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STATE INSTRUCTION NUMBER 19-01

To: Local Workforce Area Signatory Officials
Local Workforce Area Board Chairs
Local Workforce Area Administrators
DEW Area Directors
DEW Regional Managers

Subject: **Managing Employer Accounts in SCWOS and the Employer Verification Process**

Issuance Date: July 3, 2019

Effective Date: Immediately

Purpose: To provide guidance on employer account management through the SC Works Online Services (SCWOS) system, and to require verification of both an employer's Federal Employer Identification Number (FEIN) and SC Unemployment Insurance (UI) tax account number during the employer account verification process. **This policy rescinds State Instruction 13-01 and 13-01, Change 1.**

References:

- 29 USC § 49, *et seq.* (Wagner-Peyser Act)
- 20 CFR Pt. 655, 20 CFR § 652.3
- State Instruction 17-01, Change 1; 17-09

Background: The Wagner-Peyser Act of 1933 (WP) established a nationwide system of public employment offices known as the Employment Service (ES). Federal regulations require each state to administer a labor exchange system that assists job candidates in finding employment, assists employers in filling jobs, facilitates the match between job candidates and employers, and participates in a system for clearing labor among the states. The SC Department of Employment and Workforce (DEW) uses SCWOS to fulfill this responsibility.

Policy: The role of the SC Works system is to deliver high quality services to job seeker and business customers that improve the employment outcomes for both groups. Employer

registration in SCWOS is a key step in meeting the hiring needs of employers and finding authentic employment opportunities for job seekers.

An employer is a person, firm, corporation, or other association or organization that meets the following requirements:

- Is located in the United States
- Proposes to employ a worker within the United States
- Hires, pays, fires, supervises, and controls the employee's work
- Withholds and submits quarterly payroll taxes when applicable thresholds are met
- Issues (or intends to issue) IRS form W-2 showing the employee's wages, tips and other compensation earned, and taxes withheld while the employee is employed by the employer

Note: Job orders for independent contractors are not allowed in SCWOS. Independent contractors receive IRS form 1099, rather than IRS form W-2, and are generally considered to be self-employed. Organizations submitting these job orders are not employers for the purposes of the SC Works system and are not eligible for services to employers.

Entities meeting the definition of an employer must establish an account in SCWOS to post employment opportunities and receive applicant self-referrals and staff-assisted referrals of qualified applicants. Staff members are encouraged to provide a high level of customer service by entering accounts on behalf of employers when possible. However, employers may establish an account in SCWOS without staff assistance. **An employer's SCWOS account must be verified and fully enabled** before receiving all services available to employers through SCWOS, including display of job orders. Employer accounts in SCWOS will have one of the following access levels:

- **Pending Verification:** All new Recruiting accounts are created in this status by default for security purposes. Any account in this status will allow the employer to login, update a profile, and add locations and additional contacts, but will not allow the employer to post a public job order, conduct a candidate search, or access the virtual recruiter system. Employers in this status will be reviewed by the SCWOS Employer Verification Team at the state level.
- **Not Verified:** The SCWOS Employer Verification Team has attempted to contact the employer, but has been unable to complete the verification process. Additional information requested by the SCWOS Employer Verification Team will appear in case notes on the employer's account. The employer will continue to only have the rights and privileges of those in a pending verification status.
- **Locked Out:** Any employer account that violates the terms of use or is suspected of suspicious activity will be locked out or revoked. Additionally, employer accounts may

be locked out if the account is no longer actively used. Employers in this status are unable to login and all active job orders are closed.

- **Enabled:** The SCWOS Employer Verification Team has verified this employer and approved the account. The employer has full employer access rights to the system. The employer can manage profiles, edit locations and contacts, conduct a candidate search, create a virtual recruiter, schedule hiring events, post public job orders, accept job seeker applications, and contact job seekers using the internal messaging system.

EMPLOYER VERIFICATION PROCESS

There are two stages to the Employer Verification Process: Local Level and State Level.

Employer Verification Process: Local Level

Local staff reaches out to area employers about available SC Works services. If the employer is unsure about receiving services, local staff creates a Marketing Lead Account while the Business Services Team continues building a relationship with the employer. When an employer decides to utilize SC Works services, such as posting job orders and participating in SC Works job fairs, the employer may independently create a Recruiting Account, or local staff can create a Recruiting Account for the employer or convert a Marketing Lead Account into a Recruiting Account. This step puts the employer's account into Pending Verification status, triggering the state-level verification process.

Employer Verification Process: State Level

Once the state-level verification process is triggered, the SCWOS Employer Verification Team reviews the employer accounts that are in Pending Verification status and takes reasonable steps to verify the authenticity of the employer. Steps may include, but are not limited to: (1) corresponding with the registrant by telephone or e-mail; (2) reviewing the company's web site, using various Internet search systems to corroborate the information given in the registration; and, (3) cross-referencing the FEIN and SC UI tax account number provided in the registration with existing DEW records, and reviewing the employer's records in the similar state system if the registrant is an out-of-state employer. Registrant information to be verified for all employer accounts must include:

- FEIN or Social Security Number (SSN);
- SC UI Tax Account Number*;
- Company telephone number, address, and corporate address, if applicable; and
- Human Resources contact name, telephone number, and email address.

*All SC employers, and out-of-state employers who have employees working within SC, are required to establish an account in the State Unemployment Insurance Tax System (SUITS) in order to receive a SC UI Tax Account Number; however, some employers may not be liable for SC unemployment taxes. Employers who are not liable will receive a letter confirming this information. This letter will be filed by the SCWOS Employer Verification Team in lieu of requiring a SC UI Tax Account Number. Employers should be prepared to provide their SC UI Tax Account Number or a denial letter during the employer verification process. Out-of-state employers who have no employees working in SC, but wish to utilize SCWOS for recruitment purposes must provide their out-of-state UI tax account number.

The SCWOS Employer Verification Team places the employer into Not Verified status pending receipt of employer confirmation or submission of any additional required information. Once the employer provides the requested information to the SCWOS Employer Verification Team, state-level staff will change the account status to Enabled. Staff may provide all services available to employers at this point. If the employer cannot be reached or does not provide the required information, the employer's account will remain a Not Verified account, only eligible for employer services that are allowed for unverified employer accounts. The SCWOS Employer Verification Team will enter a corresponding case note in SCWOS indicating why the employer's account has not been enabled. Typically the review process will be completed within three business days of receiving the registration. Employers receive an alert notification in SCWOS once their account is verified and fully enabled. **For additional information about the types of services available to Not Verified or Enabled employer accounts, see State Instruction 17-01, Change 1: Required Employer Registration in SCWOS.**

FEIN versus SSN

Generally, an employer account requires entry of the FEIN; however, there are two exceptions to this rule:

- If an employer operates a business as a sole proprietor or is employing individuals to work in his/her household, the employer's SSN may be used; or
- If a new business is in the process of obtaining a FEIN, the employer's SSN may be used temporarily, with the expectation that the employer will update the account to provide the FEIN when it is obtained.

Third-Parties Acting on an Employer's Behalf

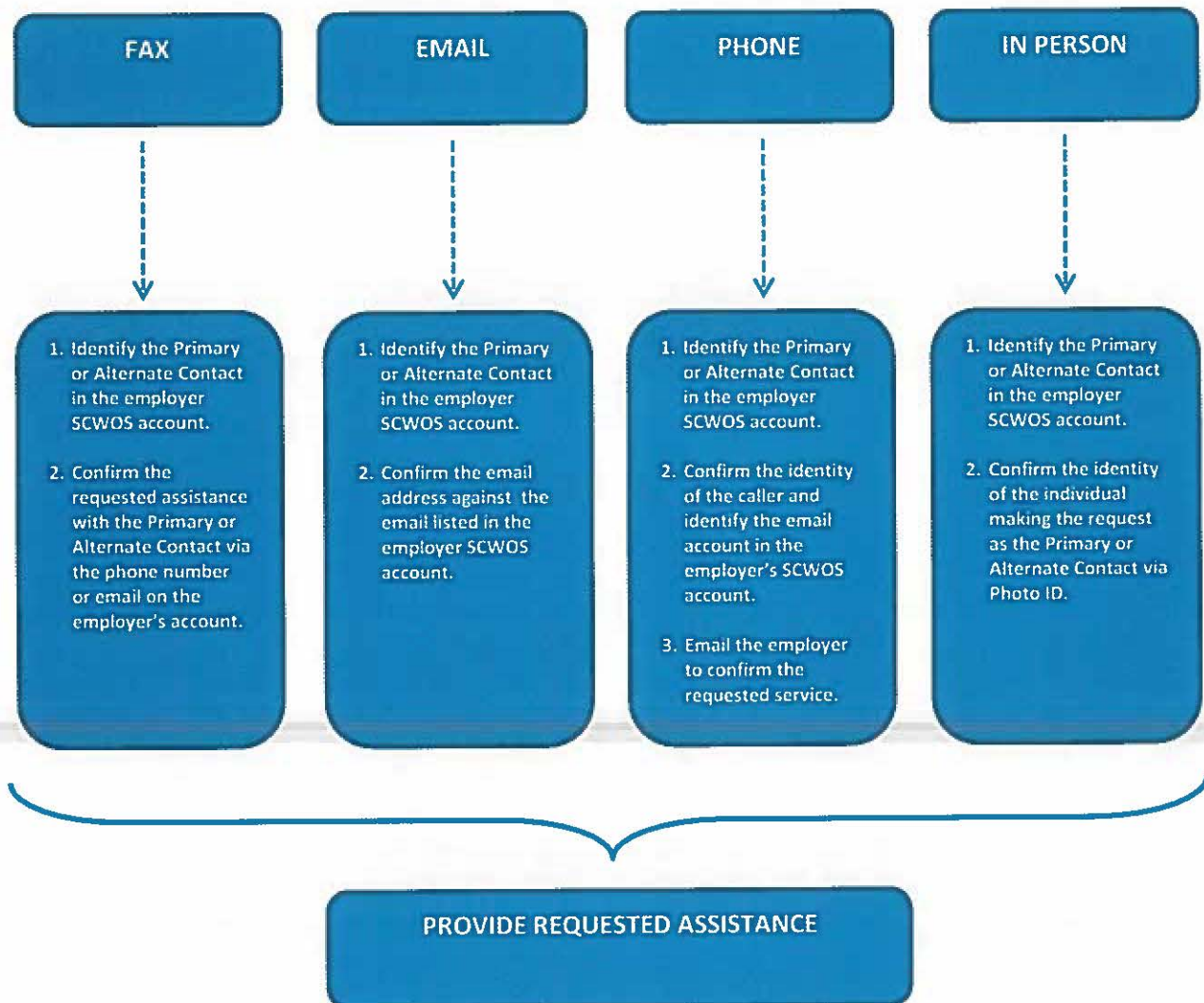
Third-parties acting on an employer's behalf may create an account for the employer; however, the employer must ensure that the account will be used appropriately. An account created by a third party will not be enabled without the employer's written consent. To create an account for the employer, the third-party must complete each of the following steps:

1. Register the account under the employer's name
2. Use the employer's FEIN, SC UI employer tax account number, and mailing address
3. Enter the third-party as the primary contact
4. Include the employer's contact name, address, phone number, and email address as an alternate contact.

EMPLOYER ACCOUNT MANAGEMENT

Confirming Authorized Employer Contacts

A **Primary Contact** is established as an employer-authorized representative with the enabling of a SCWOS employer account. The employer may also choose to add **Alternate Contacts**. Staff must confirm that an individual is one of the authorized contacts on the employer's account before providing assistance with the account, including password reset or job order entry. An employer may contact staff in person or by fax, email, or phone. Staff must follow these procedures to confirm that an individual is a designated contact for the employer before providing assistance with an employer's SCWOS account:



Changing Employer Contacts

Prior to assisting employers with adding or removing contacts on their account, SC Works staff must first confirm that the new contact is a representative of the employer, authorized to act on the employer's behalf. When employers seek staff assistance in modifying the approved contact(s) in their account by **adding or removing an alternate contact**, SC Works staff must confirm the change with the primary contact on record prior to making any additions or removals.

If the employer is asking to list a **new primary contact** on the account, SC Works staff must forward the request to the SCWOS Employer Verification Team at EmployerAssist@dew.sc.gov. State-level staff will then verify the new primary contact via phone or email. Upon approval, the SCWOS Employer Verification Team will email local staff once the new primary contact has been verified. Local staff may then provide all employer services available to the new primary contact on the enabled employer account.

Changing Employer Passwords

As stated above, staff must confirm that an individual is one of the authorized contacts on the employer's account before resetting the employer's password. An employer's password can be reset by accessing the "General Information" tab on the employer's SCWOS account and by completing the following steps:

1. Select the link, "Reset Employer Account," at the bottom of the Staff Info section.
2. Select the box for "Reset Password." (Staff may select the box for "Reset Security Question/Response" if the employer requests this.)
3. Select the option to "Send Email" under Email Options.
4. Choose to send the email either from the "System account" or from "Your email address."
5. Click "Send."



Staff should advise employers to expect an email to the email address listed on the account and to check the "Spam" folder as appropriate. When the employer logs into the account again, SCWOS will prompt the employer to create a new password.

System Required Employer Password Change/Deactivation

Active employer accounts will require a password reset every 90 days in order to remain active. Employers may reactivate accounts made inactive by contacting EmployerAssist@dew.sc.gov.

Resolution of Duplicate Employer Accounts

Duplicate employer accounts occur when SC Works staff or an employer creates more than one account for the same employer. Duplicate employer accounts can cause delays for the employer to receive services and could result in inaccurate data for performance reporting. Furthermore, duplicate accounts could lead to noncompliance issues for staff and the Local Workforce Development Area if employer service activity codes are entered on unverified accounts. Examples of situations where a duplicate employer account is likely:

- Accounts that have the same company name and contact name
- Accounts that have the same company name and FEIN
- Accounts that have the same name, but are spelled differently (e.g., St. Andrews Cleaners vs. Saint Andrews Cleaners)
- Accounts that have been determined to contain outdated or invalid contact information (e.g., a conversation with the HR Director for ABC, Inc. reveals that a contact on the account, John Smith, left three months ago and SC Works staff discovers that the employer has been using a different SCWOS account.)

Note: Some employers may have separate accounts with the same FEIN, but for different locations. Those accounts should not be merged unless the employer requests that the accounts to be merged.

When a duplicate account is suspected, staff must follow the instructions attached to the SCWOS Duplicate Employer Account Merge Form before submitting the form to PolnPro@dew.sc.gov. The merge request form with attached instructions can be found on SCWOS under Staff Online Resources.

Locking an Employer Account

SC Works staff will provide employment services to all employers, consistent with federal and state laws, regulations, and guidance. Any employer account that violates the terms of use or is suspected of suspicious, prohibited, or illegal activity will be locked out. All business services will be discontinued to employers who misuse the SC Works system until such time as the prohibited activity is corrected or has ended. State-level staff will place an employer account into "Locked Out" status if:

- An employer can no longer be positively identified as a legitimate business;
- The account is believed to have been hacked or compromised; or
- It is determined that an employer has violated the SCWOS Terms and Conditions or Equal Employment Opportunity Commission (EEOC) guidelines.

Employers in this status are unable to login and all active job orders are closed. Employer accounts established by individuals or organizations found to be posing as an employer will be placed in "Locked Out – Scam" status.

Action: Please ensure that appropriate staff receive and understand this policy.

Inquiries: Questions may be directed to Policies and Procedures at PolnPro@dew.sc.gov.



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