

**Subject** Unemployment Misrepresentation Overpayments

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## Overview

Section 12 of the bill modifies misrepresentation overpayment penalties under existing law to remove the application of interest and to change the threshold for establishing misrepresentation. The bill makes related conforming and technical changes and removes existing provisions that limit an applicant's eligibility due to a misrepresentation overpayment. The bill also modifies several existing sections of law to provide a longer appeal period of 60 calendar days for unemployment determinations and decisions.

## Summary

Section	Description
1	<b>Determinations of coverage.</b> Modifies existing law to increase the time period to appeal a determination of coverage to 60 calendar days (from 20 days).
2	<b>Requirements [Payment of unemployment benefits].</b> Makes conforming changes to remove limits on eligibility requirements for an applicant with a misrepresentation overpayment balance and to remove a reference to interest for a misrepresentation overpayment.
3	<b>Right of appeal.</b> Modifies existing law to increase the time period to appeal a determination or an amended determination of benefit account to 60 calendar days (from 20 days).
4	<b>Not eligible [Eligibility; payments that affect benefits].</b> Makes conforming change to remove ineligibility provision for an applicant with a misrepresentation overpayment balance.
5	<b>Notification [Ineligibility determinations].</b> Makes technical conforming change to reflect repealer in section 7.

<u>Section</u>	<u>Description</u>
6	<p><b>Determination.</b></p> <p>Makes conforming change to remove determination of ineligibility provision for an applicant with a misrepresentation overpayment balance. Also modifies the existing law to increase the time period to appeal a determination of eligibility or ineligibility to 60 calendar days (from 20 days).</p>
7	<p><b>Amended determination.</b></p> <p>Modifies existing law to increase the time period to appeal an amended determination to 60 calendar days (from 20 days).</p>
8	<p><b>Decision.</b></p> <p>Makes conforming change to existing law requiring an unemployment law judge to dismiss an appeal as untimely if it is not filed within 60 calendar days after the determination is sent.</p>
9	<p><b>Request for reconsideration.</b></p> <p>Modifies existing law to increase the time period to file a request for reconsideration of an unemployment law judge's decision to 60 calendar days (from 20 days) and requires a judge to dismiss a request for reconsideration that is not filed within 60 calendar days after the decision is sent.</p>
10	<p><b>Withdrawal of appeal.</b></p> <p>Makes conforming change to reflect that the time period for a new appeal starts to run 60 calendar days from the date a determination is issued and is not suspended or restarted by a notice of withdrawal or dismissal order.</p>
11	<p><b>Unemployment benefits while in entrepreneurial training.</b></p> <p>Makes purely technical change.</p>
12	<p><b>Unemployment benefit overpayments.</b></p> <p><b>Subd. 1. Repaying an overpayment.</b> Makes conforming changes to remove reference to interest for a misrepresentation overpayment and to reflect repealer in section 7.</p> <p><b>Subd. 2. Overpayment because of misrepresentation.</b> Modifies the threshold for establishing a misrepresentation overpayment by an applicant to require a showing of "an intentional false statement... in an effort to fraudulently collect benefits." There is no misrepresentation if the mistake is unintentional, or the applicant has a good faith belief that their statements are accurate. Requires the Department of Employment and Economic Development to consider any language or health barriers of an applicant in reviewing an alleged misrepresentation. Reduces the required misrepresentation overpayment</p>

**Section** **Description**

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penalty to 15 percent of the amount overpaid (from 40 percent). Extends appeal period for challenging an overpayment penalty to 60 calendar days (from 20 days). Makes conforming changes to remove references to interest for misrepresentation overpayments.

**Subd. 2b. Interest [Deleted].** Deletes existing subdivision requiring an applicant with a misrepresentation payment to pay interest on the amount owed.

**Subd. 3a. Offset of unemployment benefits.** Eliminates distinction between a misrepresentation and nonmisrepresentation overpayment in the offset of benefits to allow any otherwise eligible applicant with an overpayment balance to offset an overpayment from future unemployment benefits.

**Subd. 4. Cancellation of overpayments.** Eliminates distinction between a misrepresentation and nonmisrepresentation overpayment in the cancellation of overpayments. As modified, the law requires cancellation of any unpaid overpayment balance after six years (currently ten years for misrepresentation overpayments). Makes conforming change to remove a reference to interest for misrepresentation overpayments.

**Subd. 4a. Court fees; collection fees.** Makes conforming changes to remove references to interest for a misrepresentation overpayment.

**Subd. 5. Remedies.** Makes conforming change to remove a reference to interest for misrepresentation overpayments.

**Subd. 6. Collection of overpayments.** Eliminates distinction between a misrepresentation and nonmisrepresentation overpayment in the collection of overpayments. As modified, the law allows the commissioner of employment and economic development some discretion over recovery and collection efforts for any type of overpayment, subject to federal conformity, but does not allow compromise of overpayment or related penalties.

13 **Repealer [Applicant administrative penalties].**

Repeals section of law that allows for additional administrative penalties and a period of ineligibility for an applicant who obtains unemployment benefits through misrepresentation.



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