Paperless I-9 Systems: Maintaining HR Compliance and Increasing Productivity

By Sharlyn Lauby, SPHR
Executive Summary

Today’s organizations need to standardize and automate routine practices so they can focus on the in-person interactions that contribute to employee engagement, high productivity, and the bottom-line. Adhering to compliance requirements can be costly to organizations if they’re not managed consistently and effectively, so automate these processes whenever you can.

When it comes to compliance, many employee forms have already gone paperless. But one form that employers must complete for every individual they hire in the United States, regardless of whether that person is a citizen or non-citizen, is the Form I-9. This form is used for verifying the identity and employment authorization of individuals hired for employment in the United States. According to HireRight’s 2014 Employment Screening Benchmarking Report, the number of organizations that completed and stored I-9 forms on paper only dropped 15% year over year, and paper is still the process that most use.¹

This whitepaper will provide a brief overview of the Form I-9, reasons an organization might want to explore a technology solution for managing their I-9 process, and electronic I-9 implementation success strategies.

¹ HireRight 2014 Employment Screening Benchmarking Report
A Brief History of the Form I-9

The Immigration Reform and Control Act of 1986 (IRCA) required employers to verify that all newly hired employees provide documentation to prove the employee’s identity and ability to work in the United States. The Employment Eligibility Verification Form, also known as the Form I-9, serves that purpose.

When Form I-9 is completed accurately, organizations benefit from understanding that the individual they hired meets the legal criteria for working in the United States. This is essential, since the consequences for hiring unauthorized workers range from monetary fines to imprisonment.

Unfortunately, the effort necessary to properly manage the Form I-9 process has created challenges for many employers, such as:

» Delays in employees starting work because of incomplete paperwork.

» Time and resources spent re-verifying documentation.

» Fines due to mistakes, even unintentional errors in completing the Form I-9.

In 2013, the U.S. Citizenship and Immigration Service (USCIS) released an updated version of the Form I-9. Changes were intended to make the form easier to complete and minimize the potential for errors. However, the new form is longer (from 5 to 9 pages) and requires more information (now 2 pages instead of 1). In addition, the instruction guide for completing the Form I-9 is 66 pages.²

Form I-9 and E-Verify

In 1997, the USCIS in partnership with the Department of Homeland Security and the Social Security Administration launched E-Verify. It's an internet-based, free program that compares information from an employee’s Form I-9 to data from U.S. government records. All federal contractors and subcontractors are required to use E-Verify. In addition, many states and localities have their own legislation requiring the use of E-Verify by employers. Since its inception, over 500,000 organizations have enrolled in the program.³ The E-Verify process provides an additional level of verification that individuals are authorized to work in the United States.


³ http://www.uscis.gov/e-verify/what-e-verify
Benefits to an Electronic I-9 Solution

Organizations looking to reduce paper and increase efficiency should consider an on-demand electronic I-9 solution. It can provide a secure, compliant, web-based platform to complete, store and manage the Form I-9 process. Many electronic I-9 solutions also provide an integration option with E-Verify, eliminating an extra verification step. An electronic I-9 solution helps offer four significant benefits:

1. Is easier for the employee and employer versus paper forms
2. Increases accuracy of form completion
3. Helps protect employee privacy
4. Reduces paper

The consistency associated with completing the Form I-9 electronically can help to not only reduce the frustrations of filling out paperwork but enhance compliance. In addition, it helps to eliminate the cost of lost and misplaced I-9 forms because all of the electronically completed forms will be stored electronically. Lastly, the reduction in paper frees human resources and operational managers to focus on activities directly related to running the business.

Easier for the Employee and Employer

Effortless completion of the Form I-9 benefits employees and employers alike. To understand how the form benefits both the new employee and the organization, think about the reason the form is being completed – because someone was hired. No one wants all of their hard work – whether it's getting the job or finding the candidate – to go to waste over a form.

Much of the paperwork completed during the hiring process is recommended, suggested, or considered an employment best practice. The Form I-9 is required. It's non-negotiable. It must be completed within 3 business days after the employee starts work. An electronic solution provides easy and expeditious completion of a required form, and that makes both parties very happy because they can take the focus off the form and to the new employee.

Increases Accuracy of Form Completion

Admittedly, the Form I-9 is not easy to complete. It's a legally required form and, and reads as such. Electronic I-9 solutions help simplify completion. A good electronic solution should build checks and balances within the form to help facilitate accuracy of completion. For example, the form should prevent employees or the company's authorized representative from mistakenly select two boxes instead of one, or from entering the current date instead of a birth date in the date of birth field. These might sound like honest mistakes and, the truth is, they usually are. However, these are the types of errors that get noticed during an audit.

Given all the activities that take place during the onboarding process, having an electronic I-9 solution helps to ensure that forms are being completed properly. Again, the goal is to take the focus off the forms and move to welcoming the new employee to the organization.
Helps Protect Employee Privacy

In a paper-based system, if someone has access to the Form I-9, they have access to all of the information on the form.

Conversely, an electronic solution gives companies the flexibility to share pertinent data with those who need it. For example, in a multi-state or multi-location operation, field managers can assist with obtaining initial employee documentation and re-verifying expired documents. The field manager can be granted access only to the sections of the Form I-9 that they need, not necessarily the entire document.

This type of access control not only applies to the Form I-9 but to the supporting documentation. Organizations can safely store supporting documentation within the electronic I-9 solution and secure access as needed.

Reduces Paper - The Business Case for Paperless Human Resources

According to The Paperless Project (www.thepaperlessproject.com), a grassroots coalition of companies focused on the way organizations use paper, the average office worker uses 10,000 sheets of paper every year. They estimate the cost to file a single document at $20. Organizations spend thousands of dollars each year handling, filing, and storing paper documents.\(^4\)

Even more interesting is that every 12 seconds, a document is lost. The average search time for a misfiled document is 18 minutes. And lost documents costs organizations approximately $350 per document. This doesn’t take into account whether the document is legally required to do business.

How Much I-9 Paperwork Does HR Generate?

To offer some perspective on cost and productivity, let’s look at how much I-9 related paper is generated by a human resources department using the figures from The Paperless Project in the previous section. For the average organization with 1,000 employees:

<table>
<thead>
<tr>
<th>Turnover Rate</th>
<th># of Form I-9s Completed</th>
<th># Pieces of Paper (9 pieces per Form I-9)</th>
<th>Average Cost to File I-9(^*)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>100</td>
<td>900</td>
<td>$20</td>
<td>$18,000</td>
</tr>
<tr>
<td>20%</td>
<td>200</td>
<td>1,800</td>
<td>$20</td>
<td>$36,000</td>
</tr>
<tr>
<td>30%</td>
<td>300</td>
<td>2,700</td>
<td>$20</td>
<td>$54,000</td>
</tr>
<tr>
<td>40%</td>
<td>400</td>
<td>3,600</td>
<td>$20</td>
<td>$72,000</td>
</tr>
</tbody>
</table>

\(^*\)Please note: This doesn’t include employee and company time to complete the form, the cost of supporting documentation copies, and the cost to maintain the files.

This is a simple example but it offers some insight toward how much paper one form can generate and the impact one form can have on the productivity of a department. If this were a different form, companies might choose to eliminate it completely. That’s simply not an option with Form I-9.

Staying Compliant and Managing Documents

At first glance, organizations might be reluctant to implement an electronic solution. Someone might argue there’s comfort in seeing the forms. But actually, today’s technologies can offer more comfort than keeping paper forms under lock and key in a filing cabinet.

In 2004, the U.S. Congress started permitting electronic Form I-9s. In brief, just an electronic image of a completed Form I-9 doesn’t qualify as an electronic I-9. Some of the features that must be present in a legally compliant electronic Form I-9 solution include but are not limited to:

» All Form I-9 fields
» Employee attestation
» Employee electronic signature

Organizations considering an electronic I-9 solution will want to ensure their technology provider is well-versed on the paper Form I-9 and the requirements for electronic I-9 solutions.

In addition, it’s important to remember that the USCIS recommends that employers keep Form I-9s separate from employee personnel files to facilitate an inspection request.5

Exploring the HireRight I-9 and E-Verify Solution

Filing forms takes HR and operational managers away from hiring, coaching, and training a high-performing workforce. With an electronic I-9 solution, human resources departments are able to leverage their resources effectively and spend time on those activities that bring the most value to the business. HireRight’s I-9 solution allows companies to maintain compliance, focus on the business, and save on organization administrative expenses.

» HireRight’s commitment of audit support allows organizations to rest assured they will have help when it’s needed.

» With HireRight’s reporting feature, companies can stay on top of Form I-9 status without going through stacks of paper.

» As changes are made to the Form I-9 requirements, the HireRight solution is updated to reflect those changes.

» The HireRight I-9 solution supports multiple workflows, meaning you can customize the process to suit your business needs.

HireRight Features

One of the biggest challenges for employers with the Form I-9 process is completing the form correctly and completely. This is one of the real selling points of an electronic solution. Here are a few examples of how HireRight’s electronic solution helps to facilitate I-9 accuracy.

» Self-identification of Citizenship or Immigration Status – One of the potentially confusing items on the I-9 is the employee self-identification of citizenship or immigration status. Often employees accidently check multiple boxes. HireRight’s electronic solution only permits one status to be marked.

» Dates – HireRight’s electronic solution helps to verify that the current date and an employee’s birth date are reflected in the proper fields, another common error. The system also has an automatic prompt for submissions outside of the “three day rule”.

» **Completeness** – HireRight’s electronic I-9 solution tracks all the fields that need completion on the Form I-9. If the employee or employer sections are incomplete, the system will indicate where the omission exists.

» **E-Verify** – HireRight’s electronic I-9 solution provides a robust verification with the E-Verify database, providing that extra level of confidence as well as eliminating a second step.

» **Email alerts** – Instead of reviewing binders of I-9s for documentation expiration dates, the HireRight electronic I-9 solution will automatically send email notification that a supporting document is getting ready to expire.

» **Smart delete** – The HireRight solution allows employers to indicate a date of employment termination. The HireRight solution will then purge the form when it is legally able to.

» **Kiosks and self-service** – For multi-location employers, the HireRight electronic I-9 solution can be made available to both employees and managers for completion. This one-time access saves time and keeps documents secure.

» **Customized workflows** – Organizations with multiple locations often have different processes for completing paperwork to accommodate the operation. The HireRight solution supports different workflow configurations.

HireRight’s electronic I-9 solution provides more than just an online mechanism to fill out and store a form. While those pieces are important for proper compliance, the additional verifications, email alerts and records retention notifications offer a complete process that many employers simply do not have the time to do manually.

**Handling Internal and External Audits**

The possibility of a Form I-9 audit always weighs on an employer’s mind. In 2012, the Department of Homeland Security served employers with more than 3,000 notices of inspection (NOI) to audit employee authorization records. This activity resulted in nearly $12.5 million in fines and 240 criminal arrests of business owners, managers, and human resources representatives.6

Regardless of whether an organization uses a paper or paperless I-9 system, it’s a best practice to have a regular schedule of internal reviews to ensure proper I-9 compliance. Recommended activities include:

» Human resources departments conducting self-audits

» Company legal counsel doing periodic I-9 audits

Should an organization receive a Notice of Inspection, they need to be prepared to produce Form I-9s within three days. Having an electronic I-9 solution makes preparing for an audit much easier. HireRight provides support to their clients during an external audit. Daniel Doss, HireRight’s I-9/E-Verify solutions engineer, says the partnership is important. “HireRight assists clients through entire I-9 process – implementation, maintenance support, and even when an audit occurs.”

During an I-9 audit, the HireRight system allows companies to grant temporary access to external auditors so they can complete their work effectively and efficiently, with minimal disruption to the business.

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A Day in the Life: Using the HireRight Paperless I-9 Solution

Technology that provides helpful features, facilitates compliance, and saves money is important. But it really comes down to practical application.

“How is this technology going to fit into my workday? Show me how it will make my life easier.”

The HireRight I-9 solution works with most applicant tracking system (ATS) and onboarding solutions. Next time you extend a job offer, the Form I-9 can be sent with the rest of an employee’s new hire paperwork.

1. The newly hired employee will complete their sections of Form I-9 online.

2. Once the employee has completed Section 1 of the Form I-9, the company representative will view the supporting documentation and complete the employer portion of the Form I-9 Copies of the supporting documentation can also be uploaded.

3. The completed Form I-9 is submitted. If desired, the information is also submitted to E-Verify for verification.

4. Human resources can run reports at any time to monitor the completion status of their Form I-9s. And email alerts will be sent notifying HR when to re-verify an employee’s supporting documentation. Also HR will be notified when Form I-9s can be deleted from the system.

Summary

Companies are realizing that the way to maximize productivity and efficiency is to take advantage of what technology brings to the process. There are certainly things that technology can’t replace, such as meeting a new employee on their first day with the company. But there are plenty of activities, like completing forms, that are ideally-suited for automation. Electronic I-9 solutions provide a positive user experience, consistency and compliance.
Paperless I-9 Implementation Checklist
When implementing a paperless I-9 solution, the following items should be considered:

☐ Discuss the use of E-Verify for your business
☐ Designate a Form I-9 point person to answer everyday questions
☐ Designate a contact person for the event of a government audit
☐ Review existing Form I-9 process and make updates as appropriate
☐ Develop a consistent policy including how to handle corrections
☐ Determine the best time for new hires to complete Form I-9 paperwork
☐ Decide the best method for new hires to complete the form I-9 (i.e. email with link, kiosk, etc.)
☐ Train managers on proper use of the electronic I-9 solution
☐ Educate employees and managers on valid forms of documentation
☐ Create a system for reminders to re-verify documentation
☐ Establish an internal self-audit schedule
☐ Calculate retention dates and set system reminders
About Sharlyn Lauby, SPHR, CPLP

Sharlyn Lauby is author of the HR Bartender blog and president of ITM Group Inc., a South Florida based training and human resources consulting firm. Her company focuses on providing solutions to engage and retain employee talent so their clients can innovate and create shareholder value.

Prior to starting ITM Group, Sharlyn was vice president of human resources one of the world’s largest organizational consulting firms. She has designed and implemented highly successful programs for employee retention, internal and external customer satisfaction, and leadership development.

To learn more Sharlyn and ITM Group, please visit her website (www.itmgroupinc.com) or her blog (www.hrbartender.com). You can also contact her via phone (954.659.2237) or email (focus@itmgroupinc.com).

About HireRight

Employers need more than just data to successfully operate an employment screening program. As one of the world’s largest screening providers focused 100 percent on employment screening, we’re specialists at helping organizations of all sizes efficiently implement, manage, and control employment screening programs. We pride ourselves on understanding the complex screening needs of today’s global employers and strive to provide easy-to-use, streamlined solutions that help organizations work smarter.

In fact, many of the world’s most forward-thinking and successful companies trust HireRight to deliver effective, customer-focused solutions that provide increased efficiency and faster turnaround. HireRight also partners with the industry’s top e-recruiting solution providers, such as Oracle, Taleo, Kenexa, SAP, ADP/VirtualEdge, PeopleAdmin, HealthcareSource, HRsmart and SilkRoad, to co-develop unique, pre-built, pre-integrated employment screening solutions that allow organizations to leverage their recruiting solution investment for background screening.

With worldwide headquarters located in Irvine, California, plus offices and affiliates around the globe, HireRight reaches 240 plus countries and territories with more than 150 unique service offerings.

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