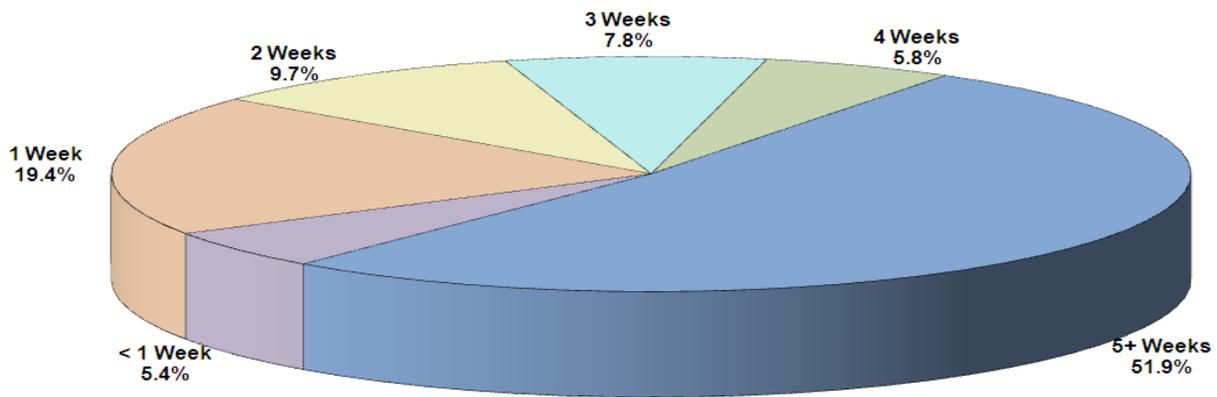


Additional Analysis of Benefit Year Earnings (BYE) Weeks Overpaid

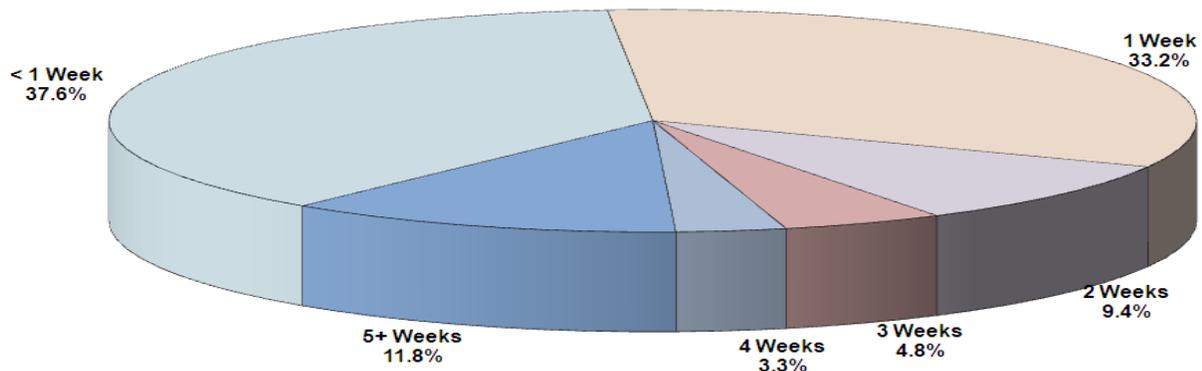
BYE overpayments are the leading cause of UI overpayments, accounting for nearly 30 percent of all overpayments. In terms of the amount overpaid, for the period calendar year (CY) 2008 through CY 2010, nearly 52 percent of UI benefits overpaid due to BYE issues were for overpayments of five weeks or more.

**Distribution of Number of Weeks Overpaid
BYE Dollars Overpaid - CY 2008 - CY 2010**

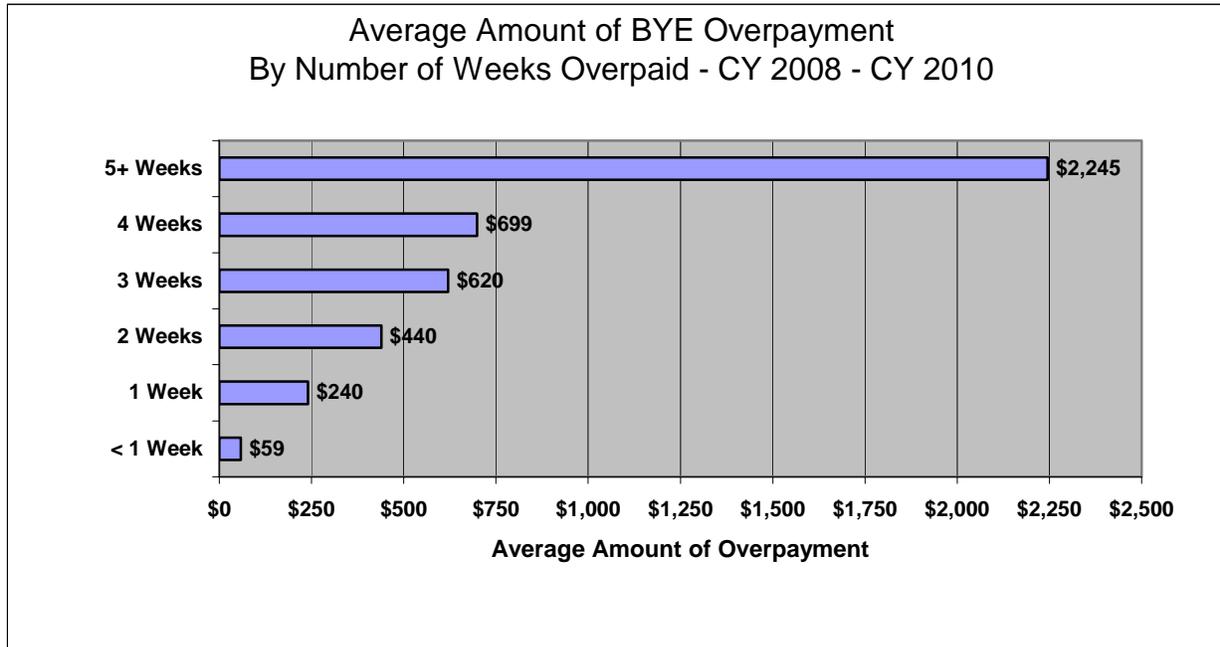


However, the distribution of BYE overpayment cases established is quite different. Over 70 percent of BYE overpayment cases are for one week or less, and less than 12 percent of the BYE cases are for five weeks or more.

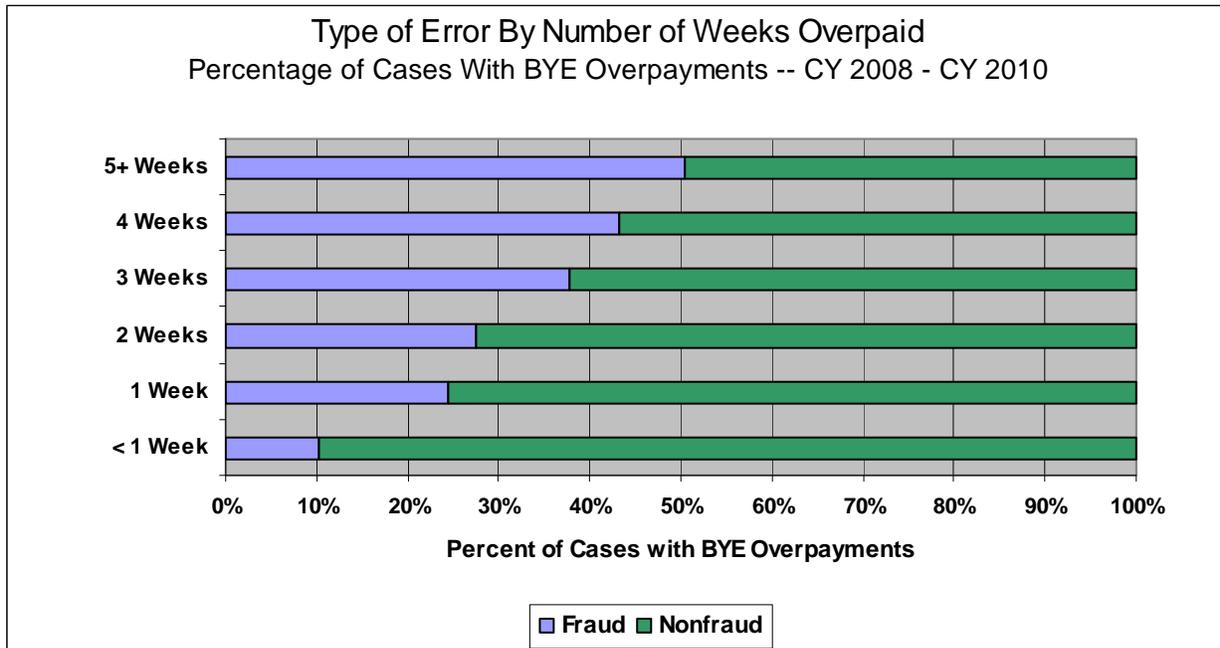
**Distribution of Number of Weeks Overpaid
BYE Overpayment Cases - CY 2008 - CY 2010**



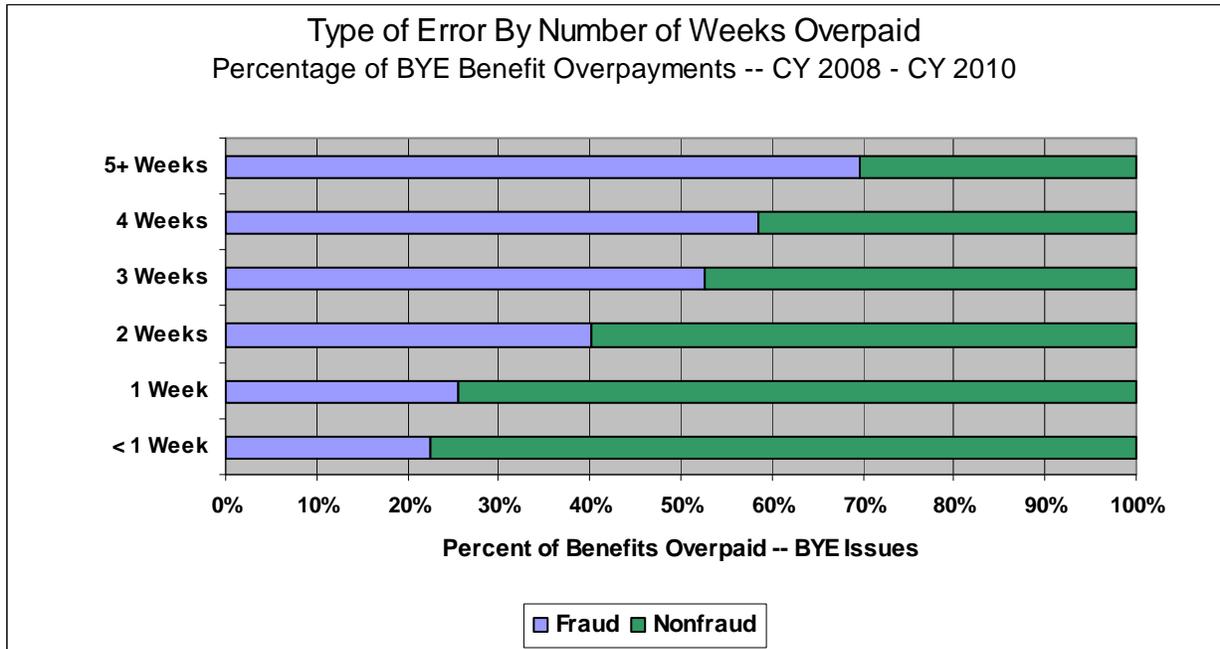
This disparity is explained by the large differences in average overpayments, which range from \$59 for overpayments of less than a week to \$2,245 for overpayments of five weeks or more.



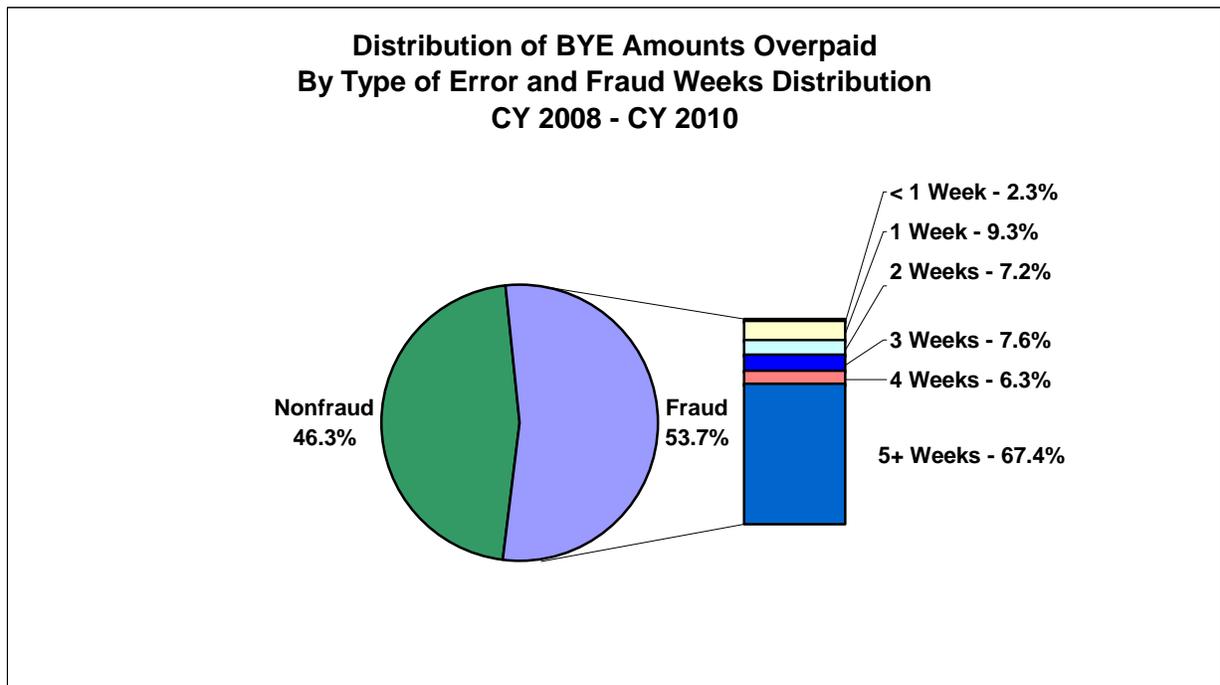
The following two charts show the distribution of overpayment type (fraud/nonfraud) by the number of weeks overpaid. Roughly half of the cases established with five or more weeks of overpayments were classified as fraud.

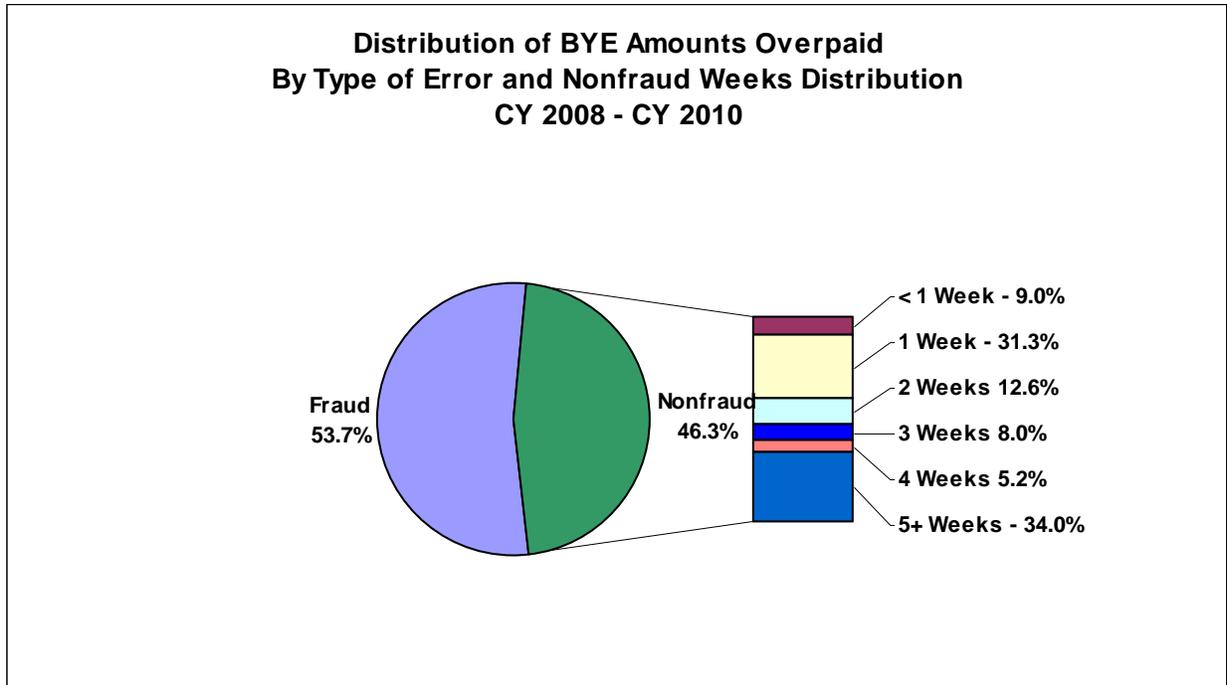


In terms of benefits, approximately 70 percent of the amounts overpaid for overpayments of five weeks or more were fraud.



Looking at it another way, nearly one-third of fraud BYE overpayments are for fewer than five weeks, and just over one-third of nonfraud BYE overpayments are for five weeks or more.





Estimated Effect on Annual Report and Operational Rates

The following charts show the reduction in the Annual Report and Operational rates for various levels of reduction in the BYE rate, using the CY 2010 Annual Report rate of 11.46 percent and the CY 2010 Operational rate of 6.15 percent as the baselines. BYE overpayments represent 29.5 percent of the overpayments included in the Annual Report rate and nearly 55 percent of the overpayments included in the Operational rate. If all states meet their reduction targets, the U.S. BYE rate would decrease by 30 percent in the first year, and both the Annual Report and Operational rates would decrease by approximately 1.0 percentage point. After two years of implementation, the U.S. BYE rate would decrease by 50 percent, and both the Annual Report and Operational rates would decrease by approximately 1.69 percentage points.

