



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**STATEWIDE
ADVOCACY SUPPORT UNIT**

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February 8, 2022

The Honorable C.T. Wilson
Chair, House Economic Matters Committee
Lowe House Office Building, Room 231
6 Bladen Street
Annapolis, MD 21401

Re: Support for House Bill 004: Unemployment Insurance – Recovery of Benefits – Refund of Payments

Dear Chair and Members of the Committee:

Thank you for the opportunity to support HB 004, which will allow an unemployment insurance claimant to be refunded benefit money recouped during the overpayment process. These funds were recouped by the Maryland Department of Labor (Department) for alleged ineligibility, but have been determined to exceed the amount owed in the agency notice of overpayment.

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including seniors and veterans. MLA handles civil legal cases involving a wide range of issues, including government benefits, housing, family law, consumer law (e.g., bankruptcy and debt collection), health law and criminal record expungements to remove barriers to obtaining employment. Cornelia Bright Gordon, Esq. will testify on behalf of MLA at the request of Delegate Courtney Watson.

Per the Maryland General Assembly "economic insecurity due to unemployment is a serious menace to the health, morals and welfare of the people" of Maryland.¹ Unemployment Insurance benefits are intended to be used to benefit individuals that become unemployed due to no fault of their own.² During the initial period of the Covid-19 pandemic, more than 730,000 Marylanders filed unemployment claims.³ MLA has assisted thousands of clients seeking assistance with unemployment benefits.

¹ Md. Ann. Code § 8-102(b)(1).

² Id. at subsection (c).

³ https://www.washingtonpost.com/local/md-politics/maryland-unemployment-hogan-ending/2021/06/01/295e8260-c31c-11eb-8c18-fd53a628b992_story.html

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After issuance of benefits, the Department may determine that a claimant was overpaid; Maryland law provides a process for recovery by the Department.⁴ The recovery process includes a Departmental assessment, notice (with the opportunity to appeal), collection, interest and penalties.

HB 004 corrects a material omission in the overpayment statute, by allowing a claimant to contest and be refunded the amount of benefits recovered that exceeds the sum stated in the Departmental notice. It also requires the Department to submit a monthly report noting claims investigated under the overpayment recovery statute. The bill provides a process for claimants to note objection and clarifies the obligations of the Department in the event an error in overpayment assessment has been made. When an error is asserted by a claimant, the Department would be required to investigate and refund any amount that exceeded the original notice. HB 004 establishes an equitable process and an opportunity for compensation and parity for the claimant that is not unduly burdensome to the Department.

MLA supports HB 004, and urges the Committee to issue a favorable report.

Sincerely,

/s/ Cornelia Bright Gordon
Director of Advocacy for Administrative Law
Maryland Legal Aid

⁴ Md. Ann. Code § 8-809.