

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: HB550

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marshall, D.W.

3. Committee: Commerce and Labor

4. Title: **Repayment of unemployment benefits.**

5. Summary: This bill allows the Virginia Employment Commission (VEC) to negotiate the terms of repayment for benefits to which a recipient is not entitled. It also allows VEC to deduct up to 50 percent of future benefits, to forego collection of the payable amount until the recipient has found employment, or to determine and institute an individualized repayment plan for the recipient. The amendment adopted to this bill in the house of origin directs VEC to collect overpayment due to administrative error only by offset against future benefits or a negotiated repayment plan unless the individual fails to enter into or comply with the terms of the repayment plan.

6. Fiscal Impact Estimates: Preliminary.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: This bill authorized the VEC to work with individual claimants to determine specific repayment plans for the overpayment of benefits to which the recipient was not entitled.

Currently, the VEC is required to attempt collection on all benefit overpayments, regardless of the reason for the overpayment. Payment is to be collected by way of a dollar-for-dollar offset against any future benefit entitlements if the claimant who was overpaid is, or later becomes, eligible for future benefits. In a situation where an overpayment is due to an administrative error by the VEC, statute limits the amount of the offset to 50 percent of the claimant's weekly benefit amount.

This bill would change the statute to give the VEC the discretion to negotiate a repayment agreement in lieu of recovering the overpayment via benefit offset if the overpayment was due to administrative error.

It is not anticipated that this bill will have a significant impact on the operations of the VEC or on the balances of the Unemployment Insurance Trust Fund.

9. Specific Agency or Political Subdivisions Affected: Virginia Employment Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: HB252 and HJ49 also deal with the overpayment of unemployment benefits.

Date: 1/27/2010 dpbaek

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