INTRODUCTORY GUIDE

October 2019

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1.0 INTRODUCTION

The State Information Data Exchange System (SIDES) facilitates the electronic exchange of information between employers and their third party administrators ("TPAs") and State Unemployment Insurance (UI) agencies for purposes related to administration of UI benefits and taxes. SIDES is operated by the National Association of State Workforce Agencies (NASWA) under the terms and conditions of a grant from the U.S. Department of Labor (USDOL).

This Guide introduces SIDES to top level state and business leaders who are considering the integration of SIDES in their respective organizations. It gives a high-level overview of the features and benefits; in addition to the technical and organizational resources necessary for implementation. Those who elect to participate will be provided with additional detailed technical information, as well as access to training to facilitate their implementation efforts.

2.0 BACKGROUND

SIDES grew out of an effort by states to address: 1) administrative problems related to untimely and/or incomplete responses by employers and TPAs to requests for job separation information, and 2) complaints from large employers/TPAs that responding to potentially 53 different forms asking for essentially the same information made compliance very difficult.

The states' efforts to address this problem were supported by the U.S. Department of Labor (USDOL) through the UI Information Technology Support Center (ITSC). Both the Department and the states were concerned incorrect initial eligibility determinations, caused in part by untimely/incomplete information from employers, were a significant cause of improper payments of UI benefits.

Working through the ITSC, a group of 12 states, four large employers and two TPAs developed and tested paper-based standardized formats for separation information requests and responses in 2005-2006. The success of this effort led a consortium of states to seek and obtain support from the Department of Labor for development of an electronic (computer-to-computer) separation information exchange system. Over several years, hardware, software, and data center services were secured through ITSC to provide the central point for data exchange. Meanwhile states and employers/TPAs were developing the systems and programs necessary to connect their existing information technology systems with the SIDES central "broker" using web services, a method of computer-to-computer communication over a network.

At the same time, states expressed interest in improving information exchanges with their smaller, single state employers who receive information requests occasionally, but don't have sufficient volume to justify the effort necessary to integrate using web services. As a result, the SIDES E-Response website was developed to permit employers to provide information electronically when requested by a state.

The SIDES data exchange for separation information (SI) went into production in early 2010, and its success led to development of additional data exchange formats including Monetary & Potential Charges (MPC), Determinations & Decisions (DD), Additional Fact-Finding (ADF), Earnings Verification (EV), and Benefit Charges (BC). Currently, 47 states and 3 jurisdictions participate in SIDES, and the number of integrated partners increases continually.

3.0 SIDES OPERATIONS OVERVIEW

SIDES is an electronic message broker for communication between state UI agencies (states) and employers/TPAs (integrated partners) using the central broker. The data exchange process between UI integrated partners is below:

- States post requests for information to integrated partners to the central broker.

- The central broker sorts the requests by integrated partner to which they are addressed.

- Integrated partners pull their requests submitted by all participating states from the central broker at least once a day.

- Integrated partners post their responses to the central broker.

- The central broker sorts the responses by state.

- States pull their response information from the central broker at least once per day.

4.0 SIDES E-RESPONSE OPERATIONS OVERVIEW

- States notify an employer of a request for information through a (non-SIDES) state communication channel (ex, e-mail) and provide instructions for logging in to the E-Response website or accessing the record through the state employer portal (if single sign-on (SSO) has been implemented).

- States post the information request to the E-Response website.

- The employer logs in to E-Response or state employer portal and responds to the information request.
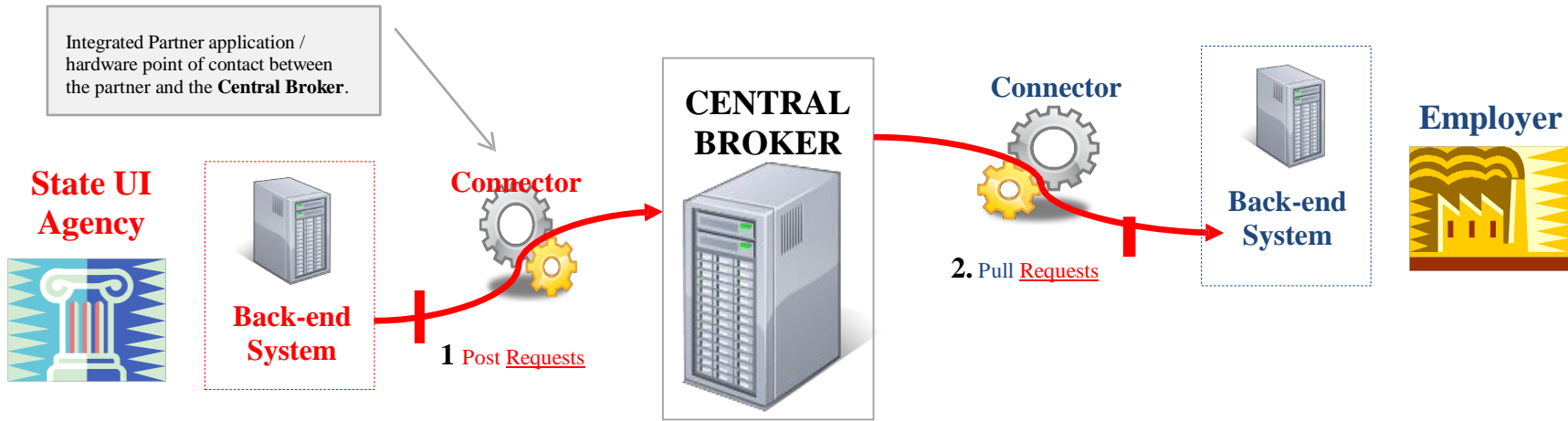
- Responses are saved to the central broker and sorted by state.

- States pull the responses received through E-Response along with those received from integrated partners from the central broker.

Each participating state and integrated partner must use "connector" software to post and pull information. The SIDES team developed model connector software which states and integrated partners may use, or they may develop their own connector. Participating states and integrated partners must develop their own unique software to interface the connector software with its internal IT system. The resources required to develop this interface can vary greatly depending on the IT system. Employers using the E-Response website login with their UI agency provided credentials to access and provide information to a participating state.
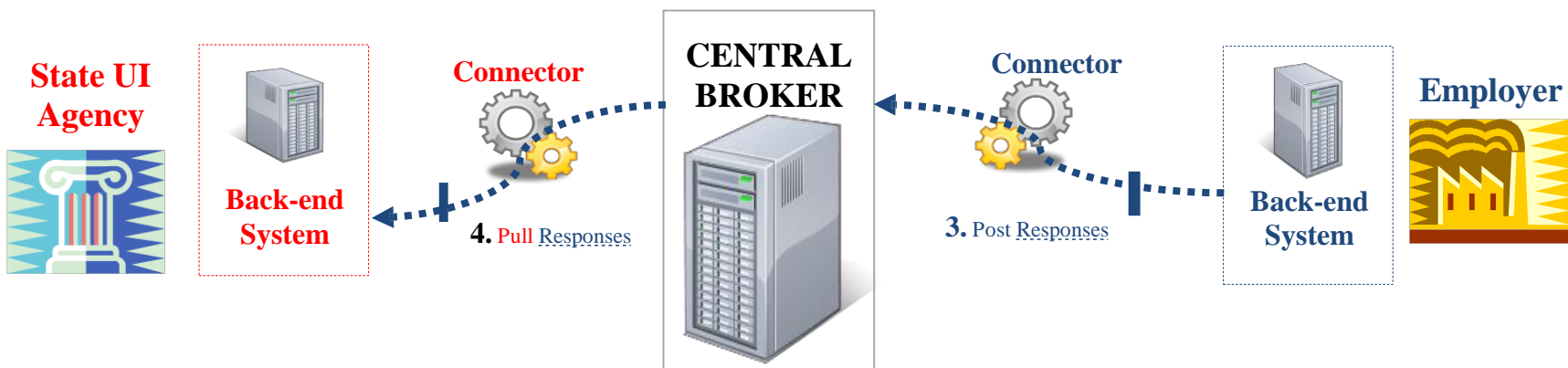
Schematics showing how SIDES operate are shown on the following pages.

SIDES Participant Communication Flows

State Information Request to Integrated Partner

Integrated Partner application / hardware point of contact between the partner and the **Central Broker**.

State UI Agency

Back-end System

Connector

CENTRAL BROKER

Connector

Back-end System

Employer

1 Post Requests

2. Pull Requests

Integrated Partner Response to State Request

State UI Agency

Back-end System

Connector

CENTRAL BROKER

Connector

Back-end System

Employer

4. Pull Responses

3. Post Responses

SIDES

SIDES E-Response Website Communication Flows

2

State informs employer that a request for information is pending and may be accessed at the E-Response website.

Employer

1
State Posts Requests

CENTRAL BROKER

3

Employer enters response by logging into E-Response which connects to the **Central Broker**.

State UI Agency

Connector

Back-end System

4
State Pulls Responses
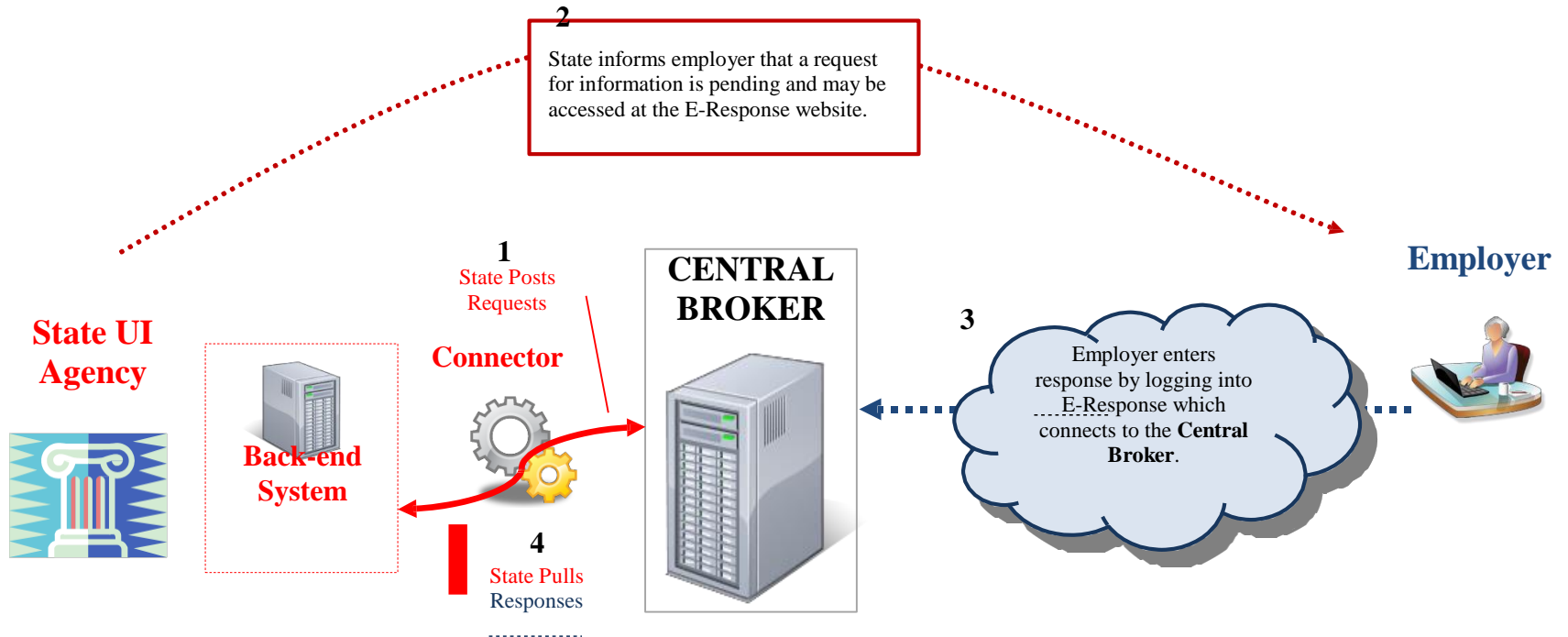
5.0 WHY PARTICIPATE IN SIDES?

Both states and employers/TPAs save administrative resources by communicating electronically. The benefits include reduced postage, fewer paper handling costs, and less staff time involved in follow up to obtain complete information (due to edit checks and validations built into SIDES). Employers/TPAs who do business in multiple states can save significantly in staff time and training when they respond to a single standard request format rather than multiple formats.

In addition to administrative cost savings, having timely and complete information from employers allows states to 1) pay benefits more quickly to eligible beneficiaries and prevent improper payments to those who are not eligible; 2) quickly identify beneficiaries who work and fail to report their earnings, reducing and preventing improper payments, and 3) reduce the number of appeals filed due to determinations based on untimely or incomplete information.

6.0 BUSINESS AND TECHNICAL REQUIREMENTS

The basic requirements for participation in SIDES are outlined below. If you choose to participate, the SIDES Team will provide detailed implementation documents, as well as training for your implementation team and technical resources.

Business Requirements

- Employers/TPAs must have UI workload with at least one state participating in SIDES. The current list of participating states can be found at https://info.uisides.org.

- Employers/TPAs must agree to establish a single point of electronic exchange for their business even though the business may have multiple locations.

- Employers/TPAs and states must create and fund a team with both technical and business expertise to determine the scope of changes to existing IT systems and business processes that will be required in order to implement SIDES and provide that team with the resources necessary to make those changes.

Technical Requirements

Employers/TPAs and states must:

- Modify back-end systems to interface with either the model connector or a custom developed connector to the central broker in order to generate/receive data requests/responses in standard SIDES formats.

- Implement security measures such as transport and message level authentications, confidentiality, and integrity mechanisms.

- Be capable of delivering XML-provided data to organization's users.

- Commit to testing their connector to ensure all requirements are met including the following:

  o Meeting central broker specifications for data validations, business rules, and error handling;

  o Creating test data to demonstrate their connector and software passes acceptance tests, meeting acceptance criteria which validate the central broker validations, UI business rules, and error handling; and

  o Providing these test results to the SIDES Technical Team (sides-support@naswa.org) for acceptance before implementation.

States must be able to generate requests and accept responses using SOAP messages per the Web Services Descriptor Language (WSDL) and Extensible Markup Language (XML) file requests (including attachments) that meet standard formats.

Employers/TPAs must be able to receive a request and generate a response using SOAP messages and XML-based files (including attachments) that meet standard formats.

The SIDES Team provides model connector software (free of charge) to participants to simplify implementation with the central broker. The model connectors can be used to secure the data and exchange requests/responses through the broker using web services and SOAP messaging.

7.0 CONTACT INFORMATION

If you have questions, would like additional information, and to request a copy of the SIDES Participation Agreement, please contact the SIDES Team at uisides@naswa.org. Additional information can also be found at https://info.uisides.org.