

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3830

STATE OF NEW JERSEY

DATED: JUNE 9, 2022

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 3830 (ACS).

This bill makes changes in the administration of unemployment insurance benefits by the Division of Unemployment Insurance to expedite the timely payment of benefits by:

1. Requiring the division to inform all employers of what information they are required, at the time of any separation of an employee from employment, to provide all of the information needed by the division to enable it to make timely benefit determinations.

2. Requiring employers to provide email addresses for communications to and from the division and use electronic communications to notify the division immediately of separations from employment, and provide the needed information.

3. If the information is incomplete, the division is required to notify the employer within seven days and request the additional needed information. If a claim is filed, but the employer has not provided any of the required information upon the separation from employment, the division is to request the information within seven days. If the employer does not reply to these requests, the division may use other sources, including employee affidavits, to make the benefit determination.

4. The division is required, as before, to make the initial determination within three weeks of the filing, but is not given an additional two weeks now permitted to request more information.

5. Penalties for not providing information apply to a failure to provide the information upon the separation from employment, as well as not responding to division requests. The current \$25 penalty for every 10 day period of failure to provide information requested in connection with filings is replaced by a penalty of \$500 per day.

6. Permitting the division to request that claimants obtain digital identity credentials, but only if the division provides opportunities for claimants to verify their identities even if they do not have the needed knowledge or access to the equipment to do so, by informing claimants that they may use other means to verify identification, including

personal assistance in person or by phone provided by the division as needed to prevent any delays in processing claims.

7. Requiring that any system the division establishes for benefit claimants or recipients to verify identity, to apply for, or to make appeals regarding, benefits, either by phone or on-line, shall include a clearly and prominently expressed option for the claimant or recipient to select from available appointment times a time to speak with a representative to obtain assistance in verifying identity, filing a claim or appeal, or obtaining information regarding the status of a claim or appeal.

8. Increasing the times in which a claimant may appeal an initial benefit determination to 21 days, while leaving the time for employers at seven days, and expressly prohibiting the filing of an appeal of an initial benefit determination by either an employer or claimant after the applicable time periods. If an employer appeals the charging of benefits to the employer's account after the seven-day period to appeal the initial benefit determination, and, as a result of the appeal on the charging to the employer's account, the division reduces the amount charged to the employer's account, any resulting reduction in the amount of benefits shall take effect only after the resolution of the appeal of the charging, and any amount of benefits paid before the resolution of that appeal which exceeds the amount determined in that appeal shall be regarded as an overpayment caused by employer error and be charged to the employer's account, and the claimant shall not be liable to repay any portion of that overpayment.

9. Requiring that benefits be paid according to the initial determination during any appeal of the initial determination, but, to the extent that the amount paid exceeds the amount determined in the appeal, be regarded as an overpayment subject to the provisions of R.S.43:21-16 regarding the repayment of overpayments.

10. Providing that, after an initial determination, the resolution of any appeal of the initial determination, and the payment of one or more weeks of benefits pursuant to the initial determination, if there is any reduction or termination of those benefits, the claimant shall be provided notification with a full written explanation of why the reduction or termination of benefits will occur, and an opportunity to appeal the reduction or termination during a seven-day period after notification. If the claimant files an appeal, benefits shall continue to be paid at the rate stipulated in the initial determination until the appeal is resolved. If the claimant does not file an appeal, or if the claimant appeals and it is found that the amount in benefits paid during the appeal exceeded the amount determined in the appeal to be correct, or the claimant is found to be ineligible for benefits, any resulting excess payment of benefits shall be regarded as an overpayment subject to the provisions of R.S.43:21-16 regarding overpayments.

11. Making a claimant who receives benefits by reason of a knowing, fraudulent nondisclosure or misrepresentation liable to repay

those benefits in full, but providing that a claimant is not liable to repay any overpayment of benefits if the overpayment was caused by errors, or failures to provide information by the employer or the division, and not caused by an error, or knowing, fraudulent nondisclosure or misrepresentation, made by the claimant, and further provides that if the overpayments were caused by both errors of the claimant and errors of the employer or division, the claimant is liable for a portion of the overpayment not exceeding 50 percent which is determined by the division taking into consideration possible financial hardship, whether recovery would be against equity and good conscience, and how much the person's errors, compared to errors of the division or employer, contributed to the overpayment occurring. These provisions regarding waivers of recovery of some or all of overpayment do not apply to federally-funded unemployment benefits provided under the Coronavirus Aid, Relief, and Economic Security Act.

12. The effective date is changed to 120 days after enactment to give the division time to change forms and materials provided to employers and make all employers aware of the changes in procedures.