

**D17-05**

**Ineligibility for Failure to Provide Information**

Date: January 19, 2017

Proposed by: DWD

Prepared by: Andy Rubsam

**ANALYSIS OF PROPOSED UI LAW CHANGE**

**Ineligibility for Failure to Provide Information**

**1. Description of Proposed Change**

The department may request information from unemployment benefit claimants in order to ensure that they are eligible for benefits. Under current law, a claimant is ineligible for benefits for the week in which the claimant fails to answer the department's eligibility questions, and any subsequent weeks, until the claimant responds.<sup>1</sup> A claimant who later answers the department's eligibility questions is retroactively eligible for benefits beginning with the week in which they failed to answer the questions, if otherwise eligible.

The department proposes to amend the law to provide that claimants who fail to answer eligibility questions are ineligible beginning with the week involving the eligibility issue, not the week in which the claimant fails to answer the department's questions. This proposed amendment clarifies that, if the department questions a claimant's eligibility, the department will hold the claimant's benefits until the claimant responds in order to reduce improper payments.

**2. Proposed Statutory Change**

**Section 108.04 (1) (hm) of the statutes is amended to read:**

The department may require any claimant to appear before it and to answer truthfully, orally or in writing, any questions relating to the claimant's eligibility for benefits or to provide such demographic information as may be necessary to permit the department to conduct a statistically valid sample audit of compliance with this chapter. A claimant is ~~not eligible~~ ineligible to receive benefits for any week ~~in~~ about which the claimant fails to comply with a

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<sup>1</sup> Wis. Stat. § 108.04(1)(hm).

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request by the department to provide the information required under this paragraph, ~~or any subsequent week,~~ A claimant remains ineligible for benefits until the claimant complies with the request. Except as provided in sub. (2) (e) and (f), if a claimant later complies with a request by the department within the period specified in s. 108.09 (2) (c), the claimant is eligible to receive benefits as of the week ~~in which the failure occurred~~ about which the department questions the claimant's eligibility, if otherwise qualified.

#### **3. Effects of Proposed Change**

- a. Policy. The proposed change will prevent improper payments and will encourage claimants to promptly answer benefit eligibility questions.
- b. Administrative. This proposal will require training for benefits staff.
- c. Fiscal. A fiscal estimate is attached.

#### **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.

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Prepared by: Technical Services Section

**FISCAL ANALYSIS OF PROPOSED LAW CHANGE**

**UI Trust Fund Impact:**

This is a technical change and would not impact the Trust Fund.

**IT and Administrative Impact:**

This is a technical change and would not have an IT or Administrative impact.

**Summary of Proposal:**

Section 108.04(1)(hm) permits the Department to require claimants to answer questions about the claimants' eligibility for benefits. The statute provides: "A claimant is not eligible to receive benefits for any week in which the claimant fails to comply with a request by the department to provide the information required under this paragraph, or any subsequent week, until the claimant complies with the request." The Department proposes to amend the statute to permit a denial from the first week of the eligibility issue until the claimant responds to the request for information. This will prevent issuance of benefits before the eligibility issue is resolved. The proposed change clarifies the Department's interpretation of the law.

**Trust Fund Methodology:**

This is a technical change and would not impact the Trust Fund.

**IT and Administrative Impact Methodology:**

This is a technical change and would not have an IT or Administrative impact.