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Testimony in Support of Senate Bill 151

*Senate Committee on Government Operations, Labor and Economic Development
May 6, 2025*

Good morning, Chairman Feyen and committee members.

Thank you for the opportunity to testify today in support of Senate Bill 151, legislation I authored with Representative Maxey in response to concerns raised by constituent employers.

Under current practice, when an employee separates from employment and files an initial claim for Unemployment Insurance benefits, the Department of Workforce Development sends a separation notice to the former employer through the U.S. Postal Service. This notice asks the employer to verify the circumstances of the separation and gives them the opportunity to contest claims where eligibility may be in question — such as in cases involving misconduct, substantial fault, or voluntary resignation.

However, while DWD has made progress modernizing its systems, it remains dependent on postal mail for this critical communication. Because employers have only one week from the date printed on the separation notice to submit their response, employers frequently receive separation notices with little time left to respond — and sometimes even after the response deadline has passed.

This creates real problems. Employers can be forced into an unnecessary appeals process when they simply needed more time to provide the initial information. Improper unemployment insurance payments resulting from the lack of timely employer input are unfair to other employees and legitimate claimants.

Senate Bill 151 addresses this issue by requiring DWD to allow no fewer than 12 business days for employers to respond to an initial separation notice. This change will create a more reasonable window for employers to provide accurate information, promote fairer outcomes for claimants, and reduce the administrative burden on both employers and the department.

I respectfully ask for your support of this common-sense proposal to modernize our unemployment insurance process and ensure it works better for both claimants and employers.



DAVE MAXEY

STATE REPRESENTATIVE • 83RD ASSEMBLY DISTRICT

Testimony on Senate Bill 151

Senate Committee on Government Operations, Labor and Economic Development
May 6, 2025

Thank you, Chairman Feyen and committee members, for hearing my testimony on Senate Bill 151.

This bill comes from a very basic problem. Right now, when someone leaves a job and files for unemployment, the Department of Workforce Development sends a letter to their former employer asking for details. That letter is sent by regular mail, and the employer has just one week—seven calendar days from the date on the letter—to respond.

That might sound reasonable, but in practice, it doesn't always work. Sometimes the letter shows up late. Sometimes it arrives with only a day or two left to respond. In a few cases, it doesn't even show up until after the deadline has passed.

When that happens, the employer can't give their side of the story on time. The case moves forward anyway, and the only way to fix it is by filing an appeal. That's frustrating. It's more paperwork for everyone, and sometimes it leads to benefits being paid out when they shouldn't be.

Senate Bill 151 would change the response window from 7 calendar days to 12 business days. That gives employers a fairer chance to respond, especially if the mail is delayed. It also helps DWD get better information from the start and avoid unnecessary appeals.

This bill isn't about punishing anyone. It's about making sure the system works the way it's supposed to. It protects taxpayer dollars, supports honest employers, and helps the department make more accurate decisions. It's a small fix, but a responsible one that moves us in the right direction.

I respectfully ask for your support on this bill, and I'm happy to answer any questions.

Written Testimony for information only on SB 151
Amy Pechacek, Secretary Department of Workforce Development
May 6, 2025

Chair Feyen, Vice Chair Kapenga, Ranking Member Spreitzer, and members of the Senate Committee on Government Operations, Labor and Economic Development, thank you for the opportunity to provide written testimony for information only on SB 151. Thank you to Representative Maxey and Senator Hutton for their interest in Unemployment Insurance response times.

SB 151 requires the Department of Workforce Development (DWD) to allow an employer no less than 12 business days to respond to an initial request for information about an Unemployment Insurance (UI) benefit claim. Under DWD's current rules, DWD may require employers to provide information about claimants' employment separations, dates of work, wages and other payments, and other issues that may disqualify claimants from receiving benefits.

The department has a few concerns with the legislation. First, by providing additional time to employers to respond to UI inquiries, this bill could result in delays in adjudicating and paying claims and could result in a reduction of federal funds. Additionally, the department was not asked to complete a fiscal estimate for SB 151. The committee should be aware of potential fiscal effects associated with the legislation.

Currently, DWD requires various deadlines for employers to ensure timely benefits for claimants and compliance with Federal requirements. The U.S. Department of Labor requires DWD to adjudicate UI benefit claims by certain deadlines to be considered timely. DWD's timeliness in deciding and paying claims directly affects its federal administrative funding. UI must make 87% of first payments within 14 calendar days of the week claimed. UI must also make 80% of adjudication decisions within 21 days of detecting the issue. Failing to meet the timeliness metrics may lead to a reduction in the UI administrative grant, which is the main source of funding for administering Wisconsin's UI program.

DWD strives to make it convenient for employers to timely respond to DWD's inquiries. Employers can respond to initial requests for information about benefit claims and certain other forms electronically through the online SIDES system or by fax. Forms generally request basic information about employees and only take a few minutes to fill out. There is also a dedicated Employer Line employers can call for help. The department is also working towards modernizing its employer portal which will allow employers to receive electronic notice through the portal instead of the current mail process.

As previously mentioned, DWD was not asked to provide a fiscal for SB 151. However, the committee should be aware of fiscal implications. The bill is expected to have an implementation cost of \$39,648 for IT work and \$11,894 for administrative changes. Many of the forms employers receive are generated using an IT system and have embedded reminders to employers to respond to DWD that would need to be changed. The cost to implement this legislation is not absorbable; UI would need additional one-time funding to implement this change.

Thank you for the opportunity to provide testimony. Please reach out if you have any additional questions.



**THE LEADING VOICE
FOR WISCONSIN SMALL
AND INDEPENDENT BUSINESSES**

May 6, 2025

**TO: Members
Senate Committee on Government Operations, Labor & Economic Development**

**FR: Brian Dake
President
Wisconsin Independent Businesses**

**RE: 2025 Senate Bill (SB) 151 relating to: requests for information from employers
about unemployment insurance claims.**

Chair Feyen and committee members, my name is Brian Dake, President of Wisconsin Independent Businesses. Thank you for the opportunity to testify in support of Senate Bill (SB) 151.

By way of background, Wisconsin Independent Businesses (WIB) was formed in 1977 to provide small, independent business owners with an effective voice in the legislative and regulatory activities of state government. We proudly represent nearly 2,000 small, independent business owners throughout Wisconsin. Most of our members, approximately 85%, own and operate businesses that have fewer than 25 employees and annual gross revenues of less than \$5 million. Our membership reflects the range of small businesses that exist in communities throughout Wisconsin.

DWD 123 requires the Wisconsin Department of Workforce Development (DWD) to send a separation notice (Form UCB - 16R) to an employer when a new unemployment insurance (UI) benefit claim is initiated, and the employer is identified as having employed the claimant. In turn, the employer is required to complete and return the separation notice to the DWD if any of the following apply:

- Any information on the notice is incorrect;

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- There is vacation, dismissal, or holiday pay assigned to any period beyond the claimant's last day of work;
- There is an eligibility issue that applies to the claimant that is not already identified on the separation notice; or
- The claimant did not work for the employer.

The completed separation notice must be received by the DWD on or before the due date to be considered timely. The instructions for completing Form UCB – 16R state, in part:

“If your reply to this report is after the due date your account will be charged for all the benefits that are paid to the claimant in error because we did not have your information. Benefits paid in error include benefits paid from another employer's account and/or your own account – even if the claimant never worked for you.”

This is significant. One of the two factors that determines an employer's state UI tax rate is experience with the UI system. The more current or former employees of an employer collect in UI benefits, the higher the tax rate that employer pays.

Separation notices are sent by first-class mail through the United States Postal Service (USPS). Seven days later, the completed separation notice must be received by the DWD.

On April 25, the USPS published a Service Standards Changes Fact Sheet which states, in part:

“For first-class mail, the current Service Standard day range of 1-5 days is staying the same.”

If the DWD were to mail a separation notice to an employer, the USPS would have up to five days to deliver the notice to the employer. In turn, if the employer were to complete the notice on the fifth day and mail it back to the DWD on the fifth day, the USPS would have up to five days to deliver the completed notice to the DWD – well past the seven-day deadline.

SB 151 acknowledges that the USPS can no longer guarantee prompt delivery of separation notices to Wisconsin employers. The longer time limit set forth in SB 151 ensures employers have enough time to properly comply with the separation notice requirements.

We respectfully ask for your support of SB 151.

Thank you in advance for your consideration.

You must reply to this required report only when:

- The claimant never worked for you or your account number is missing or incorrect (#1);
- The claimant reported last day of work is in the wrong week or the claimant will not be recalled by date indicated on form (#2);
- The reason for separation is other than layoff due to lack of work (#3); or
- The claimant is receiving vacation, dismissal or holiday pay for any period after his/her last day of work (#4).

If your reply to this report is incomplete, with incorrect information, or after the due date:

Your account will be charged for all benefits that are paid to the claimant in error because we did not have your information. Benefits paid in error include benefits paid from another employer's account and/or your own account - even if the claimant never worked for you.

INSTRUCTIONS FOR COMPLETION:

To reply online, use the web site on the front of this form. You must have a Wisconsin UI Account to reply online. Report hours and minutes of vacation, dismissal/severance, and holiday pay online in an electronic attachment or under Separation Comments.

More information about replying online is available at <https://dwd.wisconsin.gov/ui/sides>.

If you reply by fax or mail, this form will be scanned for automated data capture. Please follow these instructions to ensure your information is processed quickly and accurately.

- Use blue or black ink;
- Print numbers clearly ([1] [2] [3] [4] [5] [6] [7] [8] [9] [0]);
- Mark all check boxes with an "X" ([X]);
- Keep all information within the boxes. Information outside the boxes cannot be read by the scanner.

ITEM #1: The claimant did not work for you or your account number is missing or incorrect.

- If you know the correct employer's name and/or account number, please fill in #1 on the front of the form and return the form by the due date.
- If your account number is missing or incorrect, enter your correct account number and employer name in #1 on the front of the form and return the form by the due date.

ITEM #2: The last day of work reported by the claimant is incorrect.

- If the last day of work falls in a different week, correct the date and return the form by the due date. When the last day of work is different but in the same week, no correction is required.
- Use the UI calendar week (Sunday through Saturday) to determine if the last day of work falls in the same week.

ITEM #3: The reason for separation is incorrect and/or there are other eligibility issues that apply to this claim.

- If the reason for separation reported by the claimant is incorrect, write the correct reason in the box, provide detailed information and return this form by the due date. Common reasons for separation include quit, discharge, disciplinary suspension, inability or unavailability for work and labor dispute.
- If there are additional eligibility issues that apply to the claim, provide detailed information about the issue(s) and return this form by the due date. Other common eligibility issues include job refusals, school year employment, inability or unavailability for work on the general labor market, excluded employment, family controlled employment or pension payments (any retirement payment to which the employer has contributed, including an annuity, a 401(k), etc.). For more information about eligibility issues, refer to the online Handbook for Employers (Publication UCB-201-P), at www.dwd.wisconsin.gov/ui201, or call the Employer Assistance Line at 414-438-7705.
- If you are contacted for additional information about an eligibility issue, respond by the deadline you are given. Your account will be charged for all benefits that are paid to the claimant in error because you fail to provide correct and complete information during a fact-finding investigation. Benefits paid in error include benefits paid from another employer's account and/or your own account - even if the claimant never worked for you.
- A written determination will be issued when relevant. This determination may be appealed by you or the claimant. Appeal procedures are provided on the decision.

ITEM #4: The claimant received or will receive holiday, vacation or dismissal pay assigned to a period after the last day of work.

- If the claimant has received or will receive non-work pay assigned to specific week(s) after the last day of work, provide the type of pay, the week ending Saturday date, the number of hours and minutes for which the claimant has received or will receive the pay, and the gross amount of pay for each week, and return the form by the due date.
- This information will be used to determine the amount of benefits (if any) payable for these weeks.

Employer Name / Address Change

If you change your name and/or address on the front of this form, we will immediately pass the new information to the Bureau of Tax and Accounting. Before making the change, they will verify that the person requesting the change is authorized to do so. Your address will be changed on future mailings as soon as that authorization is complete.

Service Standard Changes – Fact Sheet

Key Points

Updated April 25, 2025

- The United States Postal Service is refining Service Standards for First-Class Mail, Periodicals, Marketing Mail, Package Services (Bound Printed Matter, Media Mail, and Library Mail), USPS Ground Advantage, Priority Mail, and Priority Mail Express.
- Under the new approach, while most mail will retain the same Service Standard, some mail will have a faster standard, and some will have a slightly slower standard. For First-Class Mail, the current Service Standard day range of 1-5 days is staying the same, while the day ranges for end-to-end Marketing Mail, Periodicals, and Package Services are being shortened. The Service Standard for Priority Mail Express is now 1-, 2- or 3-day service. All Mail will benefit from more reliable service.
- As with mail, most competitive shipping products will retain the same Service Standard, some packages will have a faster standard, and some will have a slightly slower standard. The current Service Standard day range for USPS Ground Advantage of 2-5 days is staying the same. All packages will benefit from more reliable service.
- As a result of these new refined Service Standards, the Postal Service projects at least \$36 billion in savings over 10 years from transportation, mail processing, and facility cost reductions.
 - Note that as part of the ongoing Delivering for America 10-year plan, USPS has already achieved \$2.2 billion in annual transportation cost reductions by streamlining networks and optimizing air and surface options. Additionally, it has decreased work hours by 50 million — translating to \$2.5 billion in annual savings, by enhancing plant productivity and closing unnecessary facilities. At the same time, the Postal Service has increased revenue by \$3.5 billion annually by adapting product offerings amidst significant declines in First-Class Mail volume.
- The new Service Standards are easy to understand and provide more precise expectations for mailers, as they are based on 5-Digit ZIP code pairs, rather than current standards that are based on 3-Digit ZIP code pairs. This information will be updated as needed to communicate any new information.
- In applying the Service Standards, the Postal Service will, for volume that is mailed on Saturday or the day before a holiday, exclude Sundays and holidays as transit days for measurement purposes. This approach better aligns with the practice of our competitors and other postal operators, and will enable the Postal Service to achieve additional operational efficiencies and costs savings with minimal impact on volume, including building density, creating higher throughputs, and staffing with more flexibility.
- The relative impact on Service Standards, leaving more than 80 percent of Market Dominant volume unchanged, demonstrates the Postal Service's efforts to maintain high quality service and mitigate customer impacts to the extent possible while also implementing