

HB 2609 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 3/22, 3/31

WHAT THE MEASURE DOES:

Provides that individual who was overpaid unemployment insurance benefits through no fault of their own is liable to repay the benefits in addition to being liable to having the amount deducted from future benefits.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Replaces the measure. Provides that individual who was overpaid unemployment insurance benefits through no fault of their own is liable to repay the benefits within five years in addition to being liable to having the amount deducted from future benefits. Allows Director of Employment Department to waive all or any part of overpaid benefits if the Director finds that recover would be against equity and good conscience; however, Director may not waive overpaid benefits when recipient fraudulently obtained benefits. Allows Director to deduct all or any portion of individual's future weekly benefit to recover overpaid benefits. Applies to benefits determined on or after the effective date to have been overpaid. Declares emergency, effective on passage.

BACKGROUND:

Under current law, a person who receives unemployment insurance benefits that they were not eligible to receive through no fault of their own is liable to have the amount deducted from benefits they receive over the next five years and may have a civil action brought against them for recovery by the Director of the Employment Department. The deduction can result in the unemployed individual receiving no weekly benefits until the full amount is recovered. The Director may waive recovery of overpaid benefits when the recipient is not at fault and the Director finds it would be against equity and good conscience to recover the amount. The Director interprets the statute as providing discretion to waive either all or none of the overpaid benefits. After five years, any overpaid benefits that are not waived, paid, or deducted from benefits are canceled and the individual is no longer liable.

An individual who received benefits due to an unintentional misrepresentation of facts or false statement is liable to repay or have deducted from future benefits the amount overpaid plus interest. The Director may not waive the recovery. After five years, if the outstanding amount is not more than the maximum weekly benefit amount (currently \$673), the Director may cancel the overpayment.

An individual who fraudulently obtained benefits is liable to repay or have deducted from future benefits the amount overpaid plus interest and penalties. The Director may not waive the recovery. After five years, if the outstanding amount is not more than the maximum weekly benefit amount (currently \$673), the Director may cancel the overpayment. Such an individual is also disqualified from receiving benefits for a period of up to 52 weeks.