise issues in account
- Appealable records
- Reporting portal (see right) and call center access
- Random audit of cases
- Administrative penalties
- Criminal penalties



The screenshot shows the Minnesota Unemployment Insurance website's fraud reporting page. At the top is the Minnesota Unemployment Insurance logo and a search bar. Below the logo are tabs for 'Applicants' and 'Employers & Agents'. The 'Fraud Report' link is highlighted in a brown box. The main heading is 'Report possible unemployment insurance fraud'. Below this is a paragraph explaining the purpose of the form. A 'Note to employers' section provides instructions on when to use the form. The form title is 'MINNESOTA UNEMPLOYMENT BENEFITS FRAUD REPORT'. The question 'I am filing this fraud report because*' is followed by four radio button options: 'An imposter applied for Minnesota unemployment benefits under my name', 'An imposter applied for Minnesota unemployment benefits under my employee's name', 'I know of a person or employer that may have committed Minnesota unemployment insurance fraud', and 'I'm an employer and I received a letter regarding someone who never worked for me.' At the bottom right is a 'Submit Form' button and a 'Form secured by Formstack' badge.

MINNESOTA UNEMPLOYMENT INSURANCE

Search

Applicants Employers & Agents

Home > Fraud Report

Fraud Report

Report possible unemployment insurance fraud

If you have reason to believe an applicant or an employer may have committed unemployment insurance fraud, please use the form below to tell us about it.

Note to employers: [Raise an issue](#) through your online employer account if you believe a former employee should not be eligible for benefits. Use this form to report fraudulent activities.

MINNESOTA UNEMPLOYMENT BENEFITS FRAUD REPORT

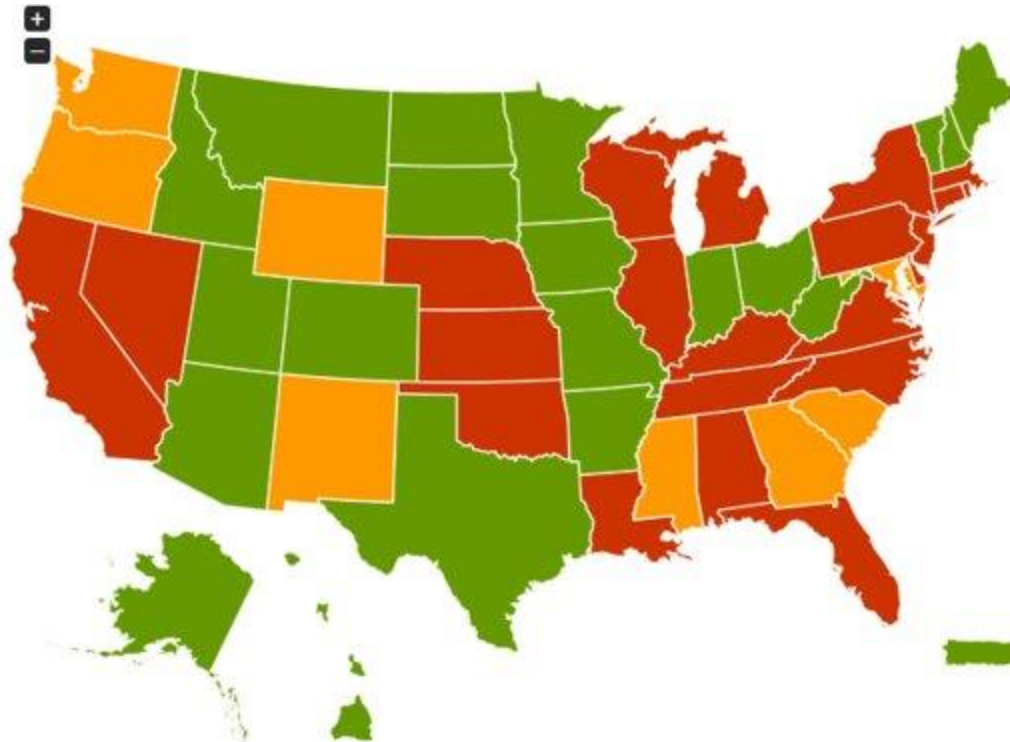
I am filing this fraud report because*

- ☐ An imposter applied for Minnesota unemployment benefits under my name
- ☐ An imposter applied for Minnesota unemployment benefits under my employee's name
- ☐ I know of a person or employer that may have committed Minnesota unemployment insurance fraud
- ☐ I'm an employer and I received a letter regarding someone who never worked for me.

Submit Form

Form secured by **Formstack**

UI Integrity – Federal Metrics



- According to the U.S. Department of Labor, Minnesota UI has one of the lowest fraud rates in the country (under 1.4%)
 - Source: [USDOL Payments Data](#)
- Minnesota has one of the highest payment accuracy rates in the country, and exceeds federal standards
 - Source: [USDOL Payment Accuracy Dashboard](#)
- Minnesota substantially exceeds federal standards on peer and federal-reviewed Benefit Timeliness and Quality audits

UI Integrity – State and other reviews

- 2022 OLA Report: “The UI Division regularly conducts data analyses to identify and lock accounts with suspicious characteristics that indicate they may have been opened by imposters or hijackers. These processes were effective in quickly identifying and locking the suspicious accounts in our sample.”
 - Source: “Unemployment Insurance Program: Efforts to Prevent and Detect the Use of Stolen Identities.” Office of the Legislative Auditor, 2022.
- Program makes continuous investment in technical tools, improved business process, and monitoring
- UI program is also reviewed by multiple agencies each year, including the Internal Revenue Service, the Social Security Administration, and third-party information technology auditors

Questions?