

**HB0004\_Sponsor\_Delegate C Watson\_FAV.docx (2).pdf**

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Position: FAV

COURTNEY WATSON  
Legislative District 9B  
Howard County

Economic Matters Committee

*Subcommittees*

Banking, Consumer Protection,  
and Commercial Law

Property and Casualty Insurance

Vice Chair, Democratic Caucus



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THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

March 23, 2022

HB-4 Unemployment Insurance – Recovery of Benefits – Refund of Payments

**SPONSOR:** Delegate Courtney Watson

**POSITION:** Favorable

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Good afternoon Chairman Kelley, Vice Chairman Feldman, and members of the committee. Thank you for allowing me to present House Bill 4. This bill passed out of the Economic Matters Committee by a vote of 19-3, and passed the House of Delegates on March 4 with a vote of 125-0.

Like you and your staff, my office has handled hundreds of constituent inquiries about unemployment benefits since April 2020 and continues to do so today. This bill originates from a constituent matter which was one of the most challenging and frustrating we helped resolve.

To summarize, the Labor Department extracted \$3,440 in a duplicate overpayment from our constituent, Veronica Christensen, starting in November 2020. After months of inquiry and inaction, she brought the matter to my attention on August 19, 2021. Further inaction, ineffective communication methods, and lack of coordination among Labor Department Units combined to cause extremely poor constituent service. On September 28, 2021, the department finally approved the repayment to Ms. Christensen. As to when she could expect to receive her refund, she was provided the following response from the Benefits Control Unit staff:

“ I apologize for the delay and I understand your frustration with the situation. As I previously explained, the \$3,440 refund was approved on September 28th. Due to our conversion to Wells Fargo Bank, the automation of our refund process has taken longer than we expected. We are working on issuing all refunds as fast as possible. I have inquired about the status of your refund and was told that there is a backlog. We hope to have the backlog cleared within 3-4 weeks.”

On November 10, 2021, a check was mailed to a grateful Ms. Christensen exactly one year after the overpayment occurred. I must applaud her for her incredible patience as she waited for her

long overdue refund from the Labor Department.

As a legislator, I found this situation unacceptable. HB-4 establishes a process that the Secretary of Labor must follow when the Department is notified by the claimant that an overpayment by the claimant has occurred.

Following the recovery of benefits from a claimant, if the claimant notifies the Secretary that the actual amount recovered exceeded the amount stated in the recovery notice, the Secretary must (1) investigate the claim within 30 days after receiving notice from the claimant and (2) within 14 days after completing the investigation, refund the claimant any difference between the amount stated in the recovery notice and the amount actually recovered.

It's impossible to know how many other constituents find themselves in this same situation, presumably when they are financially vulnerable. How many are still out there? I'd like to know and perhaps you would, too.

Therefore, the bill contains a requirement that the Labor Department submit a monthly report to the General Assembly that includes the total number of such disputed claims being investigated, the status of each investigation, the amount of funds in dispute, the legislative district of each claimant who has sent notice of a discrepancy, and the date any contested funds were returned.

Thank you for your consideration of this bill. I am happy to answer any questions.

A handwritten signature in cursive script that reads "Courtney Watson".

Delegate Courtney Watson  
Howard County District 9B

# **HB 4 Unemployment Insurance – Recovery of Benefits**

Uploaded by: Robin McKinney

Position: FAV



## **HB 4- Unemployment Insurance – Recovery of Benefits – Refund of Payments**

**Senate Finance Committee**

**March 23, 2022**

**SUPPORT**

Chair Kelley, Vice-Chair and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 4. This bill will require the Secretary of Labor to investigate claims that the Secretary recovered unemployment insurance benefits in excess and provide a refund to the claimant.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

For three-years, the COVID-19 pandemic has put a huge financial burden on many Marylanders. Social safety nets such as Unemployment Insurance (UI) are put in place to provide individuals with the ability to survive. Unfortunately, Maryland's UI program has failed in its core mission of providing a critical but temporary safety net for people out of work.

**Maryland's Department of Labor (DOL) is recovering benefits in excess and is not allowing a claimant to appeal the redetermination.** DOL is issuing overpayment notices and collecting an incorrect amount from the claimant. This is causing them to lose their crucial benefits. BEACON being the designated forum for appeals, has proven to be inadequate due to the lack of instruction on how to go about the appeal process. Claimants who receive overpayment notices must appeal through BEACON; however, the portal does not allow for this. Also, notices do not contain the reason why the claimant owes an overpayment or clear language on how to appeal.

Individuals have shared stories of owing thousands of dollars or not receiving payments at all. When people are living paycheck to paycheck, they do not have the ability to pay thousands of dollars whenever requested or miss out on anticipated payments.

UI is a basic and essential safety net for workers who are temporarily unemployed through no fault of their own. It must function properly, particularly during a pandemic. Unfortunately, Maryland's system has not. Improper communication avenues create additional setbacks like owing money that does not exist or not receiving money, which in turn can cause barriers in other aspects of life, such as housing and nutrition. These aspects are essential for surviving not just day to day life, but life in a pandemic.

HB 4 addresses these concerns by requiring the DOL to investigate claims that the incorrect amount was recovered and refund the claimant the difference.

**Thus, we encourage a favorable report on HB 4.**

*Creating Assets, Savings and Hope*