



## State Information Data Exchange System Agreement to Participate

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- I. The State Information Data Exchange System (SIDES) facilitates the electronic exchange of information between employers/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 Work Force Agencies’ (NASWA’s) Center for Employment Security Education and Research, Inc. (CESER) under the terms and conditions of a grant from the U.S. Department of Labor’s Employment and Training Administration, Office of Unemployment Insurance, which is the agency of the federal government with responsibility for administrative funding and oversight of state unemployment insurance programs.
  
- II. This Participation Agreement (“Agreement”) establishes the obligations and responsibilities of CESER and all SIDES participants that have entered into it.
  
- III. **Definitions.** As used in this Agreement, the following terms have the meaning shown below unless otherwise noted.
  - A. “NASWA” – The National Association of State Workforce Agencies, Inc. is the organization of state agencies that administer unemployment insurance laws, employment services, worker training programs, employment statistics and labor market information, and other programs and services provided through the publicly-funded state workforce system.
  
  - B. “CESER” – The Center for Employment Security Education and Research, Inc. is a non-profit subsidiary of NASWA which provides education, training, research and consulting services to state workforce agencies. CESER is governed by the NASWA Board of Directors. CESER is dedicated to improving state government services to the nations’ workers and employers and provided training and other services to member states.



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- C. "State" and "Participating States" – The term "state" includes the District of Columbia, Puerto Rico, and the Virgin Islands. The term "participating states" means those states that have entered into this Agreement.
- D. "Participating Employer" – Any employing unit that has entered into this Agreement.
- E. "Third-party administrator/TPA" and "participating third-party administrator/TPA" – Third-party administrators (TPAs) are entities that provide UI administrative services on behalf of employers and are the addressee of record for those employers. Participating TPAs are those entities that have entered into this Agreement.
- F. "Non-participating employers/TPAs" – Employers/TPAs that are not parties to this agreement can manually enter data, validate, and transmit it electronically to participating state UI agencies that permit them to do so using SIDES E-Response.
- G. "E-Response" – the computer hardware and applications operated by the Broker through the E-Response website that facilitate the electronic exchange of information between participating states and non-participating employers/TPAs.
- I. "Broker" / "SIDES Broker" – The applications and computer hardware that (a) comprise the centralized Web services operations and controls for SIDES; (b) control participant access; (c) ensure data quality (via edits and validation); (d) collect workload metrics, and, (e) ensure the secure transfer of data between participating states and employers/ TPAs. The Broker also posts requests to the E-Response website for participating states and collects non-participating employer/TPA responses.



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**IV. Obligations of CESER.** SIDES will be directed, managed, and operated by CESER. In operating SIDES, CESER agrees to provide participating entities with the following services:

- A.** CESER will provide overall guidance and financial decision-making through an Executive Oversight Committee that includes: NASWA Executive Director (or their designee), USDOL Representative and SIDES Director.
- B.** CESER will employ a SIDES Director and such other staff as necessary to manage the day to day SIDES operations with information technology support from contractors.
- C.** NASWA's Unemployment Insurance Committee will appoint a SIDES Operations Committee made up of representatives of participating state UI agencies and participating employers/TPAs to provide input and advice on: 1) SIDES operating and business issues; 2) proposed new functionality and/or features, and 3) technical issues.
- D.** CESER will provide or contract for software and data processing and storage services required for operation of the SIDES Broker per the "SIDES Operating Procedures". The providers of these services will be staffed at all times with appropriate technical expertise to monitor SIDES operations and address problems as they arise 2) protect SIDES data from unauthorized access, destruction, modification, or disclosure, 3) maintain adequate disaster recovery plans, 4) perform automated backup of SIDES information/resources on a regular basis, 5) provide 24X7 service desk operations and 6) will conduct periodic security reviews.

**V. SIDES Participant Obligations.** States, employers, TPAs and other entities that are parties to this agreement will:

- A.** Participate in one or more data exchanges supported by SIDES;



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- B. Use SIDES exclusively for sending and receiving all requests and responses to other participants in the data exchange(s) in which they participate;
  - C. Adopt and implement SIDES Standards defined in "SIDES Implementation Guide" and "SIDES Developers Guide";
  - D. Create and maintain at their expense the systems necessary to successfully interface with the SIDES Broker as outlined in the "SIDES Implementation Guide" and SIDES Developers Guide", and,
  - E. Require their employees, vendors, contractors, and other agents to comply with their obligations under this agreement.
- VI. Failure to Perform.** In the event that a party fails to perform any obligation under this Agreement, the SIDES Director will notify the party of such failure and demand that such failure be promptly cured. "Promptly" as used herein shall mean five (5) business days, unless the defaulting party is notified by the SIDES Director that the cure is critical to operations and is adversely impacting other parties' operations. In the event such failure is not cured promptly and to the satisfaction of the SIDES Director, the SIDES Operations Committee and/or the SIDES Executive Oversight Committee, the CESER Executive Director may elect to suspend or terminate the right of the party to continue participation in the SIDES System, and will send written notice of its intent to suspend or terminate to the failing party. Such suspension or termination will be without prejudice to any other legal or equitable rights and remedies, whether provided by this Agreement or otherwise, that may be available to any party.
- VII. Termination by CESER.** Notwithstanding any other provision of this Agreement, CESER may terminate the participation in this Agreement of any party at any time with or without cause upon written notice to the party. Each party acknowledges and agrees that: (1) the project to develop, implement, operate and maintain the SIDES System, because of its scale and



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complexity, is inherently an unpredictable endeavor and carries risk that the development, implementation, operation and/or maintenance of the SIDES System and/or the operation of the SIDES Broker may be determined at any stage by CESER to be uneconomical, unwise or otherwise unsuccessful; (2) the SIDES Broker will continue at the sole discretion and will of CESER; and (3) notwithstanding any decision by CESER to terminate the operation of the SIDES System or reduce the size or scope of the operation of the SIDES System, the party will have no contractual or other legal or equitable rights or remedies based in whole or in part on such termination or reduction.

- VIII. Liability:** States have various laws and constitutional restrictions regarding state liability under contracts. **Subject to such laws and restrictions, a party to this Agreement may be liable to another party to this Agreement only for the acts and omissions of its own employees and only to the extent allowed or permitted by applicable state law.** No party to this Agreement shall be liable to another party with respect to acts or omissions not specifically required by or provided for in this Agreement.
- IX. Confidentiality of Data and Information and Protection of Privacy:** Information and data obtained from, or shared with or supplied to SIDES from participating states, participating employers, third-party administrators, or associated vendors, contractors, and subcontractors or any such other parties, when collected in the administration of a state's unemployment insurance program, is private, confidential, and in some cases, privileged. Each participating state is subject to Federal and state laws which, with few exceptions, severely restrict the disclosure or re-disclosure of such information and data by the states or any agent of such state. Under 20 C.F.R. Part 603 governing disclosure of confidential information in the possession of the states or the states' UC agency, states may prescribe, and some have prescribed, more restrictive controls on such information. Participants shall ensure that all vendors or contractors, and their subcontractors, agree to maintain the confidentiality of such data by entering into an agreement consistent, at a minimum, with the requirements of 20 CFR Part 603 to the extent applicable to that participant, including the applicable provisions for



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content of agreements in 20 CFR 603.10, and for safeguarding data in 20 CFR 603.9. For those states with more restrictive laws governing confidentiality of UC information, the agreement between and among the state, the contractors, the subcontractors, and their subcontractors, shall meet the applicable more restrictive requirements of state law to the extent it differs from the requirements of 20 CFR Part 603.

- X. **Termination.** Any party may terminate its participation under this Agreement by serving CESER with notice of its intent to terminate at least thirty (30) days prior to the intended date of termination. Any request or reply for information or data that is in process on or after the date of termination will remain the responsibility of the party and will be completed using non-electronic means of transfer.
  
- XI. **Integration.** This Agreement, including all addenda and agreements attached to or incorporated in this Agreement by reference, constitutes the entire agreement on this subject between the parties. No representations, oral or written, not contained within this Agreement, are a part of the Agreement between the parties.
  
- XII. **Authorization.** Each of the undersigned individuals represents that she or he is authorized to enter into this Agreement on behalf of the party she or he represents. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.
  
- XIII. **Effective date.** This Agreement will take effect upon the date it is executed.



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**Signature page for SIDES Agreement to Participate**

**The Center for Employment Security Education and Research, Inc.**

**By: \_\_\_\_\_ Date: \_\_\_\_\_**

**Name: Scott B. Sanders**

**Title: Executive Director, NASWA/CESER**

**444 N. Capitol St., NW Suite 300**

**Washington, DC 20001**

**UISIDES@NASWA.ORG**



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### Signature page for SIDES Agreement to Participate

Name of Participating Party: \_\_\_\_\_ elects to  
participate in SIDES.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name:

Title:

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_