

2012-2013 Department Proposals, UIAC Modifications, Legislature Items and the Estimated UI Trust Fund Impact

DWD Proposal-Approved but modified by UIAC-Legislature Letter suggests passing DWD proposal (SSDI/UI pass UIAC modified proposal)				
DWD Proposal- Not Approved by the UIAC-Legislature Letter suggests passing DWD proposal				
DWD Proposal-Approved by the UIAC-Legislature Letter suggests passing DWD proposal				
Legislature Items NOT proposed by DWD-UIAC has yet to take a position				
Proposal/Legislature Item Number/Description	Bureau Contact	Department Proposal <u>approximate</u> impact to the UI Trust Fund (annually)	UIAC action <u>approximate</u> impact to the UI Trust Fund (annually)	Legislator Letter ITEMS 04/01/13 <u>approximate</u> impact to the UI Trust fund (annually)
D12-01 / ITEM #1 Misconduct/Substantial Fault Create two-tier standard to determine if a claimant's actions that resulted in a discharge disqualify him or her for benefits. Keep current misconduct standard but enumerate actions that qualify as misconduct to create greater clarity and add a lower threshold to disqualify a claimant from benefits when an employee's conduct does not rise to the misconduct standard. (Substantial Fault). Repeal 5(g) UIAC modification: Dropped substantial fault, modify 5(g) in lieu of repealing, keep misconduct definition, but changed what can constitute misconduct Why the reduction in savings? Cases denied under substantial fault (\$17 million net) not present under UIAC modification. Adding misconduct language under UIAC codifies current practice, thus no change to UI trust fund. 5(g) is difficult to apply. Any change does not affect UI trust fund	Bureau of Legal Affairs Janell Knutson Scott Sussman	\$17 million savings in comparison to current law (Benefit pay reduction)	No significant impact in comparison to current law	Pass DWD proposal (\$17 million savings in comparison to current law)

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ITEM #2 Standardized ER Handbook Require DWD to create and publish a handbook for employees that clearly outlines the purpose of UI and under what circumstance it is granted.	Legislator	No proposal		No impact
D12-19 / ITEM #3 Quit exceptions and suspension period Reduce number of quit exceptions from eighteen to seven. Change 7(e) to 30 days in lieu of 10 weeks, when claimant quit a new job timeframe. It would change the requalification framework from a 4x4 disqualification to a 10 times the WBR UIAC modification: Keep quit exceptions, and change suspension period to 6xWBR Why the reduction in UI Trust Fund savings? More claimants will requalify under UIAC modified suspension period vs DWD proposal (\$1.4 million savings vs \$13.6 million savings). UIAC modification kept quit exceptions that would have been eliminated (\$2.7 million savings) Change to 7(e) timeframe stayed the same (\$8.3 million savings)	Bureau of Benefits Amy Banicki	\$24.6 million savings in comparison to current law (Benefit pay reduction)	Modified-04/01/13 and sent to LRB \$9.7 million savings in comparison to current law (Benefit pay reduction)	Pass DVD proposal (\$24.6 million savings in comparison to current law)

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D12-02 / ITEM #4 Increase work search from 2 to 4 and change to work search waivers Increase work search requirements from two to at least four each week that a claimant is claiming benefits. Amend administrative code provisions regarding work search & work registration.	Bureau of Legal Affairs Janell Knutson Scott Sussman	Up to \$2.6 million in savings in comparison to current law (Benefit pay reduction)	Approved 04/06/13 and sent to LRB (up to \$2.6 million in savings in comparison to current law)	Pass DWD proposal (up to \$2.6 million in savings in comparison to current law)
D12-06 / ITEM #5 Redefining Dept. Error Create statutory authority to recover benefits paid in error through redefining departmental error for purposes of waiver of recovery of improperly collected benefits.	Bureau of Benefits Amy Banicki	\$1 million in savings in comparison to current law (Benefit pay reduction)	Not approved 04/01/13	Pass DWD proposal (\$1 million in savings in comparison to current law)
D12-05 / ITEM #6 SSDI/UI-cannot collect both at the same time Individuals who apply for or receives SSDI in a given week will not be eligible for unemployment insurance unless: Previously earned wages while applying for or collecting SSDI, and provide written doctor note that states that the claimant is able and available to work despite collecting SSDI. UIAC modification: Cannot collect UI and SSDI in same week. Not tied to BP wages, less stringent requirement on showing that truly are AA and on SSDI	Bureau of Legal Affairs Scott Sussman	TBD	Modified -04/01/13 and sent to LRB TBD	Pass UIAC modified proposal TBD

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D12-03 / ITEM #7 Protect Pin requirement The claimant portal allows claimants to file on line with a username and password. This codifies the responsibility of claimants to not divulge their PIN, username and password that enable them to use the claimant portal and will eliminate fraud resulting from imposters	Bureau of Benefits Amy Banicki	Unable to quantify, impact expected to be small	Approved 04/01/13 and sent to LRB (impact expected to be small)	Pass DVD proposal (impact expected to be small)
D12-08 / ITEM #8 CLT failure to provide information Make a claimant who fails to provide the department with information pertaining to his or her eligibility for benefits and/or demographic information ineligible to receive benefits with good cause exception	Bureau of Benefits Amy Banicki	Unable to quantify, impact expected to be small	Not approved 04/01/13	Pass DVD proposal (impact expected to be small)
D12-10 /ITEM #9 and #14 Increase Department Collection abilities Proposal would enable the Department to identify the accounts of delinquent debtors through a financial record match process on a quarterly basis.	Bureau of Tax & Accounting Pamela James	\$8 million in savings in comparison to current law (OP collections)	Approved 02/06/13 and sent to LRB (\$8 million in savings in comparison to current law)	Pass DVD proposal (\$8 million in savings in comparison to current law)

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D12-31 / ITEM #10 Increase WBR Minimum amount to be increased to \$55 per week or an increase of \$1 per week. Maximum amount to be increased to \$370 or an increase of \$7 per week. This change would not affect any claimants that fall outside the max or the min amounts; it is not a proposed increase across-the-board. UIAC modification: Keep minimum at \$54 Why no change in savings? Too few claimants at \$55 or lower to affect.	Bureau of Legal Affairs Janell Knutson Scott Sussman	\$12 million reduction in comparison to current law (Benefit pay increase)	Modified 04/01/13 and sent to LRB \$12 million reduction in comparison to current law (Benefit pay increase)	Pass DWD proposal (\$12 million reduction in comparison to current law)
D12-30 / ITEM #11 Job refusal suspension period Change 4x4 disqualification period for a job refusal to a 10xWBR UIAC modification: Change to 6xWBR Why no significant impact for both proposals? Any change to the suspension period does not have a significant impact on the fund as there are too few cases to impact	Bureau of Benefits Amy Banicki	No significant impact (Less than \$50,000 annually in comparison to current law)	Modified 04/01/13 and sent to LRB No significant impact (Less than \$5,000 annually in comparison to current law)	Pass DWD proposal (No significant impact) (Less than \$50,000 annually in comparison to current law)
ITEM #12 DWD to provided clt contact information to the ER liable for UI benefits DWD to provided clt contact information to the ER liable for UI benefits	Legislator	No proposal		Unable to quantify, impact expected to be small

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D12-20 / ITEM #13 Backdate claims due to phone system down Technological advances enable a claimant to file online and not have to rely on filing a claim via the phone. Moreover, the change is necessary due to recent upgrades to Department's hardware and how it now operates.	Bureau of Benefits Amy Banicki	No impact	Not approved 04/01/13	Pass DWD proposal (No impact)
D12-17 / ITEM #14 License renewal cross-match-collection tool Authorize the Department to require license holders to be current on their UI taxes or face non-renewal, discontinuation, suspension or revocation	Bureau of Tax & Accounting Pamela James	Unable to quantify	Approved 01/17 and sent to LRB Unable to quantify	Pass DWD proposal Unable to quantify
D12-23 / ITEM #14 DOT data sharing The Department currently has a data sharing agreement with DOT/DWV but pursuant to statute the Department cannot look up an individual by their social security numbers.	Bureau of Tax & Accounting Pamela James	Unable to quantify	Approved 01/17/13 and sent to LRB Unable to quantify	Pass DWD proposal Unable to quantify
D12-28 / ITEM 15 LLC change-administrative change impacting ERs Discontinue treating limited liability companies with the same members as a single employer.	Bureau of Tax & Accounting Pamela James	No impact	Approved 01/17/13 and sent to LRB (No impact)	Pass DWD proposal (No impact)

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D12-04 / ITEM #15 Successorship paperwork- administrative change impacting ERS Enable Department to have some flexibility when an employer is late in getting its paperwork to the Department with respect to optional successorship applications.	Bureau of Legal Affairs Mike Mathis Janell Knutson	No impact	Approved 01/17/13 and sent to LRB (No impact)	Pass DVD proposal (No impact)
D12-15 / ITEM #15 Interest write-off when appropriate- administrative change impacting ERS Department to write-off interest when deemed appropriate by the Bureau of Tax and Accounting when an employer later files the required report or makes the required payment and satisfies the Department that the report or payment was tardy due to circumstances beyond the employer's control.	Bureau of Tax & Accounting Pamela James	No impact	Approved 01/17/13 and sent to LRB (No impact)	Pass DVD proposal (No impact)
D12-27 / ITEM #15 Tardy filing fee change- administrative change impacting ERS Increase the tardy filing fee for employers to \$100 or \$20/ee whichever is greater, but if the employer later files the required report the fee may be decreased to \$50 for each delinquent qtrly report.	Bureau of Tax & Accounting Pamela James	No impact	Approved 01/17/13 and sent to LRB (No impact)	Pass DVD proposal (No impact)

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D12-16 / ITEM #16 Cafeteria plan wages not usable Restrict payments to cafeteria plans from being included in base period wages for determination of amount of benefits paid to a claimant	Bureau of Tax & Accounting Pamela James	\$.5 million savings in comparison to current law (Benefit pay reduction)	Approved 01/17/13 and sent to LRB (\$.5 million in savings in comparison to current law)	Pass DWD proposal (\$.5 million savings in comparison to current law)
ITEM #17 ALJ reform, searchable databases, and continuing education/training for ALJs	Legislator	No proposal		Unable to quantify
ITEM #18 Work release programs excluded, prisoners not eligible for UI	Legislator	No proposal		Unable to quantify, impact expected to be small
ITEM #19 Create Online ER complaint system	Legislator	No proposal		Unable to quantify, impact expected to be small
ITEM #20 FUTA tax credit payoff Guarantee, state to pay up to \$50mil to avoid FUTA tax for next year	Legislator	No proposal		No foreseen impact May lead to a \$191 million reduction in tax revenue in 2015 via FUTA credit reduction. if projections change.
ITEM #21 More information to employer's regarding reserve fund balance	Legislator	No proposal		No impact

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ITEM #22 Random UI Work Search Audits	Legislator	No proposal		At least \$.4 million in savings in comparison to current law (Benefit pay reduction)
ITEM #23 Timing of required reports	Legislator	No proposal		No impact
Space out required reports throughout the year				
ITEM #24 Eliminate ET benefits	Legislator	No proposal		\$8.1 million in savings in comparison to current practice (Benefit pay reduction)
ITEM #25 Temp agency work search	Legislator			
Temporary Agency WS requirement: If last ER or BP ER is a temp agency, make it a requirement that the CLT contacts them every week for work		No proposal		Unable to quantify, impact expected to be small
ITEM #26 Standardized Witness forms that will hold up in hearings	Legislator	No proposal		Unable to quantify, impact expected to be small
ITEM #27 SAFI Reimbursement	Legislator			No foreseen impact**
Have GPR cover interest payments on Trust Fund Loans		No proposal		**though no trust fund impact, will reduce taxes

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ITEM #28 Holiday a nonworking day for UI benefit purposes Legal Holidays to be considered, "non-working" days, assuming that if a cit filed due to a holiday closure, that they would not be eligible for benefits for that day.	Legislator	No proposal		TBD
ITEM #29 Employer notification of a work search log Employer notification of work search-when cit have to log ER that they searched for, the ER would get info that they were used in a work search-Fraud deterrent	Legislator	No proposal		Unable to quantify
ITEM #30 Link weeks of eligibility to unemployment rate Link eligibility weeks to unemployment rate-# of weeks cit eligible for depends on UI rate	Legislator	No proposal		\$86.6 million savings (benefit pay reduction) \$28.9 million reduction in tax revenue Net total: \$57.7 million savings
ITEM #31 Increase lowest reserve percentage Increase lowest Reserve Percentage-Increase max rate to a total of 12% in 2 additional brackets	Legislator	No proposal		\$26 million increase in tax revenue in comparison to current law (savings)

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ITEM #32 Increase fraud workers by 3	Legislator	No proposal		TBD
ITEM #33 Repeal Loss of License Claimants who lose their license due to fault needed to perform the job be ineligible for UI	Legislator	No proposal		No significant impact

TOTAL UI FISCAL IMPACT (approx.)	UI Trust Fund (Dept.)	UI Trust Fund (UIAC)	UI Trust Fund (Legislator)
Benefit pay decrease (UI trust fund savings)	\$45.7 million	\$12.8 million	\$140.8 million
OP collections savings (UI tax or benefits savings)	\$8 million	\$8 million	\$8 million
Tax revenue increase (UI Trust fund savings)	\$0	\$0	\$26 million
Benefit pay increase (UI trust fund reduction)	\$12 million	\$12 million	\$12 million
Tax revenue decrease (UI trust fund reduction)	\$0	\$0	\$29 million \$220 million in 2015 (possible)
APPROXIMATE NET TOTAL ****	\$41.7 million savings**	\$8.8 million savings**	\$133.8 million savings** \$57.2 million net reduction in 2015 (possible)**

**** Approximate UI Trust Fund impact in comparison to CURRENT law. If Item #30 passes, this will CHANGE all benefit fiscal estimates.