

SENATE BILL REPORT

SB 6028

As of January 15, 2024

Title: An act relating to relieving individuals from paying interest on certain unemployment insurance overpayment assessments.

Brief Description: Relieving individuals from paying interest on certain unemployment insurance overpayment assessments.

Sponsors: Senators Braun, Keiser, Conway, Dozier, Kuderer, Mullet, Nguyen, Nobles, Stanford and Wilson, L.; by request of Employment Security Department.

Brief History:

Committee Activity: Labor & Commerce: 1/18/24.

Brief Summary of Bill

- Prohibits charging interest until January 1, 2025, on overpayment assessments for unemployment insurance benefits paid during certain weeks of the COVID-19 pandemic, unless the overpayments were the result of fraud.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Susan Jones (786-7404)

Background: Unemployment Insurance and COVID-19 Relief. The unemployment insurance (UI) system, administered by the Employment Security Department (ESD), is designed to provide partial wage replacement for unemployed workers when certain conditions are met. In response to the COVID-19 pandemic, Congress enacted several temporary, now-expired UI benefits under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and other legislation. These temporary UI benefit programs extended the number of benefit weeks a claimant could receive under certain conditions. Benefits under one of the programs, the Pandemic Unemployment Assistance, were payable

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for weeks of unemployment beginning on February 2, 2020, through September 4, 2021.

Overpayments. An individual who is paid UI benefits they are not entitled to must repay them. ESD must issue an overpayment assessment explaining the reasons for and the amount of the overpayment. ESD must impose interest of 1 percent per month on the outstanding balance if the individual fails to repay the overpayment and fails to arrange a repayment plan.

The Commissioner of ESD may waive overpayments if the overpayment was not a result of fraud, misrepresentation, willful nondisclosure, or fault attributable to the individual, and collecting the overpayments would be against equity and good conscience. Under federal guidelines, CARES Act overpayments may be waived if the claimant is not at fault in causing the overpayment and equity and good conscience standards are met. ESD adopted rules and procedures to waive certain COVID-19 pandemic relief overpayments.

Interest. Until an overpayment is waived, interest continues to accrue at 1 percent per month of the outstanding balance.

Summary of Bill: Until January 1, 2025, ESD may not charge interest on overpayment assessments for UI benefits paid during the week beginning February 2, 2020, through the week ending September 4, 2021, unless the individual received payments due to fraud. If an individual previously paid interest on overpayments for benefits paid during those weeks, ESD may either apply those payments toward any principal balance, penalties, or interest owed by the individual or may refund those payments to the individual.

Appropriation: None.

Fiscal Note: Requested on January 14, 2024.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.