

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Unemployment Insurance
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ADVISORY: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 10-26

TO: STATE WORKFORCE AGENCIES

FROM: HENRY MACK, ED.D. /s/
Assistant Secretary

SUBJECT: Announcement of Enhancements to Identity Verification Services and Funding Opportunity to Support State Costs Associated with Participation in Such Services

1. **Purpose.** To advise states that the U.S. Department of Labor (Department) is enhancing its identity (ID) verification services offering¹ via the U.S. General Services Administration’s (GSA) Login.gov and to announce a new funding opportunity to support state-incurred expenses related to participation in these ID verification services.
2. **Action Requested.** The Department’s Employment and Training Administration (ETA) requests that State Workforce Agency Administrators provide the information in this UIPL to appropriate program staff.
 - States that have previously expressed interest by signing a Data Sharing Agreement (DSA) are identified in one of two groups in Attachment I to this UIPL.
 - **Group 1.** These states signed a DSA on or before June 28, 2024. Group 1 states (25 states) have the opportunity to onboard to the Department’s enhanced ID verification services offering but must do so no later than September 30, 2026.
 - **Group 2.** These states are already utilizing the Department’s previous offering. ETA will work with each of these states (22 states) to develop a state-specific plan and timeline for transitioning to the enhanced offering. ETA anticipates announcing the deadline for this transition in future guidance.
 - **Funding.** States in Group 1 and Group 2 that anticipate needing additional financial support to pay state-specific costs incurred related to participation in this offering should review the funding opportunity announcement in Section 4.d of this UIPL and submit the grant application materials described in Section 4 to <https://www.grants.gov/> no later than April 30, 2026, by 11:59 pm Eastern Standard Time.

¹ Previous communications referred to this original offering as the National Identity Verification Offering (NIDVO). Going forward, the Department will more generally refer to it as “ID verification services.”

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3. Summary and Background.

- a. Summary – ETA is changing its current capabilities to provide states with access to enhanced digital ID verification services through GSA’s Login.gov. States in Group 1 (*i.e.*, states that signed a DSA but not yet onboarded to the service), must complete the process for deploying the enhanced ID verification services offering by September 30, 2026, to be eligible for participation. ETA will work with Group 2 states (*i.e.*, states that are already participating in the ID verification services offering) to identify a timeline to transition to this enhanced service.

As described in Section 4.b. of this UIPL, the Department will continue to pay transaction costs for a period of at least two years after the date the state deploys the Department’s enhanced ID verification services offering, or two years after the publication of this UIPL, whichever is later, and subject to the availability of funding and all applicable agreements being executed.

This UIPL supersedes the prior deployment deadline for ID verification services and the period of time that funding will be available to pay transaction costs, which were first established in UIPL No. 11-23, Change 1, and UIPL No. 11-23, Change 2.

Section 4.d of this UIPL describes a funding opportunity to support state-incurred expenses related to participation in these ID verification services.² States must submit grant applications in accordance with the instructions under Section 4.e. of this UIPL no later than April 30, 2026, by 11:59 pm Eastern Standard Time.

- b. Background – ETA is committed to reducing fraud, waste, and abuse across the nation’s workforce programs and UI system, which includes ensuring UI benefits are provided only to eligible workers, in a timely manner, and in a manner that supports the reemployment of UI claimants. ETA recognizes the importance of continued and strategic investment in ID verification services for states to use to ensure UI benefits are provided only to eligible individuals.

On July 13, 2023, the Department issued UIPL No. 11-23 announcing the opportunity for states to access government-operated ID verification services offered by GSA to verify identities online through Login.gov and to verify identities in-person at participating USPS retail locations nationwide. On April 29, 2024, the Department issued UIPL No. 11-23, Change 1, which announced that the Department would pay for transaction costs for ID verification for participating states for at least the later of: two years after the date the state deploys; or two years after the date of issuance of that UIPL, subject to the availability of funding and all applicable agreements being executed. UIPL No. 11-23, Change 1, also required a state to enter into a DSA with the Department by June 28, 2024, to remain eligible for the offering. On January 13, 2025, UIPL No. 11-23, Change

² This offering is funded by an appropriation under ARPA (Pub. L. 117-2), which was enacted on March 11, 2021, and included a \$2,000,000,000 appropriation to the Secretary of Labor (Secretary) to, among other things, detect and prevent fraud. The Fiscal Responsibility Act (FRA) (Pub. L. 118-5), signed into law on June 3, 2023, rescinded \$1,000,000,000 of the unobligated ARPA funds.

2, established a deadline of December 31, 2025, for remaining eligible states to implement at least one of the ID verification services offerings with the Department paying transaction costs for two years.

4. Guidance.

- a. **Enhancements to ID Verification Services Offering.** The Department is enhancing its ID verification services offering by providing (1) services through Login.gov at the ID Assurance Level IAL2, and (2) the ability for individuals to select the USPS in-person proofing option as part of the Login.gov workflow, rather than as a standalone service.
 - i. ***Certified IAL2.*** IAL2 is designed to limit scaled and targeted attacks and to protect against basic evidence falsification, evidence theft, and social engineering tactics.³ IAL2 requires collection of additional evidence and provides a more rigorous process for validating that evidence and verifying the ID. The Login.gov IAL2-compliant process requires front-end online verification of some information about an individual before they can proceed with either of the online ID verification methods available through Login.gov or USPS in-person verification. For online Login.gov verification, an individual verifies their ID by taking a selfie, which is then compared to the photo identification provided by the individual (such as a driver's license).
 - ii. ***USPS Offering within Login.gov.*** The USPS offering within Login.gov is a hybrid online/in-person service. An individual must first create an authentication-only Login.gov account using an email address and a password.⁴ Certain information is then verified online before the individual receives a barcode that allows them to finish the process at a participating USPS location.
 - iii. ***Individual Data Reporting No Longer Required.*** The Department will no longer require states to report individual-level data, as described in Section 4.c.iii. of UIPL No. 11-23, Change 2, to the Department. This change was previously announced to participating states in an email from ETA's Office of Unemployment Insurance administrator on April 16, 2025.
 - iv. ***Non-Digital ID Verification Option.*** As a reminder, states are required to provide a non-digital ID verification option to all individuals who seek to apply for, receive, or maintain UI benefits and services, or who need accommodation. The enhanced ID verification system will make the in-person USPS verification option available through Login.gov, which requires some front-end online verification before an individual can select in-person verification and will **no longer** constitute a non-digital option. As such, participating states are required to provide a non-digital option separate from the Department's ID verification services offering.

³ National Institute of Standards and Technology (NIST), <https://pages.nist.gov/800-63-4>.

⁴ Login.gov requires multi-factor authentication (MFA), such as face or touch unlock, PIV/CAC card, physical security key, authentication application, text or voice message, or backup codes, as an additional security measure.

Additionally, when a state is requiring the completion of ID verification, the state must provide information to individuals outlining each of the different ID verification processes, including both digital and non-digital methods offered by the state and the steps required to complete each process.

- b. Deploying ID Verification Services.** This guidance supersedes the deployment deadline for ID verification services and the timing of the two year period during which funding will be available to pay transaction costs, which were first established in UIPL No. 11-23, Change 1, and UIPL No. 11-23, Change 2. The Department will continue to pay transaction costs for a period of at least two years after the date the state deploys the Department's enhanced ID verification services offering, or two years after the publication of this Unemployment Insurance Program Letter (UIPL), whichever is later, and subject to the availability of funding and all applicable agreements being executed.
- i. *Group 1.*** Effective with the publication of this guidance, states that signed a DSA on or before June 28, 2024, and choose to onboard, must do so by September 30, 2026. These states will be onboarded to the enhanced ID verification services offering that is described in Section 4.a. of this UIPL.

As a reminder, before the state can implement ID verification services, the following process must be completed in sequential order (with an estimated duration of 8–10 weeks from start to finish). Additionally, if the previously signed DSA is expired, the state will be asked to sign a new DSA and then will need to sign a new Partnership Addendum (PA).

- 1) **Policy Review (PR):** ETA assesses whether the state is following the requisite due process requirements for the ID verification based on the state's answer to the Policy Review questions. (Duration: Estimated 14 calendar days)
 - 2) **Partnership Addendum (PA):** The state and ETA execute a PA to the DSA, which sets out the specific requirements, terms, and obligations of the participating state and ETA for participation in the ID verification services offering. (Duration: Estimated 14 calendar days)
 - 3) **Technical Implementation:** The state works with the Department's Office of the Chief Information Officer to conduct the necessary information technology implementation activities, including development of a web page to refer individuals to the service. (Duration: Estimated 4–6 weeks)
- ii. *Group 2.*** ETA will work with states that are already utilizing the Department's previous offering to develop a state-specific plan for transitioning to the enhanced offering. The Department will work with each state to identify an appropriate timeline for this transition, and anticipates announcing a deadline for completion of the transition in future guidance. Additionally, if the previously signed DSA is expired, the state will be asked to sign a new DSA and then will need to sign a new PA.

- c. **Participation Guidelines.** For purposes of transparency, ETA is highlighting certain elements from the PA in this UIPL; this list does not reflect all content included in the PA.
- i. ***Ensuring Appropriate Internal Controls are in Place.*** If the state elects to participate in the enhanced ID verification services offering so that an individual will directly enter their identity information into the Department-hosted system rather than having such information transferred from the state's records, the state must agree to crossmatch ID information received from the ID verification services against the state's identity information and investigate discrepancies where appropriate. ETA has added this requirement to the PA template detailed in Section 4.b. above.
 - ii. ***Two-Year Renewal Cycle.*** The Department is continuing to transition from annual renewals to a two-year DSA and PA renewal cycle to reduce the administrative burden on both the Department and the states.
 - iii. ***Importance of Communication and Partnership during ID Verification Services Offering Participation.*** As the process by which ID verification services are conducted within the UI program continues to evolve and change, it is critical for states to openly communicate and provide robust feedback to the Department on their participation experience. It is essential that states work in partnership with the Department to address issues and share information regarding fraud to further strengthen the offering as fraud activity continually evolves. This partnership and process is memorialized in the PA.
 - iv. ***Partnership Addendum Update.*** As described in UIPL No. 11-23, Change 2, states must provide due process rights for all individuals, including individuals who verify their identity through the ID verification services offering. ETA has added the following language to the PA:

If the Department or state UI agency identifies any ID verification compliance issues related to participation in the ID verification services offering before, during, or after the implementation of Login.gov, the state will:

- a) *Work in partnership with ETA to identify options to become compliant;*
- b) *Meet identity verification compliance standards described in relevant guidance within 12 months of this executed Addendum or on a timeline agreed upon between the ETA and the state; and*
- c) *Maintain an open line of communication with ETA regarding potential barriers to becoming compliant and/or challenges encountered/positive practices implemented in the process of or as a result of becoming compliant.*

ETA also added the following language to the PA regarding ETA's roles and responsibilities:

- a. *Notify the state UI Agency of any compliance issues identified related to participation in the ID verification services offering, including sufficient detail documenting the issue(s); and*
 - b. *Serve as a strategic partner and collaborator in ensuring the state UI agency takes the necessary actions to meet such compliance requirements.*
- d. Funding Opportunity for State-Specific Costs.** Recognizing that states may incur participation expenses beyond the transaction costs paid by the Department, ETA is offering grants of up to \$400,000 to states in Group 1 and Group 2 to support participation in the enhanced ID verification services offering. Attachment I lists states in each group.

- i. ***Allowable Uses.*** States must use the funds made available under this UIPL to implement the enhanced ID verification services offering using Login.gov described in this announcement.

The permissible uses for these funds include staff and technical costs to implement, enhance, and continue participation in the Department’s enhanced ID verification services offering.

- e. **Application Instructions.** The state must complete the grant application as described below.

- i. ***Condition of Receiving Grant Funds.*** By submitting the application, the state must agree to the following conditions:
 - a. Disclosure to the Department’s Office of Inspector General (DOL-OIG). The state will disclose confidential unemployment compensation (UC) information to DOL-OIG. As discussed in UIPL No. 04-17, Change 1, states must refer allegations that they reasonably believe constitute UC fraud, waste, abuse, mismanagement, or misconduct to the DOL-OIG. As a condition of receiving a grant under this subsection, the state agrees to provide all confidential UC information to DOL-OIG for purposes of investigating fraud and performing audits through weeks of unemployment ending on or before the end of the period of performance (to include any extension of the grant) as described in this UIPL.
 - b. The completed grant application and all supporting materials must be submitted through <https://www.grants.gov/>. The full application packet must include:
 - 1. A completed SF-424;
 - 2. A completed SF-424A;

- a. If indirect cost is indicated on the SF-424A, then a Negotiated Indirect Cost Rate Agreement (NICRA) is required;
 - 3. A completed Full Project Plan (a template is provided in Attachment II of this UIPL); and
 - 4. A budget narrative (a summary of what should be included is outlined in Attachment IV of this UIPL).
- f. Period of Performance.** Funds under this UIPL will have a 36-month period of performance which begins on January 1, 2026, and ends December 31, 2028. Grant funds may only be used for the costs of allowable activities incurred no earlier than the beginning of the calendar quarter preceding the calendar quarter of the award issuance.
- g. Review and Selection Process.** For the discretionary grant awards funded under this UIPL, prior to issuance, and annually thereafter, awards will be subject to review by one or more senior appointees of the Department, or their designees, according to the process described in [Executive Order 14332, “Improving Oversight of Federal Grantmaking.”](#)
- h. Reporting Requirements.** As a requirement of a grant awarded under this UIPL, states must submit the following quarterly reports:
- i. *ETA 9178-ARPA* – a quarterly narrative progress report containing updates on the process of implementing the enhanced ID verification services detailed by each allowable activity. The form ETA 9178-ARPA is provided as Attachment V to this UIPL.⁵
 - ii. *ETA 9130* (OMB Control No. 1205-0461 Expiration Date: 07/31/2028) – a quarterly financial report.
- i. OMB Information Collection Statement.** In general, under the Paperwork Reduction Act of 1995 (PRA), no person is required to respond to a collection of information unless such collection displays a valid OMB control number. However, Section 2116 of the CARES Act provides that the PRA does not apply to Subtitle A of Title II of Division A of the CARES Act. ARPA amended Subtitle A of Title II of Division A of the CARES Act by adding Section 2118, which provides funding and authority for these grants to states. Thus, the PRA does not apply to information collections required for these grants.
- 5. Inquiries.** Please direct inquiries to the appropriate ETA Regional Office.

⁵ OMB Approval. Section 2116(a) of the CARES Act, 5 U.S.C. 9032(a), states that “Chapter 35 of Title 44, United States Code, (commonly referred to as the ‘Paperwork Reduction Act of 1995’) shall not apply to the provisions of, and the amendments made by, this subtitle.” As the OMB approval process is waived for these reporting instructions, these instructions should be considered final.

6. References.

- Division B, Title I, Section 24, of the Fiscal Responsibility Act of 2023 (Pub. L. 118-5);
- American Rescue Plan Act of 2021 (ARPA), including Title IX, Subtitle A, Crisis Support for Unemployed Workers (Pub. L. 117-2);
- Executive Order 14332, “Improving Oversight of Federal Grantmaking,” issued August 7, 2025, <https://www.federalregister.gov/documents/2025/08/12/2025-15344/improving-oversight-of-federal-grantmaking>;
- UIPL No. 11-23, Change 2, *National Identity (ID) Verification Offering (NIDVO) – Announcing a Deadline to Implement NIDVO Services and Providing Additional Participation Instructions*, issued January 13, 2025, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23-change-2>;
- UIPL No. 11-23, Change 1, *Announcing an Extension of Period of Time that Funding will be Available to Cover Transaction Costs and Announcing the Establishment of a Deadline for States to Enter into Data Sharing Agreements (DSAs) for the National Identity Verification Offering (NIDVO) Established in Unemployment Insurance Program Letter (UIPL) No. 11-23*, issued April 29, 2024, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23-change-1>;
- UIPL No. 11-23, *Announcement of Grant Opportunities and National Identity (ID) Verification Offering under the American Rescue Plan Act (ARPA)*, issued July 13, 2023, <https://www.dol.gov/agencies/eta/advisories/uipl-11-23>;
- UIPL No. 04-17, Change 1, *Requirement for States to Refer Allegations of Unemployment Compensation (UC) Fraud, Waste, Abuse, Mismanagement, or Misconduct to the Department of Labor’s (Department) Office of Inspector General’s (DOL-OIG) and to Disclose Information Related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act to DOL-OIG for Purposes of UC Fraud Investigation and Audits*, issued August 3, 2021, <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-04-17-change-1>; and
- NIST SP 800-63, *Digital Identity Guidelines*, <https://pages.nist.gov/800-63-4/>.

7. Attachment(s).

- Attachment I – States in Group 1 and Group 2.
- Attachment II – Identity Verification Services – Full Project Plan Template.
- Attachment III – Instructions for completing the SF-424 and SF-424a.
- Attachment IV – Budget Information Narrative.
- Attachment V – ETA 9178 ARPA.