



Joint Committee on Ways and Means  
Subcommittee on Transportation and Economic  
Development

SB 191 and SB 192

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# Conformity with Federal Law

If Oregon stays consistent with federal law, it receives:

- \* Funds to administer the unemployment insurance program – \$109 million in 2013-15
- \* Credit for Oregon employers against their Federal Unemployment Tax Act (FUTA) obligation - \$1 billion in 2013-15

The Trade Adjustment Assistance Extension Act of 2011 and the Middle Class Tax Relief and Job Creation Act of 2012 modified federal unemployment insurance law

# SB 191 – changes required by federal law

Existing 15% fraud penalty redirected from Special Fraud Control Fund to UI Trust Fund

- \* \$876,000 per biennium reduction to the Special Fraud Control Fund
- \* Increase of same amount to the UI Trust Fund
- \* \$375,000 and 2.5 FTE to implement the changes
- \* \$100,000 and .5 FTE in 2013-15 for ongoing operation of changes

# SB 191 – changes not required by federal law

Permit Department to impose additional 15% fraud penalty

- \* Help deter repeat and egregious fraud
- \* \$400,000 per biennium increase to Special Fraud Control Fund

Expands period for offsetting overpayments not caused by the claimant from one year to five years

- \* These overpayments are collectable only by offset from other unemployment benefits the person would receive
- \* Collections are waived if it creates a hardship – SB 725 (2011)
- \* \$340,000 per biennium increased revenue to UI Trust Fund

\$310,000 and 1.78 to implement changes

\$85,000 and .5 to for ongoing operation

# SB 192 – Employer Charges

Employer tax accounts are charged even if overpayments are recovered if:

- \* The employer failed to timely or adequately respond to the Employment Department's request for information;
- \* This caused the overpayment; and
- \* The employer has a pattern of failing to respond timely and adequately.

Employment Department will engage in public rulemaking to define a pattern

# SB 192 – Work Share Program

## Program changes:

- \* Seasonal, temporary and intermittent employees cannot participate
- \* Employer must document its plan
- \* Employer must maintain existing health and retirement benefits for employees receiving work share benefits
- \* Benefits may be paid to employees receiving approved training
- \* Employer accounts are not charged when benefits are federally funded

Oregon can receive federal reimbursement of work share benefits paid

Makes Oregon eligible to apply for \$1.2 million federal grant to improve the program, educate the public and enroll employers

# SB 192 – Self Employment Assistance

Permits Self Employment Assistance benefits to be paid to people receiving Extended Benefits

Makes Oregon eligible to apply for federal grant of \$470,000 to improve the program and educate the public

# SB 192

## Implementation and Impact

- \* 2.5 FTE - limited duration
- \* 150 hours of IT resources
- \* Total administrative implementation costs: \$550,000 in 2013-15; \$180,000 in 2015-17
  
- \* Expenditures reduced from UI Trust Fund and increased in federal funds by \$12.5 million in 2013-15 and \$1.6 million in 2015-17 (federally funded work share benefits)
- \* Oregon eligible to apply for additional \$1.7 million in federal grants