

1 **TWC Legislative Proposals to the 87th Texas Legislature, Regular Session**

1 **Commissioner Alvarez**

1 **LEGISLATIVE RECOMMENDATION**

2 **Allowing Additional Evidence in Domestic Violence Case**

3
4 **Program Affected:**

5 Unemployment Insurance

6 **Title:**

7 Allowing Additional Evidence to Qualify for the Domestic Violence Exception under
8 Section 207.046 of the Texas Unemployment Compensation Act.

9 **Recommendation:**

10 Include a fifth type of evidence Section 207.046(a)(2)(E) of the Texas
11 Unemployment Compensation Act (TUCA). Recommended new language is
12 underlined.

13
14 (a) An individual is not disqualified for benefits under this subchapter if:

15
16 (1) the work-related reason for the individual's separation from employment was
17 urgent, compelling, and necessary to make the separation involuntary;

18
19 (2) the individual leaves the workplace to protect the individual from family
20 violence or stalking or the individual or a member of the individual's immediate
21 family from violence related to a sexual assault as evidenced by:

22
23 (A) an active or recently issued protective order documenting sexual assault of the
24 individual or a member of the individual's immediate family or family violence
25 against, or the stalking of, the individual or the potential for family violence against,
26 or the stalking of, the individual;

27
28 (B) a police record documenting sexual assault of the individual or a member of
29 the individual's immediate family or family violence against, or the stalking of, the
30 individual;

31 (C) a physician's statement or other medical documentation that describes the
32 sexual assault of the individual or a member of the individual's immediate family or
33 family violence against the individual that:

1 (i) is recorded in any form or medium that identifies the individual or member of
2 the individual's immediate family, as applicable, as the patient; and

3

4 (ii) relates to the history, diagnosis, treatment, or prognosis of the patient; or

5

6 (D) written documentation from a family violence center or rape crisis center that
7 describes the sexual assault of the individual or a member of the individual's
8 immediate family or family violence against the individual; or

9

10 (E) the individual's testimony and corroborating testimony or evidence that
11 establishes that a claimant was the victim of family violence or stalking.

12

13 Section 204.022 Exclusions to chargeback would also need to be amended to mirror
14 the changes to Section 207.046 of TUCA.

15

16 (11) resulted from the employee leaving the employee's workplace to protect the
17 employee from family violence or stalking or the employee or a member of the
18 employee's immediate family from violence related to a sexual assault as evidenced
19 by:

20

21 (A) an active or recently issued protective order documenting sexual assault of the
22 employee or a member of the employee's immediate family or family violence
23 against, or the stalking of, the employee or the potential for family violence
24 against, or the stalking of, the employee;

25 (B) a police record documenting sexual assault of the employee or a member of
26 the employee's immediate family or family violence against, or the stalking of, the
27 employee;

28 (C) a physician's statement or other medical documentation that describes the
29 sexual assault of the employee or a member of the employee's immediate family or
30 family violence against the employee that:

31

32 (i) is recorded in any form or medium that identifies the employee or member of
33 the employee's immediate family, as applicable, as the patient; and

34

35 (ii) relates to the history, diagnosis, treatment, or prognosis of the patient; or

1
2 (D) written documentation from a family violence center or rape crisis center that
3 describes the sexual assault of the employee or a member of the employee's
4 immediate family or family violence against the employee; or

5
6 (E) the employee's testimony and corroborating testimony or evidence that
7 establishes that a claimant was the victim of family violence or stalking.

8
9 **Rationale:**

10 The evidence described under Section 207.046(a)(2) of TUCA is far too restrictive.
11 Many domestic violence victims do not obtain any of the four types of evidence
12 described by the statute. It is not uncommon to hear domestic violence victims
13 state that they did not contact the police or seek restraining orders because they
14 had been advised that could escalate the violence. With 4.3 million Texans
15 uninsured, it is not always possible for a domestic violence victim to obtain medical
16 attention. Even if a domestic violence victim is able to obtain emergency medical
17 care, she cannot necessarily acquire medical documentation with the level of detail
18 described in the statute. Finally, shelters may be easily accessible in some parts of
19 the state, particularly urban areas, but these types of services are not as accessible
20 in rural areas.

21
22 At present, a claimant's spouse could assault her at work, but the testimony of
23 coworkers or a supervisor to such an assault would not qualify the claimant under
24 the current Section 207.046(a)(2) of the Act. Video footage of a claimant being
25 assaulted would not be sufficient under the current statute. A claimant's testimony
26 corroborated by either other testimony or evidence should be sufficient to establish
27 that a claimant is victim of domestic violence such that section 207.046(a) can be
28 applied.

29
30 **UI Analysis**

31 The current law addressing individuals who leave the workplace to protect
32 themselves from family violence or stalking, or who leave the workplace to protect
33 themselves or a member of their immediate family from violence related to a sexual
34 assault was enacted and made effective, in its current form, on September 1, 2013.
35 The recommendation, if enacted, expands the applicability of TUCA §§ 204.022 and
36 207.046 to scenarios in which a claimant may not be able to provide the
37 documentation required by the law as currently written.

1 In order to more closely align with the existing language of TUCA §§ 204.022 and
2 207.046, UI Staff suggests the following language changes to the proposal:

3 TUCA § 207.046

4 (E) the individual’s testimony and corroborating testimony or evidence that
5 establishes that the individual was the victim of family violence or stalking.

6 UI Staff suggests the above wording because TUCA § 207.046(a) utilizes the word
7 “individual” to identify the claimant, and the suggestion is offered to change
8 “claimant” to “individual.”

9
10 TUCA § 204.022

11 (E) the employee’s testimony and corroborating testimony or evidence that
12 establishes that the employee was the victim of family violence or stalking.

13 UI Staff suggests the above wording because TUCA § 204.022(a)(11) utilizes the
14 word “employee” to identify the claimant, and the suggestion is offered to change
15 “claimant” to “employee.”

16

17 **Conformity**

18

19 UI Staff requested an internal conformity review from OGC. That review was
20 completed, and no conformity issues were raised.

21 **Administrative Impact**

22

23 UI Staff anticipates minimal administrative impact, with any impact being limited to
24 updating training materials and training staff.

25

26 **Fiscal Impact**

27

28 Trust fund:

29 Because the recommendation expands the current law by adding an alternative
30 method to qualify, UI Staff reviewed and identified 207 claims that were denied
31 under the current law during 2019, with the hypothesis being that these denied
32 claims would have been approved had the recommended legislation been in place.
33 By applying an AWW of \$350 and the current average duration of benefit weeks
34 paid as 16, UI Staff estimates a yearly trust fund impact of \$1,159,200.

35

36 IT and Operations:

37 UI Staff anticipates minimal IT and operational costs, as current programming may
38 be utilized for the recommended legislation; however, small changes may be
39 needed to existing forms to account for the recommended legislation.

40

41 **Contact:**

42 Commissioner Julian Alvarez

1 **LEGISLATIVE RECOMMENDATION**

2 **Non-Disqualification for Claimants Called to State and Federal Military**
3 **Services**

4
5 **Program Affected:**

6 Unemployment Insurance

7
8 **Title:**

9 Non-Disqualification for Claimants Called to State and Federal Military Services

10
11 **Recommendation:**

12 Modify Section 207.046 of the Texas Unemployment Compensation Act (TUCA) to
13 add being called to duty in Federal Uniformed Services or to duty with the state
14 military force as a non-disqualifying job separation. An exclusion to chargebacks
15 should be added to Section 207.022 of TUCA to mirror the changes to Section
16 207.046 of TUCA. Recommended new language is underlined.

17
18 Sec. 207.046. Involuntary Separation

19 (a) An individual is not disqualified for benefits under this subchapter if:

20 (3) the individual's separation from employment was caused by the individual being
21 called to provide service in the uniformed services as defined by 38 U.S.C. Section
22 4303(13) and (16) or called to provide service in the state military force as defined
23 Section 437.001(14) of the Government Code.

24
25 Sec. 204.022. EXCLUSIONS FROM CHARGEBACKS

26
27 (a) Benefits computed on benefit wage credits of an employee or former employee
28 may not be charged to the account of an employer if the employee's last separation
29 from the employer's employment before the employee's benefit year:

30 (17) was caused by the individual being called to provide service in the uniformed
31 services as defined by 38 U.S.C. Section 4303(13) and (16) or called to provide
32 service in the state military force as defined Section 437.001(14) of the
33 Government Code, unless the employer has been found to be in violation of
34 reemployment provisions of the Uniformed Services Employment and

1 [Reemployment Rights Act or the reemployment provisions found in Section 437.204](#)
2 [of the Government Code.](#)

3
4 **Rationale:**

5 The Uniformed Services Employment and Reemployment Rights Act and state law
6 provide job protections to state and federal service members called to duty.
7 Nevertheless, jobs are not always available to the service members when they
8 return from service. The service member might need access to unemployment
9 benefits while asserting rights under law, or the job that the claimant left may have
10 been temporary or seasonal and not be available upon return.

11
12 A couple of recent cases have made the need for this legislation apparent. In a
13 recent case, a claimant was working at an air conditioning company and was called
14 to serve in the National Guard. Because air conditioning is a seasonal business, no
15 work was available to the claimant when he returned. The job separation was
16 adjudicated as voluntary quit because the claimant left when work was still
17 available with the employer. The separation from military service may not in some
18 cases be used as the last work on the initial claim because there are requirements
19 that service be for a specific length of time to qualify.

20
21 In a different case, a claimant was partially unemployed and filing for benefits at
22 the time he was called to active service. Because the claimant was actively filing,
23 his case was processed as a continued claim. Continued claims are attached to the
24 week the separation occurred and effective the Sunday of that week, which means
25 they are essentially backdated to before the actual date of separation. The claimant
26 was disqualified because he left for National Guard service and was assessed an
27 overpayment during the week that he filed even though he promptly started service
28 and stopped filing claims.

29
30 **UI Review:**

31 Although current provisions of TUCA provide UI eligibility to military personnel, the
32 recommended legislation could provide clarity to those claimants called to active
33 duty in the National Guard but whose active status ends before 180 days. Such
34 personnel would not be eligible for a Unemployment Compensation for Ex-
35 Servicemembers claim, and their claim under regular UI could be disqualified if the
36 facts of the case were considered consistently with the recent case examples
37 provided above. While TUCA Section 207.045(f) does provide that military
38 personnel who do not reenlist have not left voluntarily without good cause

1 connected with the work, a claimant whose active status in the National Guard ends
2 is not a precise fit within this law, although that law could be considered to apply in
3 these situations. Similarly, TUCA Section 204.022(a)(1) and (2) could be
4 considered to apply chargeback protection to an employer, but it is not a precise fit.
5 Modifying TUCA Section 207.046 and Section 204.022 in the manner proposed by
6 the recommended legislation could provide clarity.

7

8 **Federal Conformity Review:**

9 OGC staff conducted an informal conformity review at this stage and identified no
10 conformity issues with this legislative recommendation.

11 **Trust Fund Impact:**

12 Because of the small number of potentially impacted claimants and employers that
13 would be affected by the legislative recommendation and the potential coverage
14 under existing law, staff projects a negligible trust fund impact.

15

16 **Administrative Cost:**

17 Any administrative costs would be negligible. Staff identified that only training
18 would be needed to implement the recommended legislation, and it could be
19 absorbed by existing resources.

20

21 **Technology Cost:**

22 Any technology costs would be negligible because staff has determined that no
23 programming is necessary to implement the recommended legislation.

24

25 **Contact:**

26 Commissioner Julian Alvarez

1 **Commissioner Demerson**

1 **LEGISLATIVE RECOMMENDATION**
2 **CLARIFICATION OF TEXAS PAYDAY LAW DEDUCTION PROVISIONS**
3
4

5 **Program Affected:**

6 Labor Law
7

8 **Title:**

9 Clarification of Texas Payday Law Deduction Provisions
10

11 **Recommendation:**

12 Texas law defining which deductions are legal from an employee's wages should be
13 amended to clarify two particular items:
14

- 15 1) that a deduction that is legal under U.S. Department of Labor (DOL)
16 guidelines or Texas or federal court decisions is one that is authorized by law
17 under Chapter 61 of the Texas Labor Code; and
- 18 2) that "authorized to make under state or federal law" means "required or
19 explicitly authorized" under a Texas or federal law, as defined in the
20 amended definition of "state or federal law."

21 **Rationale:**

22 Under Labor Code Section 61.018, there are three categories of legal deductions
23 from wages:

- 24 (1) deductions ordered by a court;
- 25 (2) deductions authorized by a state or federal law; and
- 26 (3) deductions made for a lawful purpose and authorized by the employee in
27 writing.

28 Commission Rule 821.28 provides that "[s]tate or federal law includes statutes and
29 codes enacted by Congress or the Texas Legislature, rules promulgated by a Texas
30 or federal agency, and regulations promulgated by a Texas or federal agency."
31 There are several types of deductions allowed under US DOL guidelines and court
32 decisions that are not in the form of statutes or regulations. Rather, they are found
33 in DOL administrative opinion letters, DOL's Field Operations Handbook, and
34 decisions of federal courts regarding the FLSA. The first part of this proposal would
35 add a definition to Section 61.001 to clarify that the term "state or federal law"
36 includes any regulations, rules, administrative interpretations, or formal opinions of
37 the US Department of Labor, the Commission, and decisions of courts of competent
38 jurisdiction regarding relevant provisions of Texas and federal wage and hour laws.
39

40 Labor law staff would not be expected to research relevant case law for deductions,
41 rather they would be presented by the employer for consideration. The Office of
42 General Counsel could provide assistance with any legal interpretation issues on a
43 case by case basis. As it applies to deductions authorized by the Commission, state

1 law deductions would be limited to promulgated Commission rules and adopted
2 precedent decisions.
3 The second part of this proposal would amend Section 61.018(2) of the Labor Code.
4 The current wording is ambiguous, since as a practical matter, "authorized to do so
5 under state or federal law" has been interpreted as "required to make under the
6 law", but under TWC's enforcement policy, it also includes deductions that are
7 authorized under one specific DOL regulation dealing with deductions from an
8 exempt employee's salary, and deductions authorized by two specific Texas
9 statutes governing administrative fees for handling certain garnishments. However,
10 the same policy does not apply to other deductions specifically authorized under
11 DOL regulations, such as deductions for voluntary wage assignments and union
12 dues, to name just two.

13
14 The ambiguity also manifests itself in the fact that a deduction that the employer is
15 authorized to make under state or federal law is also one that is made for a lawful
16 purpose, and reasonable employers can have confusion over which legally-
17 authorized / lawful deductions need written authorization from employees, and
18 which do not. This ambiguity could be alleviated by a simple revision to the section
19 dealing with deductions authorized by state or federal law. Instead of the current
20 wording "is authorized to do so by state or federal law;", the new language could be
21 "is required or specifically authorized to do so by a state or federal law, as defined
22 in Section 61.001;".

23
24 This clarification would benefit both employers and employees by simplifying
25 compliance with the law, through incorporation of well-known federal standards into
26 the Texas statute, and will help ensure that all deductions from pay are legal.

27
28 **Fiscal Impact:**

29 There are no administrative and technology costs to implement this proposal.

30
31 This amendment expands the guidance TWC can utilize during a payday wage claim
32 investigation; it will not increase the number of wage claims received. Training
33 costs should be minimized as long as staff is not required to research judicial
34 opinions for deductions and potentially for Wage and Hour opinion letters. Staff
35 have experience with referencing the Fair Labor Standards Act and associated
36 regulations.

37
38 **RID Policy Analysis**

39 It is assumed legislative language would look similar if this proposal was again
40 advanced by the Commission:

41
42 Sec. 61.001. DEFINITIONS. In this chapter:

43 (6-a) "State or federal law" means:

44 (A) a state or federal statute;

45 (B) a state or federal rule or regulation;

1 (C) an opinion letter, ruling letter, administrator
2 interpretation, or field assistance bulletin issued by the Wage
3 and Hour Division of the U.S. Department of Labor; or

4 (D) a final decision or order of of:

5 (i) a Texas Court of Appeals;

6 (ii) the Texas Supreme Court;

7 (ii) the United States Court of Appeals for the Fifth
8 Circuit; or

9 (iv) the United States Supreme Court.

10 Sec. 61.018. DEDUCTION FROM WAGES.

11 (a) An employer may not withhold or divert any part of an employee's wages
12 unless the employer:

13 (1) is ordered to do so by a court of competent jurisdiction;

14 (2) is required or explicitly authorized to do so by state or federal law
15 at the time the withholding or diversion is made; or

16 (3) has written authorization from the employee to deduct part of the
17 wages for a lawful purpose.

18 (b) A withholding or diversion described in subsection (a)(2) shall not be
19 interpreted to include payments made under section 61.016(b) of this subtitle.

20 (c) The commission may adopt rules as necessary to administer this section.

21
22 Administrative rulemaking may be required based upon which federally allowed
23 deductions the Commission seeks to allow. Currently, Commission Rule 821.6(b)
24 provides, in relevant part:

25
26 *"In determining an employee's entitlement to federal minimum wage or overtime,*
27 *the Commission shall look to the Fair Labor Standards Act (FLSA) of 1938 as*

1 *amended, 29 U.S.C. 201 et seq., and the regulations promulgated by the United*
2 *States Department of Labor thereunder.”*

3
4 If the deductions allowed do not involve minimum wage, this rule would need to be
5 amended as it would either conflict with a revised statute or Commission intent,
6 depending on the deductions contemplated.

7
8 As administrative rulemaking may be required, and in the interest of providing a full
9 analysis for the Commission, we would also note that this legislative proposal seeks
10 to clarify existing statutory language. The Commission has broad rulemaking
11 authority under Texas Labor Code section 61.002(2) to implement the Texas
12 Payday Law. If determined appropriate, this could potentially be another avenue to
13 pursue these statutory clarifications if the Commission so desired. The extent to
14 which to which rulemaking could be utilized would need to be determined by the
15 Office of General Counsel.

16
17 **Contact Person:**

18
19 Commissioner Aaron Demerson

1 **LEGISLATIVE RECOMMENDATION**

2
3 **Improved Overpayment Recovery**

4
5 **Program Affected:**

6
7 Unemployment Insurance

8
9 **Title:**

10
11 Clarifications that enable improved overpayment recovery.

12
13 **Recommendation:**

14
15 Amend Texas law to reflect a new focus on overpayment recovery that does not
16 allow any exceptions to the recovery of overpayments. The law disfavors allowing
17 the retention of an undeserved windfall at the expense of others (in this case,
18 employers who must make up the loss to the UI trust fund in the form of higher
19 taxes).

20
21 Section 205.012 of the Labor Code should also be amended to provide TWC with
22 the authority either through an amendment in the statute or a rule to relieve a
23 reimbursing employer from reimbursement liability for a claim that was paid due to
24 Commission error.

25
26 **Rationale:**

27
28 Texas case law currently prohibits the Commission from collecting Unemployment
29 Insurance overpayments caused by Commission error. In *Martinez v. TEC*, 570
30 S.W. 2d 28 (Tex. Civ. App. - Corpus Christi 1978, no writ), the Court of Civil
31 Appeals held that where an overpayment was caused solely by a Commission error
32 (wage credits for another worker were included in the claimant's wage credit
33 calculations) the overpayment was not collectible under Section 214.002 of the
34 Texas Labor Code because there was no nondisclosure or misrepresentation by the
35 claimant or by another. Even though there was no nondisclosure or
36 misrepresentation by the claimant or another, the claimant receives benefits that
37 he or she is not entitled.

38
39 The current practice is fundamentally unfair because it allows some claimants to
40 keep undeserved benefits, while others with an equal or greater need for money do
41 not get to keep overpaid benefits due simply to the fact that TWC did not make a
42 mistake in their favor.

43
44 The current practice also hits reimbursing employers especially hard, since non-
45 profit reimbursing employers must reimburse the benefits paid out wrongfully, even
46 though an unbudgeted and undeserved charge like that severely impacts an
47 average non-profit entity that is usually strapped for funds, and reimbursing public
48 employers must reimburse such wrongfully-paid and wrongfully-retained benefits

1 out of scarce public money that will have to be recouped through higher taxes on
2 citizens.

3
4 Requiring claimants to repay money they should never have received in the first
5 place is not a financial injustice, since the overpayment effectively represents a no-
6 interest loan for an indefinite period of time, and no strenuous collection activities
7 are ever used to recover non-fraud overpayments.

8
9 Finally, overpayments that are not repaid by claimants must be replenished in the
10 state unemployment insurance trust fund by increased taxes on employers. That
11 exacerbates the already-considerable effect of employers having to replenish the
12 trust fund for benefits paid out that could not be charged back to individual
13 accounts.

14
15

16 **Fiscal Impact:**

17
18 N/A (potentially positive impact to UI Trust Fund)

19

20 **Contact:**

21 Commissioner Aaron Demerson

1 **LEGISLATIVE RECOMMENDATION**

2
3 **Fairness for Reimbursing Employers**

4
5 **Program Affected:**

6
7 Unemployment Insurance

8
9 **Title:**

10
11 Corrections to reimbursing employers unemployment insurance tax liability.

12
13 **Recommendation:**

14
15 Add a new subsection to clarify the meaning of "voluntarily leaving work without
16 good cause connected with the individual's work". That term should be defined as
17 "any reason for leaving that is unrelated to the individual's work, notwithstanding
18 any of the exceptions to disqualification enumerated in Sections 207.045 and
19 207.046."

20
21 Add a reimbursement liability exemption category pertaining to benefits paid out for
22 claims if there has been no separation from the reimbursing employer's
23 employment at the time the claim is filed.

24
25 Add a reimbursement liability exemption category pertaining to benefits paid out for
26 claims that were ultimately found to be void or disallowed due to the claimant not
27 being unemployed at the time of filing, or else fraudulently claiming benefits by
28 concealing earnings or employment in order to draw benefits.

29
30 With the first and second changes, reimbursing employers would be able to benefit
31 from the spirit of the bill that created Section 205.0125. With the third change,
32 reimbursing employers will no longer be responsible for paying for benefits from
33 claims that should never have been filed or allowed to proceed in the first place.

34
35 **Rationale:**

36
37 Under current law, reimbursing employers may be relieved of reimbursement
38 liability only under two circumstances:

- 39 a) the work separation resulted from a discharge for misconduct connected
40 with the work, or
41 b) the work separation was due to the claimant resigning without good cause
42 connected with the work.

43
44 In practice, the law pertaining to resignations without good work-connected cause
45 has been interpreted in such a way that many resignations for personal reasons not
46 connected with the work have led to reimbursement liability for affected employers,
47 if the personal reason for leaving is somehow exempted from disqualification by
48 specific provisions in Section 207.045 of the Act.

1
2 In addition, many reimbursing employers have been hit with reimbursement liability
3 for benefits paid to claimants who filed fraudulent or questionable claims even
4 though they were still employed by the reimbursing employer on the same basis as
5 they were prior to the claim.

6
7 These problems can be addressed with two changes in Section 205.0125 of the Act,
8 as recommended above.

9 10 **UI Analysis**

11
12 At the outset, UI points out that Chapter 204 does not apply to reimbursing
13 employers; therefore, a more appropriate title to this recommendation may be
14 "Corrections to reimbursing employers unemployment insurance reimbursement
15 liability." Additionally, the recommendation's definition of voluntarily leaving work
16 may need clarification. The currently proposed definition appears to make no
17 substantive change to the law as written. UI also suggests that this definition be
18 added in close proximity to TUCA § 201.012, "Definition of Misconduct."

19
20 In order to add the two additional exemption categories for TUCA § 205.0125, UI
21 staff proposes the following:

22
23 Amend Section 205.0125, concerning "Exception from Duty to Pay
24 Reimbursement," to include new sections (b) and (c).

25
26 (b) A reimbursing employer is not liable for reimbursement if the individual is not
27 separated from the reimbursing employer at the time the claim is filed.

28
29 (c) A reimbursing employer is not liable for reimbursement for claims that were
30 ultimately found to be void or were disallowed due to:

31
32 (1) the claimant not being unemployed at the time of filing, or

33 (2) the claimant fraudulently claiming benefits by concealing earnings or
34 employment.

35
36 Finally, shift the former Paragraph (b) of Section 205.0125 to Paragraph (d)
37 without amendment.

38 39 **Conformity**

40
41 UI staff requested an internal conformity review from OGC. That review was
42 completed and no conformity issues were raised.

43 44 **Administrative Impact**

45
46 UI Staff anticipates minimal administrative impact, with any impact being limited to
47 updating training materials and training staff.

1 **Fiscal Impact**

2
3 Trust fund:

4 Because the recommendation adds two additional exemptions from liability for
5 reimbursing liability, a negative financial impact is expected to the Trust Fund if the
6 recommendation is adopted. Currently, 3,715 employers in Texas are designated
7 as reimbursing employers out of approximately 560,000 liable employers under
8 TUCA. UI staff estimates that, for the 2019 calendar year, there were 901 claims
9 where either the LEU or BP reimbursing employers were billed for approximately
10 \$1,327,735 in benefits which were later placed in overpayment status because of
11 fraud, validity of claim, or earnings corrections. The recommendation, if adopted,
12 would remove these overpayments from the employers' bills before the
13 overpayments are collected. It must be noted that these numbers may
14 substantially increase for the 2020 calendar year as a result of the COVID-19
15 pandemic.

16
17 IT and Operations:

18 UI Staff anticipates a one-time IT cost of \$197,000.00 to implement the
19 recommended legislation.

20
21 **Contact**

22
23 Commissioner Aaron Demerson
24