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STATE INSTRUCTION NUMBER 25-08

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

Subject: **Employer Verification and Management**

Issuance Date: January 9, 2026

Effective Date: January 9, 2026

Purpose: To provide guidance on the employer account verification process and management requirements for the SC Works system through SC Works Online Services (SCWOS). This policy replaces State Instructions 19-01 and 17-01, Change 3.

References:

- The Workforce Innovation and Opportunity Act, Public Law 113-128
- 20 CFR § 652.3, Parts 655 and 677; 34 CFR Parts 361 and 463
- 89 Final Rule (FR) 13184 (February 23, 2024)
- Training and Employment Guidance Letters (TEGLs) 11-19, Change 2; 07-18, Change 1; 10-16, Change 3

Background: The Department of Employment and Workforce (DEW) uses SCWOS to fulfill the federal requirement to administer a labor exchange system that assists jobseekers in finding employment, assists employers in filling jobs, facilitates the match between jobseekers and employers, and participates in a system for clearing labor.

The employment opportunities in SCWOS must promote legitimate job openings. Employer registration in SCWOS is a key step in meeting the hiring, training, and retention needs of businesses, while ensuring authentic employment opportunities for jobseekers. The employer verification process is one of the safeguards to ensuring the integrity of the system.

Policy: DEW staff, SC Works center staff, and SC Works system partners must provide employment services to all employers, consistent with the federal and state laws, regulations, and guidance. The SC Works system is meant to deliver high quality services to jobseeker and business customers that improve the employment outcomes for both groups.

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

- Located in the United States
- Proposes to employ a worker in 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/intends to issue IRS form W-2 showing wages, tips, and other compensation earned, and taxes withheld while employed

NOTE: 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. **Using SCWOS to recruit independent contractors is prohibited.**

Employers must establish an account in SCWOS to post employment opportunities and receive applicant self-referrals and staff-assisted referrals of qualified applicants. SC Works staff are encouraged to assist employers in the creation of the employer's account when possible. However, employers may establish an account in SCWOS without staff assistance.

EMPLOYER ACCOUNTS IN SCWOS

There are two types of employer accounts in SCWOS:

- Recruiting: The employer has access to labor exchange functions, such as managing job orders, receiving résumés, and virtual recruiter alerts. This account type is created by the employer or SC Works center staff; however, all account must be verified and approved by DEW to have access to recruitment functionality. Employers with this account can also receive all services available for provisions by Business Services, including participating in Hiring Events.
- Marketing Lead: The employer has engaged with the Business Services Team or is receiving Rapid Response services but is not using SCWOS for recruitment. This account type is used to document services provided and is not accessible to the employer. To receive SC Works services, employers with this account must be converted to a Recruiting account.

EMPLOYER VERIFICATION PROCESS

To have access to the recruiting functionality in SCWOS or to be able to participate in exclusive services such as job profiling, an employer must have a recruiting account and complete the verification process. There are two stages to the Employer Verification Process: Local Level and State Level.

1. Local Level: SC Works center staff

- i. SC Works center staff engage employers to promote available SC Works services.
- ii. If an employer is unsure about receiving services, a Marketing Lead account is created to document engagement as the Business Services Team builds a relationship.
- iii. If an employer decides to use SC Works services or wants to receive services exclusively offered to verified employers, either:
 1. The employer may independently create a Recruiting account
 2. Staff can create a Recruiting account for the employer
 3. Staff can convert a Marketing Lead account to a Recruiting account (if a Marketing Lead account exists, it MUST be converted)
- iv. Upon changing the account to Recruiting, the account will have a Pending Verification status, which triggers the state-level verification process.

2. State Level: SCWOS Accounts Employer Verification Team

- i. Once triggered, the SCWOS Accounts Employer Verification Team reviews the accounts in Pending Verification status and takes reasonable steps to verify the authenticity of the employer, which may include, but is not limited to:
 1. Correspond with the registrant by phone or email
 2. Review the employer's site to corroborate the registration information
 3. Cross-reference the Federal Employer Identification Number (FEIN) and SC Unemployment Insurance (UI) tax account number provided with existing DEW records
 4. Review the employer's records in the similar state system if the registrant is an out-of-state employer
- ii. Registrant information to be verified for all employer accounts must include:
 1. FEIN or Social Security Number (SSN)
 2. SC UI Tax Account Number
 3. Company number, address, and corporate address, if applicable
 4. Human Resources contact name, telephone number, and email address

SC UI Tax Account Number. All South Carolina (SC) employers, and out-of-state employers who have employees working within the state, are required to establish an account in the State

Unemployment Insurance Tax System (SUTS) to receive a SC UI Tax Account Number. If an employer is deemed not liable to pay SC unemployment taxes, they will receive a denial letter. Employers must be prepared to provide the SC UI Tax Account Number or denial letter during the verification process. Out-of-state employers who have no employees working in the state but wish to use SCWOS for recruitment purposes must provide their out-of-state UI tax account number.

EMPLOYER ACCESS RIGHTS

Employer SCWOS accounts must be verified and fully enabled before receiving all services available. All Recruiting accounts have one of the following access rights:

- Pending Verification: All new Recruiting accounts are created in this status by default for security purposes. Marketing Lead accounts converted to Recruiting will be placed in this status. Employers in this status are reviewed by the SCWOS Accounts Employer Verification Team.
 - Allowed to login, update a profile, add locations and additional contacts, and create job application forms and skill sets
 - Not allowed to post public job orders, conduct a candidate search, or access the virtual recruiter system
- Not Verified: The SCWOS Accounts Employer Verification Team attempted to contact the employer but is unable to complete the verification process. Additional information requested by the team appears in case notes on the employer's accounts.
 - Only have the rights and privileges of the Pending Verification status
- Enabled: The SCWOS Accounts Employer Verification Team verified the employer information and grant full access. SC Works center staff may provide recruiting services for verified employers once they are in this status.
 - Full employer access rights to the system: manage profiles, edit locations and contacts, conduct candidate searches, create virtual recruiters, schedule hiring events, post public job orders, accept jobseeker applications, contact jobseekers using the internal messaging system, and receive services available exclusively to verified Recruiting employers.

NOTE: To participate in both in-person and virtual hiring events, such as job fairs, enabled employers **MUST have an active job order in SCWOS.**

- Under Investigation: Employers that are suspected of fraud, ill-intent, etc. Should these suspicions be confirmed, they will then be identified as "Locked Out – SCAM".
 - Only have the rights and privileges of the Pending Verification status
- Revoked/Suspended: An employer that is under investigation or internal review at the state or Federal level. Staff must not engage with employers in this status.
 - Only have the rights and privileges of the Pending Verification status

- Locked Out: Any employer account that violates the terms of use or the account is no longer actively used.
 - Unable to login and all active job orders are closed
- Locked Out – SCAM: Any employer account that is suspected of suspicious or ill-intended activity. Has the same access rights as Locked Out. If an employer views résumés or messages at a suspicious level, their access will automatically be changed to this status.
- Locked Out – Not Recruiting: An employer that is hiring independent contractors who will receive IRS form 1099.
- Locked Out – Out of Business: An employer account was locked because the company has gone out of business and not for another reason.

Typically, the verification process is completed within three business days from the Pending Verification status. Employers receive an alert in SCWOS once their account is verified and fully enabled. See the attachment *Employer Verification Process* for a flowchart-style desk aid.

FEIN versus SSN. Generally, an employer account requires entry of the FEIN, with two exceptions:

1. If an employer operates a business as a sole proprietor or employs individuals to work in their household, the employer's SSN may be used
2. If a new business is in the process of obtaining a FEIN, the employer's SSN may be used temporarily. The employer must update the account to provide the FEIN when obtained

Third Parties Acting on an Employer's Behalf. An account created by a third party is not enabled without the employer's written consent, and the employer must ensure the account will be used appropriately. To create the account, the third party must complete the following steps:

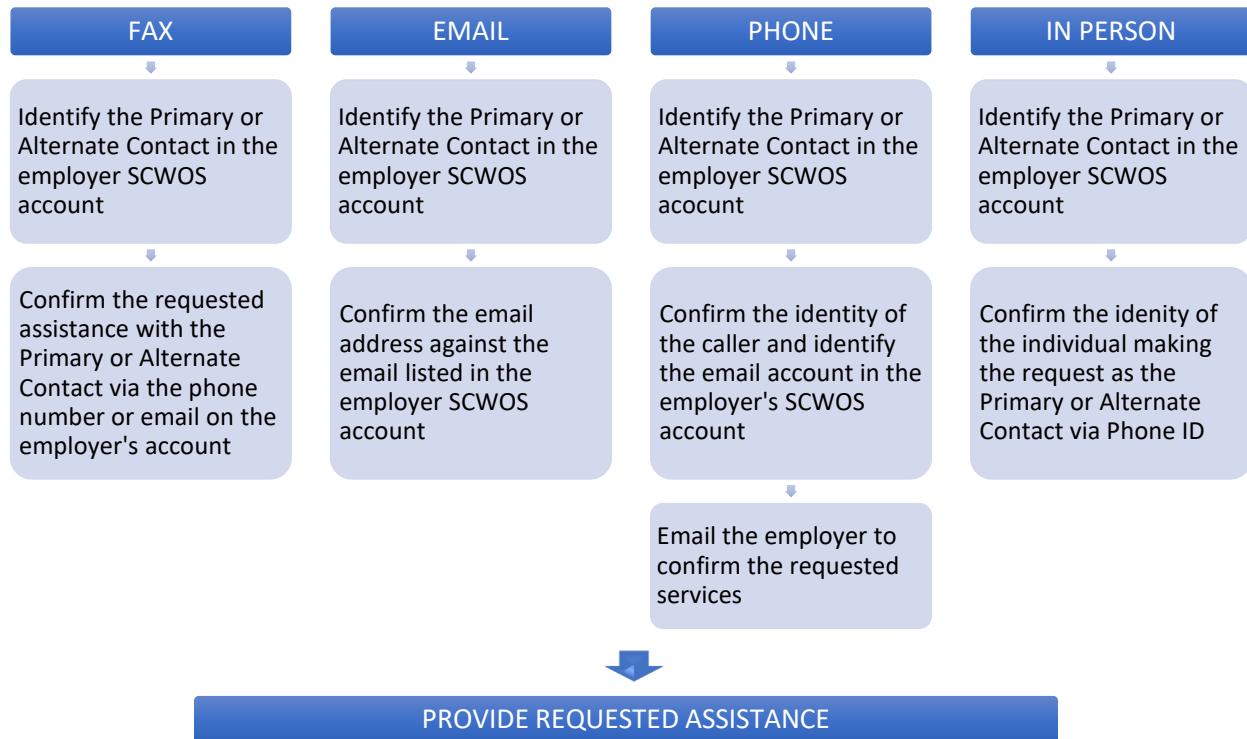
1. Register the account under the employer's name
2. Use the employer's FEIN, SC UI employer tax account number, and mailing address
3. Enter the third party as the primary contact
4. Include the employer's contact name, address, number, and email as an alternate contact

EMPLOYER ACCOUNT MANAGEMENT

The following section contains guidance for SC Works center staff when assisting with and managing employer accounts.

Employer Contacts

A **Primary Contact** is established as an employer-authorized representative in a SCWOS employer account. The employer may also choose to add **Alternate Contacts**. An employer may contact staff by fax, email, phone, or in person. SC Works center staff must follow these procedures to confirm that an individual is authorized on the employer's account before providing assistance:



Changing Employer Contacts

SC Works center staff must first confirm that new contacts are representatives of an employer, authorized to act on the employer's behalf. When employers seek assistance in modifying the approved contact(s) in their account by adding or removing an Alternate Contact, SC Works center staff must first confirm the change with the Primary Contact on record.

To list a new Primary Contact on an employer account, SC Works center staff must forward the request to SCWOS Accounts Employer Verification at SCWOSAccounts@dew.sc.gov, who will verify the new contact, then email SC Works center staff that the new Primary Contact has been verified. SC Works center staff may then provide all employer services available to the new Primary Contact on the enabled employer account.

Changing Employer Passwords

SC Works center staff must confirm that the individual is an authorized contact on the employer's account before resetting the contact's password. An employer's password can be reset from their SCWOS account via the Contact/Users tab.

Required Password Change. Active employer accounts will require a password reset every 90 days to remain active. Employers may reactivate accounts made inactive by contacting SCWOSAccounts@dew.sc.gov.

Duplicate Employer Accounts

When SC Works center staff or an employer creates more than one account for the same employer, this can delay the receipt of services and could result in inaccurate performance reporting data. It can also lead to noncompliance issues for staff and Local Workforce Development Areas (LWDAs) if employer service codes are entered on unverified accounts. Duplicate employer accounts are likely identified as:

- Accounts with same company name and contact name/FEIN
- Accounts with same name but are spelled differently
- Accounts determined to contain outdated or invalid contact information

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 it.

When a duplicate account is suspected, staff must follow the instructions per the Duplicate Employer Account Merge Form on Staff Online Resources before submitting the form to SCWOSAccounts@dew.sc.gov.

Locking an Employer Account

Employer accounts that violate the SCWOS Terms and Conditions or are suspected of suspicious, prohibited, or illegal activity will be locked out. All services will be discontinued to employers who misuse the SC Works system until the prohibited activity is corrected or has ended. The SCWOS Accounts Employer Verification Team 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
- It is determined that an employer has violated the SCWOS Terms and Conditions or Equal Employment Opportunity commission (EEOC) guidelines
- An employer is recruiting independent contractors

Employers in the “Locked Out” 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. If an employer view résumés or messages at a suspicious level, their access will automatically be changed to this status. If a fraudulent employer account is identified, it must be reported to the SCWOS Accounts Employer Verification Team expediently so that action can be taken.

PERFORMANCE REQUIREMENTS

Effectiveness in Serving Employers (ESE) can be evaluated via several methods. The Department of Labor (DOL) has identified the required reporting measure as a participant-based measure: *Employed with the Same employer in the 2nd and 4th Quarter after Exit*. To effectively evaluate and measure employer service delivery and outcomes, DEW continues to utilize the measures reported during DOL's ESE pilot phase. The ESE performance measures currently used for programs administered by DEW include:

- Retention with the Same Employer: the percentage of participants in unsubsidized employment during the second quarter after exit who were employed by the same employer in the second and fourth quarters after exit
- Repeat Business Customers: the percentage of employer establishments using services during the program year that also used services within the previous three program years
- Employer Penetration: the percentage of employer establishments using services out of all employer establishment in South Carolina during the program year
- Employer Service Quantity: the number of unique establishments that receive each of the services listed in the attachment *Effectiveness in Serving Employers Specifications*

The attachment *Effectiveness in Serving Employers Specifications* defines the DOL methodology to calculate ESE, as well as the categories of employer services that may be counted when calculating levels of performance for the ESE indicator.

NOTE: The number of employer establishments is defined by the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) program. For employers with more than one physical location, the QCEW reports each work site as a separate establishment, so the total number of business establishments receiving services is counted this way.

SCWOS Employer Services. All employer services entered in SCWOS must meet the definition of the applicable employer service code found in Staff Online Resources. As applicable, case notes must be added concurrently with employer service codes to protect the integrity of the data, ensure compliance with guidance for monitoring, and advise other Business Services staff of the details to avoid duplication of services. Refer to the *Employer Service Codes* document on Staff Online Resources to determine which service codes require a case note.

Providing services to unverified employers could expose customers to fraudulent data and result in liability for SC Works system partners. Refer to the *Employer Service Codes* document on Staff Online Resources to determine which activities are allowable on non-verified accounts. **Noncompliance may be cause for corrective action, up to and including revocation of SCWOS privileges. Providing services that require employer verification and approval to non-verified employers may result in disallowed costs.**

WAIVER

The employer requirements outlined in this policy may be waived for job fairs and hiring events in response to mass layoffs and closure activities or worker shortages. Waiver requests must be sent to SCWOSAccounts@dew.sc.gov, authorized by DEW, and communicated to the LWDA(s).

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

Inquiries: Questions may be directed to WorkforcePolicy@dew.sc.gov.

Nina Staggers

Nina Staggers, Assistant Executive Director
Workforce Development Division

Diana Goldwire

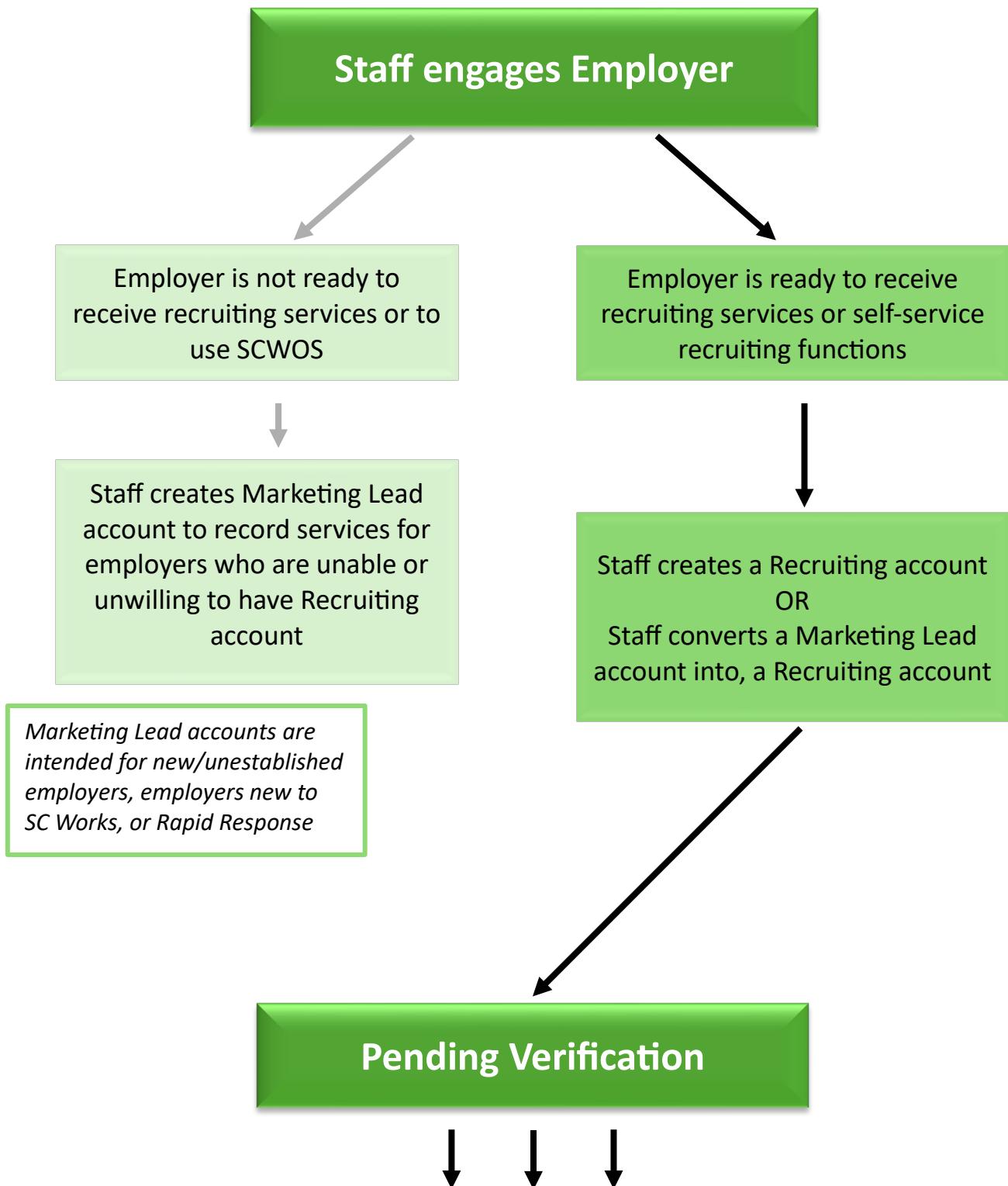
Diana Goldwire, Assistant Executive Director
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Attachment

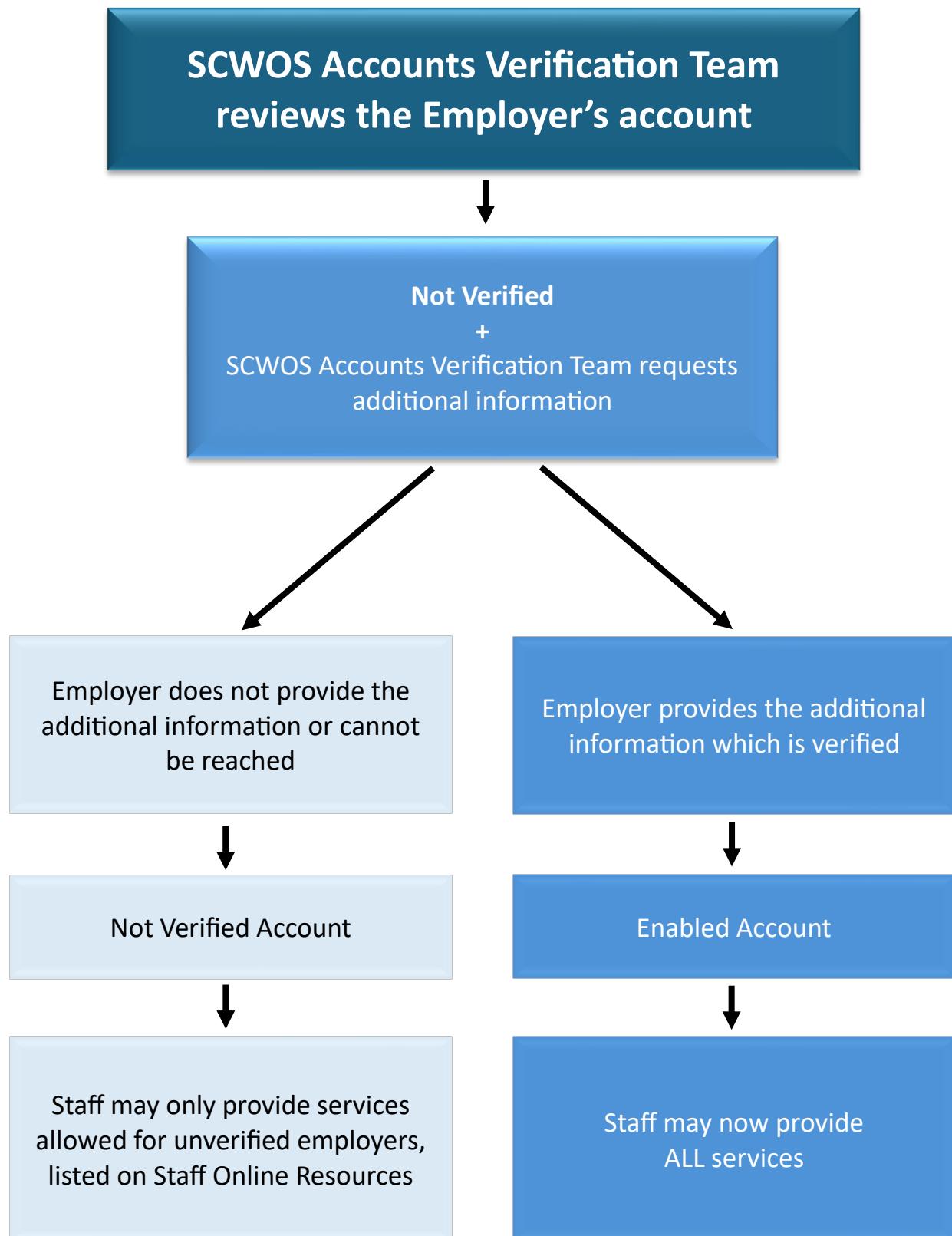
- Employer Verification Process
- Effectiveness in Serving Employers Specifications

EMPLOYER VERIFICATION PROCESS

LOCAL LEVEL



STATE LEVEL



Effectiveness in Serving Employers Specifications

METHODOLOGY FOR CALCULATING ESE

The calculation methodology used to determine the outcome rate for the four approaches, as determined by DOL, are defined below.

- **Retention with the Same Employer:** The number of participants with wage records who exit during the reporting period and were employed by the same employer during the second quarter after exit and the fourth quarter after exit *DIVIDED* by the number of participants with wage records who exit and were employed during the second quarter after exit
- **Repeat Business Customer:** The total number of establishments, as defined by the BLS QCEW program, serviced during the current reporting period (i.e., one program year) and that during the prior three reporting periods have used core program services more than once *DIVIDED* by the number of establishments, as defined by BLS QCEW, served during the current reporting period
- **Employer Penetration:** The total number of establishments, as defined by the BLS QCEW program, that received a service or, if it is an ongoing activity, are continuing to receive a service or other assistance during the reporting period *DIVIDED* by the total number of establishments, as defined by BLS QCEW. This measure is a unique count of employers using WIOA core programs. If an establishment receives, or continues to receive, more than one service during the reporting period (i.e., during the program year), that establishment should be counted only once in this calculation.
- **Employer Service Quantity:** The number of unique establishments that received each of the services, as defined below. This is not a percentage to be calculated; it is a number based on the quantity of services.

EMPLOYER SERVICE QUANTITY

The different categories of WIOA core program services that may be counted when calculating levels of performance for the effectiveness in serving employers indicator are defined below.

I. Employer Information and Support Services

The total number of establishments that, during the reporting period, received staff-assisted services designed to educate them about and engage them in the local job market/economy and the range of services available through the SC Works system. Information may be provided in a variety of service interventions including orientation sessions, workshops, or other business consultations. Information and support services delivered to establishments through mass mailings or communications, “cold” calling or other follow-up contacts, and regular newsletters, brochures, or publications are not reportable services under this category.

These services include, but are not limited to, providing information on:

- State and federal tax credits or workforce investment incentives (e.g., WOTC)

- Customized workforce information on state, regional, and local labor market conditions, industries, occupations, and the characteristics of the workforce, skills businesses need, local employment dynamics information, worker supply and demand, business turnover rates, job creation, and job identification of high growth and high demand industries
- Proactive linkage and referral of establishments to community resources that support their workforce needs

II. Workforce Recruitment Assistance

The total number of establishments that, during the reporting period, received workforce recruitment assistance from staff or remotely through electronic technologies.

These services include, but are not limited to, assisting employers to meet their human capital and skilled workforce needs by:

- Supporting employers' search for qualified candidates
- Securing information on job requirements and providing employers with SC Works center staff support for candidate screening and pre-employment interviews at the SC Works center or on-site at the place of business
- Taking job order information and promoting the employment opportunities (advertising the opening to the workforce)
- Conducting special recruitment efforts, including out-of-area or out-of-state recruitment for candidates with special skills
- Organizing, conducting, and participating in job fairs
- Providing employers with space at the SC Works center for screening and interviewing
- Conducting pre-employment testing, background checks, and assistance in completion of the IRS form I-9 paperwork
- Providing employer with job and task analysis services and absenteeism analysis

III. Engaged in Strategic Planning/Economic Development

The total number of establishments that, during the reporting period, were engaged in either workforce investment strategic planning or business growth and economic development strategic planning.

These activities could include, but are not limited to:

- Participating in community-based strategic planning
- Sponsoring employer forums
- Securing information on industry trends
- Providing information for the purpose of corporate economic development planning
- Partnering in collaborative efforts to identify workforce challenges and developing strategies to address those challenges

IV. Accessing Untapped Labor Pools

The total number of establishments that, during the reporting period, established pipeline activities in partnership with the public workforce system.

Activities include, but are not limited to:

- Outreach to youth, veterans, individuals with disabilities, older workforce, ex-offenders, and other targeted demographic groups
- Industry awareness campaigns
- Joint partnerships with high schools, community colleges, or other education programs to improve skill levels
- Programs to address limited English proficiency and vocational training

V. Training Services

The total number of establishments that, during the reporting period, received publicly funded training assistance, including customized training, on-the-job training (OJT), and incumbent worker training (IWT).

VI. Rapid Response/Business Downsizing Assistance

The total number of establishments that, during the reporting period, received an initial on-site visit or contract to either (a) discuss the range of Rapid Response services and other assistance available to workers and employers affected by layoff, plant closures, or natural disasters, or (b) plan a layoff response following notification of a current or projected permanent closure or mass layoff, including natural or other disasters.