

Federal and State Laws Impacting Data Sharing

Workforce Development

Federal Laws

42 U.S.C. § 503 et seq.

20 CFR § 603 et seq.

The Unemployment Compensation wage and benefit information held by a state's labor department is always desired by other governmental agencies, since the data is generally up-to-date and rich with personal information. Agencies administering programs, including TANF, SNAP, child support, child welfare, and others, are anxious to enter data sharing agreements with the Department of Labor to help ensure that these other systems are operating with the best and most current information.

By federal and state law, the information obtained for purposes of administering the unemployment compensation law must be maintained in a confidential manner, including the name or any identifying information about an individual or any past or present employer or employing unit, or which if combined with publicly-available information could reveal such information.¹ Similar to other federal laws, along with this broad statement of confidentiality, there are a number of permissible disclosure exceptions to the rule, none of which may interfere with the administration of the unemployment compensation system:

- If the information is in public domain²
- Unemployment compensation appeals records (except that all social security account numbers and employer registration numbers must be removed)³
- Information to the individual about the individual and information to the employer about the employer⁴
- Release of personally-identifiable confidential unemployment compensation information upon written, informed consent of the specific individual or employer⁵
- Release or consent to a third party by individual or employer to provide information regarding the respective signing party⁶
- To a public official for use in the performance of her/his official duties, which is defined as the administration or enforcement of law or execution of the official responsibilities of a federal, state, or local elected official; includes research related to the law administered by the public official⁷
- To public official's agent or contractor⁸

¹ 20 CFR § 603.4(b)

² 20 CFR § 603.5(a)

³ 20 CFR § 603.5(b)

⁴ 20 CFR § 603.5(c)

⁵ 20 CFR § 603.5(d)(1)

⁶ 20 CFR § 603.5(d)(2)

⁷ 20 CFR § 603.5(e)

⁸ 20 CFR § 603.5(f)

- Bureau of Labor Statistics, if collected exclusively for statistical purposes under an agreement with the Bureau of Labor Statistics⁹
- Court order or official subpoena¹⁰
- Federal unemployment compensation program oversight or audit.¹¹

The federal unemployment compensation law also requires mandatory disclosure exceptions, notwithstanding the confidentiality rule. These mandatory exceptions include:

- Disclosure to claimants, employers, the Internal Revenue Service (for purposes of UC tax administration) and the U.S. Citizen and Immigration Services (for purposes of verifying a claimant's immigration status)¹²
- Specific information to Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Service members (UCX), Trade Adjustment Assistance (TAA, except for confidential business information collected by States), Disaster Employment Assistance (DUA), and any Federal UC benefit extension program¹³
- To Railroad Retirement Board¹⁴
- To federal and state food stamp agency specific information, including wage information, whether individual is receiving, has received, or has made application for unemployment compensation benefits, current/most recent address of person, and whether person has refused an offer of employment and details about the offer¹⁵
- To any State or local child support enforcement for the purposes of establishing and collecting child support obligations from, and locating, persons owing such obligation (excluding the custodial parent support obligations)¹⁶
- To U.S. Department of Health and Human Services for purposes of National Director of New Hires and its purposes of child support enforcement, TANF and TANF research, administration of earned income tax credit, and use by the Social Security Administration¹⁷
- To U.S. Department of Housing and Urban Development (HUD) and representative of a public housing agency regarding benefits under a HUD housing assistance program, including wage information and whether the individual is receiving, has received, or has made application for unemployment compensation¹⁸
- To TANF agency, wage information for the purposes of determining eligibility for TANF and the amount of the assistance¹⁹
- To comply with Work Innovation Opportunity Act (WIOA), cooperate in evaluations (including related research projects) provided by U.S. Department of Labor or U.S. Department of Education (under Title I of 29 U.S.C. 720 et seq.) by providing requested

⁹ 20 CFR § 603.5(g)

¹⁰ 20 CFR § 603.5(h); 20 CFR § 603.7

¹¹ 20 CFR § 603.5(i)

¹² 20 CFR § 603.6(a)

¹³ 20 CFR § 603.6(b)(1)

¹⁴ 20 CFR § 603.6(a)(2)

¹⁵ 20 CFR § 603.6(a)(3)

¹⁶ 20 CFR § 603.6(a)(4)

¹⁷ 20 CFR § 603.6(a)(5)

¹⁸ 20 CFR § 603.6(a)(6)

¹⁹ 20 CFR § 603.6(a)(7)

confidential information to a Federal official (or agent or contractor)²⁰

The federal law specifically states that the following entities may request confidential unemployment compensation (including wage information) information from a state's Department of Labor: TANF agency; Medicaid agency; Food Stamp agency; child support enforcement agency, other Social Security Programs under Title I (education), Title II (old-age, survivors, and disability insurance benefits), Title X (service to the blind), Title XIV (totally and permanently disabled) and Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled),²¹ and a state agency that has entered an agreement for the purposes of the Income Eligibility Verification System (IEVS). Additionally, the federal regulations set forth the details of the contents of an appropriate data sharing agreement.²²

Every claimant for unemployment compensation and every employer subject to the State's law must be notified that confidential and wage information may be requested and used for other governmental purposes, including but not limited to the verification of eligibility.²³

Finally, compliance with federal law regarding confidentiality is a condition of (1) the Department's receiving federal unemployment compensation grant funds (which constitute the majority of the funds coming into the Labor Department) and (2) employers receiving FUTA tax credits (which amount to approximately \$500 million per year).²⁴

State Laws

CT Gen State § 31-254

Connecticut law implements and reflects the federal law, making clear that all of the information collected by the Department of Labor (DOL) for the administration of the unemployment compensation program is confidential. Essentially, Connecticut's law prohibits DOL from confirming or denying the existence of or providing access to unemployment compensation information, unless the recipient is a public official, the individual, or a separating or base period employer. The Connecticut law also outlines exceptions. For example, access may be provided to an entity, upon written, informed consent by the individual or employer. In addition, the law specifies that any authorized user of the CTWorks Business System shall have access to information from the Department of Labor, so long as the user enters a written agreement establishing the safeguards to protect the confidentiality of any information disclosed to such user.²⁵ The Regional Workforce Development Boards may have access to unemployment compensation information, so long as the information is necessary for the administration of the Workforce Innovation and Opportunity Act, Jobs First Employment Services Program, or the Trade Adjustment Act program, and only pursuant to a data sharing agreement.

²⁰ 20 CFR § 603.6(a)(8)

²¹ 20 CFR § 603.21

²² 20 CFR § 603.10

²³ 20 CFR § 603.6(a)(11)

²⁴ 20 CFR § 603.12

²⁵ CT Gen State § 31-254(a)(2)

The statute also references the provision of unemployment compensation information to the Department of Social Services, the Board of Regents, an agent of the United States Department of Labor, and AccessHealthCT, so long as there is an agreement between the state departments and the recipient agencies agree to the confidentiality safeguards required by the DOL.

While the statute does not mandate the provision of unemployment compensation information to any agency but the Department of Social Services, DOL has numerous data sharing memoranda of understanding (MOUs) with local, state, and federal agencies to assist such agencies with their statutory mandates.

Finally, the statute provides that the Department of Labor administers a state directory of new hires and is required to provide information obtained through that directory to the Department of Social Services and to the United States Department of Health and Human Services for inclusion in the National Directory of New Hires. The statute provides that not later than 20 days after the date of employment, an employer maintaining an office or transacting business in the state is required to report the name, address and Social Security Number of each new employee (including an employee rehired in the past sixty (60) days) employed in the state.²⁶ While new hires information is not unemployment compensation information, federal law requires that it be treated confidentially in the same manner.²⁷

²⁶ CT Gen State § 31-254(b)

²⁷ 20 CFR § 617.57