Fiscal Estimate - 2009 Session

☑ Original ☐ Updated	Corrected Supplemental			
LRB Number 09-3069/9	Introduction Number AB-0487			
Description Various changes in the unemployment insurance law and providing a penalty				
Fiscal Effect				
Appropriations Reversible Decrease Existing Decrease Existing Reversible Decrease Existing Reversible Decrease Existing Decrease New Appropriations Local: No Local Government Costs Indeterminate 1. Increase Costs 3. Incre	ase Existing Increase Costs - May be possible to absorb within agency's budget Yes No Decrease Costs 5.Types of Local Government Units Affected Towns Village Cities			
2. Decrease Costs 4. Decre	issive Mandatory Counties Others ease Revenue School WTCS issive Mandatory Districts			
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS				
Agency/Prepared By	Authorized Signature Date			
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Fiscal Estimate Narratives DWD 10/13/2009

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Description				
Various changes in the unemployment insurance law and providing a penalty				

Assumptions Used in Arriving at Fiscal Estimate

The bill provides for technical and administrative changes that will facilitate the processing of Unemployment Insurance claims. Counting in the week received that portion of a lump sum pension payment that may be counted under Wisconsin law will eliminate a complex process of allocation that can lead to erroneous determinations and delay payment of claims. This change is estimated to add \$200,000 to the total benefit expenditures incurred by private, taxable employers and have no significant impact on state or local expenditures under which receipt of lump sum pension payments is uncommon.

Long-Range Fiscal Implications

When federal regulations are promulgated by the Treasury Department, the U.S. Department of Labor will allow the state to intercept federal income tax refunds to repay the state for Unemployment Insurance benefits that were fraudulently obtained. The state currently collects approximately \$1.3 million from a similar state income tax intercept. Assuming comparable experience from the federal tax intercept, the state could recover \$1.3 million from that source as well.