

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

Senate Committee on Workforce

**REVENUE: No revenue impact****FISCAL: Fiscal statement issued****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Matthew Germer, Administrator**Meeting Dates:** 2/4

**WHAT THE MEASURE DOES:** Clarifies that an individual who was overpaid unemployment insurance benefits, through no fault of their own, is liable to have the balance deducted from future benefits paid by another state. Increases from three to five years the period before which Employment Department Director may consider unrecoverable any benefits overpaid to an individual because of false statement, misrepresentation or nondisclosure of fact. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Importance of conformity with federal law
- Magnitude of financial impact
- Mechanics of current and proposed interstate payments
- Conformity with other UI time periods

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Oregon Unemployment Insurance (UI) program provides partial wage replacement for workers who are unemployed through no fault of their own. Claimants of UI benefits who are erroneously overpaid through no fault of their own are liable to repay the Oregon Employment Department (OED) for the balance through a deduction from any benefits they receive in the following five years. If a recipient of overpayments moves to another state without paying the outstanding UI balance, it is current practice for the OED to enter into an agreement with the individual's new state of residence to recover the sum. The resulting agreement, known as an Interstate Reciprocal Overpayment Recovery Arrangement, permits the new state of residence to withhold unemployment insurance benefits otherwise payable to an individual in order to resolve the Oregon UI debt. Senate Bill 243 explicitly authorizes this practice in statute.

Additionally, under current Oregon law, OED can recover overpayments within three years for those overpayments that were caused by claimants and within five years for overpayments not caused by claimants. Senate Bill 243 increases the period of time OED can recover overpayments caused by claimants from three years to five years.

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***This summary has not been adopted or officially endorsed by action of the committee.***

Committee Services Form – 2015 Regular Session