

PRELIMINARY STAFF MEASURE SUMMARY**Joint Committee On Ways and Means****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:****Action:****Meeting Dates:****Prepared By:** Michelle Deister, Budget Analyst**WHAT THE MEASURE DOES:**

SB 243 authorizes OED to request to offset unemployment insurance (UI) benefits otherwise payable to an individual when an overpayment of UI benefits remains outstanding; this includes situations where the claimant is not at fault for causing the overpayment, and allows the offset to come from future benefits paid by another state. The bill also increases the period of time that OED can request payment of UI benefit overpayments, from three years to five years, in situations where the overpayment is caused by the claimant. The bill declares an emergency and is effective on passage.

SB 243 Introduced, is anticipated in the Governor's Budget for the Oregon Employment Department (OED) in Policy Option Package (POP) 114.

ISSUES DISCUSSED:

The Senate Committee on Workforce discussed the following:

- Importance of conformity with federal law
- Magnitude of fiscal impact
- Mechanics of current and proposed interstate payments
- Conformity with other UI benefit recovery 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 UI 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 UI 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 if those overpayments 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.