
House Bill 4

Date: February 8, 2022
Committee: Economic Matters Committee
Bill Title: Unemployment Insurance - Recovery of Benefits - Refund of Payments
Re: Letter of Information

House Bill 4 proposes new requirements on the Division of Unemployment Insurance (DUI) concerning the investigation of unemployment insurance (UI) claims when DUI recovers UI benefits in excess of the amount included in the overpayment notice provided to a claimant. It would also require DUI to submit monthly reports to the General Assembly concerning the investigations of claims mentioned above.

New Federal Programs created during the Pandemic have created challenges for state UI programs across the country as it relates to overpayments. In the beginning of the pandemic, US Department of Labor's (USDOL) official guidance to state UI offices was to **not** verify claimant income assertions with official documentation. This guidance lasted until January of 2021 when USDOL then directed state UI offices to begin verifying proof of employment with official documentation.

During this extended period of self-attestation, many claimants provided DUI with inaccurate income assertions, leading to a scenario where claimants received more UI benefits than their actual income level would allow. DUI estimates that roughly 90% of the overpayment notices they sent out are due to those claimants having provided the department with inaccurate income information during the timeframe when the federal government was allowing people to report their income **without** any verification.

This issue of overpayments is so widespread across the country that the professional, non-partisan organization representing state UI offices (NASWA) has recently asked the U.S. Congress to step-in and address the issue.

DUI estimates it would be able to implement HB0004 within existing resources and would not need to employ additional staff in order to comply with the new requirements imposed by the bill. The Benefit Payment Control Unit (BPC) currently conducts investigations concerning the overpayment of UI benefits to claimants and any disputes arising thereof. BPC has been and will continue to conduct investigations. However, BPC will need to ensure that staff are complying with the new deadlines for completing investigations and issuing any refunds, if applicable. BPC will also need to allocate time and resources in order to prepare the reports due to the General Assembly on a monthly basis as required by the bill.

The Department respectfully requests that the Committee consider this information.

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