



Employment Security  
COMMERCE

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# McCrory Administration Implements Latest Improvement in Unemployment System

*Quarterly Benefit Charging to Improve Accuracy and Customer Service, Reduce Fraud*

**RALEIGH** — The Division of Employment Security (DES) has begun the process of applying benefit charges to employer accounts quarterly instead of annually. The change is part of legislation enacted in 2015 and puts North Carolina in line with other states.

“North Carolina was only one of two states that charge benefits annually,” said DES Assistant Secretary Ted Brinn. “By applying benefit charges on a quarterly basis, DES can more accurately assess the liabilities to the unemployment trust fund. Furthermore, quarterly charging will provide employers with an opportunity to review their potential liabilities sooner and assist DES in identifying potential fraudulent claims.”

Beginning with claims filed on or after January 3, 2016, benefits paid during a calendar quarter will be charged to the employer at the end of that quarter regardless of when the claimant’s benefit year ends.

The Division is set to mail out 9,000 notices of benefit charges by April 30. The lists of charges will be for benefits paid during the first quarter of 2016 on claims filed on or after January 3, 2016. Although benefits will be applied to an employer’s account quarterly, the employer’s tax rate will still be calculated annually. If the employer has elected to reimburse DES for benefits paid, the employer will continue to reimburse annually as well.

On average, only about 18% of employers have benefits charged to their account each year; therefore, 82% of employers will see no impact on their tax rate. Employers that have a lot of claims could be affected during the transition period when some benefits will be charged annually and some will be charged quarterly depending on when the claim is filed. DES expects the change in how benefit charges are applied to have minimal impact on employers in North Carolina; however, it will provide the Division a better way to identify and stop fraud.

For more information, employers can go to [www.ncesc.com](http://www.ncesc.com) and view the Quarterly Benefit Charging frequently asked questions (FAQs).

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This information may be accessed on the DES World Wide Web page, at <http://www.ncesc.com>

