

SENATE BILL REPORT

HB 1975

As Passed Senate, February 22, 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: Representatives Ortiz-Self, Ryu, Berry, Ramel, Reed, Simmons, Ormsby, Fey, Kloba, Macri, Street, Fosse, Bergquist, Reeves, Wylie and Pollet; by request of Employment Security Department.

Brief History: Passed House: 2/8/24, 97-0.

Committee Activity: Labor & Commerce: 2/15/24 [DP, DNP, w/oRec].

Floor Activity: Passed Senate: 2/22/24, 48-0.

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

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Braun, Hansen and Stanford.

Minority Report: Do not pass.

Signed by Senator Schoesler.

Minority Report: That it be referred without recommendation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senator MacEwen.

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 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: Available.

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

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

Staff Summary of Public Testimony: No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A