

Fiscal Estimate Narratives

DWD 10/13/2009

LRB Number	09-3069/9	Introduction Number	AB-0487	Estimate Type	Original
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.