

**D17-01**

**Charging Benefits to Employers that Fail to Comply with Requests for Information**

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Proposed by: DWD

Prepared by: Kristin Shimabuku and Andy Rubsam

**ANALYSIS OF PROPOSED UI LAW CHANGE**

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**1. Description of Proposed Change**

The department experiences difficulty in investigating concealment cases when employers fail to cooperate in providing necessary information. For example, an employer may fail to report the claimant’s weekly wages for weeks that the department believes the claimant is concealing work. If the employer does not provide the requested information, the department must make a determination based on the best evidence available. There is often little incentive for an employer to return the weekly wage verification form because the claimant’s benefits are usually not charged to their account. And, there is no civil penalty for failing to return the wage verification form.<sup>1</sup>

Currently, if the department erroneously pays benefits from one employer’s account because a claimant has concealed work for another employer, the department credits the benefits paid to the first employer’s account and charges the benefits paid to the balancing account.<sup>2</sup> The claimant is “at fault” for the overpayment because the claimant committed an act of concealment.<sup>3</sup>

The department proposes a law change to charge an employer’s account for erroneously-paid benefits, including in cases of concealment, where the employer fails to comply with the department’s request for information during an adjudication.

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<sup>1</sup> A criminal statute provides a fine of \$100 to \$500 and imprisonment up to 90 days for anyone who “knowingly refuses or fails to keep any records or to furnish any reports or information duly required by the department....”

<sup>2</sup> Wis. Stat. § 108.16(3).

<sup>3</sup> Wis. Stat. § 108.04(13)(f).

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**2. Proposed Statutory Changes**

To be provided at a later date.

**3. Effects of Proposed Change**

- a. Policy. The proposed change will incentivize employers to provide the department with complete and accurate information regarding their employees, leading to more accurate adjudication and payment of benefits.
- b. Administrative. This proposal will require training of benefits staff.
- c. Fiscal. A fiscal estimate will be provided at a later date.

**4. State and Federal Issues**

There are no known federal conformity issues with this proposal. The Department recommends that any changes to the unemployment insurance law be sent to the U.S. Department of Labor for conformity review.

**5. Proposed Effective/Applicability Date**

This proposal would be effective with other changes made as part of the agreed bill cycle.