June 17, 2021

Dear Members of the Unemployment Insurance Advisory Council:

The Department promulgated an emergency rule in response to the COVID-19 pandemic to reduce the unprecedented economic burden on Wisconsin employers. Emergency Rule 2108, DWD ch. 113, relates to waiving interest in limited circumstances for employers subject to reimbursement financing when reimbursements are delinquent due to COVID-19. This rule is effective until July 28, 2021.

This emergency rule implements the 2020 changes to federal law to that gives states “flexibility to reimbursing employers as it relates to timely payment and assessment of penalties and interest….” CARES Act s. 2103(a). US-DOL encourages states to “interpret or amend their state unemployment compensation laws in a manner that provides maximum flexibility to reimbursing employers as it relates to timely payments in lieu of contributions and assessment of penalties and interest.” UIPL 18-20, p. 2.

And, this emergency rule ensures that the Legislature’s policy goals of 2019 Wisconsin Act 185 and 2021 Wisconsin Act 4 are met by minimizing the economic effect of the COVID-19 pandemic on Wisconsin employers. Acts 4 and 185 provide for unemployment benefit charging relief for employers. However, due to the Department’s antiquated computer system and the complexities of relieving employers of benefit charges, the charging relief will not be completed until after this Emergency Rule is scheduled to expire. Without an extension of Emergency Rule 2108, interest charges will be assessed to reimbursable employers who may not actually owe reimbursements, which could cause an unnecessary economic burden on those employers as they recover from the pandemic-induced recession.

The Department will request a 60-day extension of this emergency rule from the Joint Committee for the Review of Administrative Rules and I ask the Council to support this request. The extension will ensure that DWD’s administration of the unemployment insurance program does not create an unnecessary burden for employers. Please direct any questions about the emergency rule to Bureau of Legal Affairs Director Janell Knutson.

Thank you for your continued support of the Unemployment Insurance program.

Sincerely,

Amy Pechacek, Secretary-designee