## Core Measures Glossary

- ***The Detection of Overpayments Measure***. This measure is the percentage of detectable / recoverable overpayments estimated by the Benefit Accuracy Measurement (BAM) survey that was established for recovery through regular UI Benefit Payment Control (BPC) program operations. For this Program Integrity Measure, the acceptable level of performance is a range of >50% and ≤95%. Any SWA reporting an overpayment detection rate below 50 percent is expected to address the deficiency in a CAP. In addition, because it is challenging for most SWAs to cost-effectively detect and establish more than 90 percent of estimated overpayments, the upper limit of 95 percent was established. If an overpayment detection rate is above 95 percent and is found to be the result of improper administration of BAM or BPC activities, or misreporting of data on the ETA 227 (Overpayment Detection and Recovery Activities) report, the SWA is expected to submit a CAP (for BAM/Overpayment Detection, BPC/Overpayment Detection, or address ETA 227 reporting issues) to address the deficiency. (See UIPL No. 14-05, Change 1, Section 5.c.) The performance period for the BPC component is the three-year period ending on March 31, 2026. The performance period for the BAM component is the three-year period ending on September 30, 2025.

- ***Effective Audit Measure***. The Effective Audit Measure, as noted in UIPL No. 03-11, is a blended measure of the following four factors: 1) Percentage of Contributory Employers Audited Annually; 2) Percentage of Total Wages Changed as a Result of Audit; 3) Percentage of Total Wages Audited; and 4) Average Number of Misclassifications Detected Per Audit. Each of the four factors has a minimum standard score that SWAs are expected to meet to pass the Effective Audit Measure as well as an overall combined score that is expected to be achieved. The measure also instructs each SWA to direct additional emphasis to the factor(s) that state personnel deem important. An additional two points must be earned among any of the four factors to attain the overall passing score of at least 7.0. A CAP is expected for SWAs that do not meet the measure based on calendar year 2025 data.

- ***Improper Payments Measure***. The Improper Payments Measure is defined as UI overpaid plus UI underpaid divided by the total amount of UI paid. It is based on estimates from the results of the BAM survey of paid UI claims in the State UI, Unemployment Compensation for Federal Employees, and Unemployment Compensation for Ex-Servicemembers programs. The Payment Integrity Information Act (PIIA) of 2019, codified in 31 U.S.C. 3351 *et seq*., requires agencies to examine the risk of erroneous payments in all programs and activities they administer. PIIA also requires Federal programs to report an annual improper payment rate and include all identified improper payments in the reported estimate, regardless of whether the improper payment in question has been or is being recovered (*see* UIPL No. 09-13 for ETA's approved improper payment rate computation methodology). CAPs and IAP root causes for FY 2027 are based on ETA's approved computation methodology. PIIA, in 31 U.S.C. 3351(4), defines the term "improper payment" as:

  (A) …any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment, under a statutory, contractual, administrative, or other legally applicable requirement; and

(B) includes—(i) any payment to an ineligible claimant; (ii) any payment for an ineligible good or service; (iii) any duplicate payment; (iv) any payment for a good or service not received, except for those payments where authorized by law; and (v) any payment that does not account for credit for applicable discounts.

In accordance with the PIIA, under the compliance requirements in 31 U.S.C. 3351(2), an ALP of less than 10 percent has been established for the Improper Payments Measure. SWAs are expected to maintain an improper payment rate of less than 10 percent for covered UI programs. This ALP is applicable to the 2025 PIIA performance period (July 1, 2024, to June 30, 2025). A SWA failing to meet the ALP for the 2025 PIIA performance period will be expected to develop a CAP as part of the FY 2027 SQSP.

- ***UI Overpayment Recovery Measure***. As explained in UIPL No. 09-13, the recovery rate is "the amount of improper overpayments recovered divided by the amount of improper overpayments identified." The ALP for the recovery rate measure is 68 percent for the 2025 PIIA performance period. The Department will compute future recovery targets based on the most recent recovery and other performance data available.

  The performance period will be based on data from the ETA 227 report, Overpayment Detection and Recovery Activity (Regular), and ETA 227 report, Overpayment Detection and Recovery Activity (Emergency Unemployment Compensation) (EUC), for the PIIA 2025 performance period (July 1, 2024, to June 30, 2025). Pursuant to the UI Reports Handbook (ET Handbook No. 401, 5th edition), the June quarter ETA 227 reports are due on August 1 each year. A SWA failing to meet the ALP for the 2025 PIIA performance period will be expected to develop a CAP as part of the FY 2027 SQSP.