



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2011 Senate Bill 417**

**Assembly Amendment 1**

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2011 Senate Bill 417 relates to various changes in the unemployment insurance (UI) law and contains recommendations of changes to the UI law that were submitted by the UI Advisory Council. Similarly, 2011 Senate Bill 219 also relates to various changes in the UI law and contains recommendations of changes to the UI law that were submitted by the UI Advisory Council.

Assembly Amendment 1 to Senate Bill 417, along with Assembly Amendment 1 to Senate Bill 219, reconcile differences between Senate Bills 219 and 417 with respect to the following: (1) penalties and ineligibility for the concealment of material facts or wages by UI claimants; and (2) the fund in which such penalties, once collected, are deposited. This memorandum describes the changes made by Assembly Amendment 1 to Senate Bill 417, as well as Assembly Amendment 1 to Senate Bill 219. In addition to the changes described below, the amendments also reconcile duplicate language in the bills.

### **Penalties and Ineligibility for Acts of Concealment**

Current law provides that if a claimant, in filing his or her application for benefits or claim for any week, conceals any material fact relating to his or her eligibility for benefits or any of his or her wages earned in or paid or payable for that week, the claimant must *forfeit* a specified amount of benefits.

*Senate Bill 219*, instead, provides that a claimant who conceals any material fact or any wages is *ineligible* for a specified amount of benefits. The bill also increases the amount of benefits for which a claimant may be ineligible if the claimant conceals any material fact or wages. *Senate Bill 417* retains current law.

In addition, *Senate Bills 219 and 417* provide that the Department of Workforce Development (DWD) must assess a penalty against a claimant in an amount equal to 15% of the benefit payments paid to the claimant as a result of one or more acts of concealment.

*Assembly Amendment 1 to Senate Bill 219 and Assembly Amendment 1 to Senate Bill 417* retain the provisions in Senate Bill 219 relating to ineligibility for benefits. The amendments also retain the 15% penalty in Senate Bills 219 and 417.

**Fund in Which Penalties for Acts of Concealment are Deposited**

*Senate Bill 219* creates the Unemployment Program Integrity Fund, which is a separate, nonlapsible trust fund in which amounts collected as penalties assessed against claimants for acts of concealment are deposited. The bill requires DWD to use the funds for payment of costs associated with program integrity activities.

*Senate Bill 417*, instead, provides that amounts collected as penalties assessed against claimants for acts of concealment are deposited in the unemployment reserve fund. Under the bill, this provision first applies with respect to overpayments established by DWD after October 21, 2013.

*Assembly Amendment 1 to Senate Bill 219* provides that the Unemployment Program Integrity Fund is repealed on January 1, 2014, and that the deposit of penalties in the Unemployment Program Integrity Fund applies with respect to overpayments established by DWD prior to October 21, 2013. The deposit of penalties in the unemployment reserve fund first applies with respect to overpayments established by DWD after October 21, 2013.

**Legislative History**

Assembly Amendment 1 to Senate Bill 417 was offered by Representative Ballweg. On March 15, 2012, the Assembly adopted the amendment on a voice vote and concurred in Senate Bill 417, as amended, on a vote of Ayes, 92; Noes, 0.

Assembly Amendment 1 to Senate Bill 219 was offered by Representative Ballweg. On March 15, 2012, the Assembly adopted the amendment on a voice vote and concurred in Senate Bill 219, as amended, on a vote of Ayes, 80; Noes, 12.

JKR:ksm