

D15-01
Social Security Disability Income and UI Benefits

Date: February 19, 2015
Proposed by: DWD
Prepared by: Scott Sussman

ANALYSIS OF PROPOSED UI LAW CHANGE

CLARIFICATION OF RECENTLY ENACTED SSDI PROVISION

1. Description of Proposed Change

Claimants were previously allowed to simultaneously collect Social Security Disability Insurance (SSDI) and UI benefits. This practice allows the claimant to collect benefits from two benefit programs designed to supplement lost earnings due to the claimant's inability to work. During the last agreed upon bill cycle, the Unemployment Insurance Advisory Council (Council) unanimously supported a Department proposal to address this issue.

2013 Wisconsin Act 36 created Wis. Stat. § 108.04 (12) (f) 1. which provides "[a]ny individual who actually receives social security disability insurance benefits under 42 USC ch. 7 subch. II in a given week is ineligible for benefits paid or payable in that same week under this chapter." This statute was intended to provide that claimants who received SSDI during the month would not be eligible for UI benefits during that month.

The Labor and Industry Review Commission (LIRC) has issued a number of decisions that interpret the language of Wis. Stat. § 108.04 (12) (f) 1. to mean that a claimant is only ineligible for UI benefits during the week SSDI payment is received by the claimant. SSDI benefits are paid on a monthly basis, unlike UI benefits which are paid on a weekly basis.

The statutory interpretation applied by LIRC was not the intent of the Department, Council, or Legislature. At the February 20, 2014 UIAC meeting, the Council unanimously approved a resolution confirming the intent of this proposal. The resolution included a statement that "SSDI benefits are paid on a monthly basis. It was intended that claimants are not only ineligible in the week in which the SSDI check is delivered to the SSDI benefit recipient. It was intended that a SSDI payment would disqualify a claimant from unemployment insurance benefits in all weeks of the month."

The proposal amends the statutory language to reverse the statutory interpretation of the decisions issued by LIRC. This proposal provides:

- A claimant is ineligible for UI benefits throughout the entire month in which the claimant is issued monthly SSDI benefits.
- The first time a claimant is issued a monthly SSDI benefit check, the claimant will be ineligible for UI benefits only for the prospective weeks in which the SSDI was paid and not necessarily the entire month. For example, if a claimant is issued their first monthly SSDI benefit check on May 21, 2015, the claimant would be ineligible for UI benefits the weeks of May 17-23 and May 24-30, 2015. UI benefit weeks start on Sunday. A claimant will become

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ineligible for UI benefits for the entire month in which a claimant is issued subsequent monthly SSDI benefit checks.

- Once a claimant receives their last monthly SSDI benefit check, the claimant will become eligible for UI benefits following the last full benefit week of that month. For example, a claimant receives their last monthly SSDI benefit check in June 2015. The first benefit week in which the claimant will be eligible for UI benefits is June 28 - July 4, 2015.

2. Proposed Statutory Language

Will be provided at next UIAC meeting.

3. Proposer's Reason for the Change

To correct an unintended statutory interpretation contained in decisions issued by LIRC.

4. Effects of Proposed Changes

- a. Policy. This change provides a technical correction to clarify the intended purpose of the original proposal.
- b. Administrative Impact. The administrative impact of this proposal is minor.
- c. Fiscal. The proposed law change is technical in nature, so no fiscal estimate is included. As part of the overall fiscal estimate contained in 2013 Wisconsin Act 36, it was estimated this proposal would increase the UI Trust Fund balance by \$2.3 million annually.

5. State and Federal Issues

The United States Department of Labor found no conformity issue with the current statute. The proposed amendment just clarifies the intent.

6. Proposed Effective/Applicability Date

This proposal should be effective with other changes made as part of the agreed bill cycle.