



Electronic Check Deposit / SIDES E-Response Systems Department of Labor

The Department of Labor (DOL) implemented related projects to make it easier for Georgia businesses to pay unemployment insurance taxes and provide information about employee separations. The enhancements are part of DOL's continuing efforts to be user-friendly and technologically up-to-date. They increase communications between DOL and Georgia businesses and help prevent payments to people who might not be eligible for unemployment benefits.

About the Situation

DOL wanted to take advantage of technology solutions to lessen the burden on businesses when paying unemployment insurance taxes and providing information to state labor officials about employee separations. At the same time, DOL was looking for ways to reduce the costs of managing Georgia's unemployment insurance program.

Innovative Solution

The Electronic Check Deposit System offers businesses the option to pay unemployment insurance taxes online at no extra cost. For businesses paying by check, the system enables DOL to transmit checks electronically for deposit.

In addition, the State Information Data Exchange (SIDES) E-Response System allows businesses to quickly, easily and securely provide DOL with detailed information related to claims for unemployment benefits filed by former employees.

Employers can register for SIDES E-Response on a public-facing website. Although its use is voluntary, SIDES E-Response enables employers to respond promptly to DOL when a former employee files a claim for unemployment benefits. After a claim is filed against an employer's account, DOL immediately notifies the employer electronically. The employer may respond by confirming the claim's validity or contesting it. A secure website allows the employer to provide details about the reasons for separation using a standardized questionnaire designed to increase accuracy in determining eligibility for unemployment benefits.

Before the implementation of SIDES E-Response, all correspondence between DOL and employers took place through the U.S. Postal Service. The employer had 10 days to respond to notifications from DOL. If DOL did not receive a response within the 10-day period, the former employee could be ruled eligible for unemployment benefits and payments could begin. If the employer subsequently filed a successful appeal of the initial determination, the former employee would be required to repay any benefits received. DOL's new system prevents many "overpayments" because current information is more readily available.

The number of businesses using the Electronic Check Deposit System during the first year of operation increased 140 percent and savings totaled \$350,000, primarily through the avoidance of banking and courier fees. Over 800 businesses registered to use the SIDES E-Response System during its first year, when savings in supplies, postage and labor reached \$80,000.