



General Assembly

Substitute Bill No. 417

February Session, 2022



**AN ACT CONCERNING AMNESTY FOR NONFRAUDULENT
UNEMPLOYMENT OVERPAYMENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) As used in this section and
2 sections 2 to 4, inclusive, of this act:

3 (1) "Affected claimant" means any person: (A) Who, through error,
4 has received any sum as benefits under chapter 567 of the general
5 statutes on and after March 10, 2020, and before December 31, 2021,
6 while any condition for the receipt of benefits imposed by said chapter
7 of the general statutes was not fulfilled in such claimant's case, or has
8 received a greater amount of benefits than was due such claimant under
9 said chapter of the general statutes; (B) whose receipt of such a sum was
10 not due to fraud, wilful misrepresentation or wilful nondisclosure by
11 such claimant or another person; and (C) who has been subject to a final
12 determination of overpayment pursuant to subsection (a) of section 31-
13 273 of the general statutes that required such claimant to repay such sum
14 to the Unemployment Compensation Fund, or from whom such sum is
15 to be recouped by offset from such person's unemployment benefits;

16 (2) "Administrator" means the Labor Commissioner;

17 (3) "Assistance" means moneys payable from the pandemic

18 unemployment nonfraudulent overpayment account, established
19 pursuant to subsection (b) of section 2 of this act, to assist an affected
20 claimant pursuant to sections 2 to 4, inclusive, of this act by: (A)
21 Reimbursing such affected claimant for the amount the affected
22 claimant has repaid to the Unemployment Compensation Fund; or (B)
23 depositing in the Unemployment Compensation Fund the repayment
24 amount that remains outstanding on behalf of the affected claimant.

25 Sec. 2. (NEW) (*Effective from passage*) (a) There is established the
26 Pandemic Unemployment Nonfraudulent Overpayment Program. The
27 program shall offer assistance, within available funds and on a first-
28 come, first-served basis, to affected claimants eligible for assistance
29 under this section, pending verification of eligibility. The program shall
30 be administered by the administrator. The administrator shall accept
31 applications for assistance on and after the effective date of this section.
32 The administrator shall be authorized to: (1) Determine whether an
33 affected claimant meets the requirements for eligibility for assistance
34 under this section and the amount of assistance that should be provided;
35 (2) summon and examine under oath such witnesses that may provide
36 information relevant to the eligibility of an affected claimant; (3) direct
37 the production of, and examine or cause to be produced or examined,
38 such books, records, vouchers, memoranda, documents, letters,
39 contracts or other papers in relation to any matter at issue as the
40 administrator may find proper; and (4) take or cause to be taken
41 affidavits or depositions within or without the state.

42 (b) There is established an account to be known as the "pandemic
43 unemployment nonfraudulent overpayment account" which shall be a
44 separate, nonlapsing account within the General Fund. The account
45 shall contain any moneys required by law to be deposited in the account.
46 Moneys in the account shall be expended by the administrator for the
47 purposes of: (1) Assistance offered under the Pandemic Unemployment
48 Nonfraudulent Overpayment Program; and (2) costs and expenses of
49 operating the program, including the hiring of necessary employees and
50 the expense of public outreach and education regarding the program

51 and fund. Not more than five per cent of the total moneys received by
52 the fund shall be used for any administrative costs, including hiring
53 temporary or durational staff or contracting with a third-party
54 administrator, or other costs and expenses incurred by the administrator
55 or third-party administrator in connection with carrying out the
56 provisions of this section. The administrator shall make all reasonable
57 efforts to limit the costs and expenses of operating the program without
58 compromising affected claimants' access to the program.

59 (c) To apply for assistance from the Pandemic Unemployment
60 Nonfraudulent Overpayment Program, an affected claimant shall
61 submit a claim to the administrator, in such form as required by the
62 administrator. Any such claim shall include: (1) Evidence of a final
63 determination of overpayment pursuant to subsection (a) of section 31-
64 273 of the general statutes that required such affected claimant to repay
65 such overpayment, or such overpayment to be recouped by offset from
66 such affected claimant's unemployment benefits; (2) evidence of the
67 amount that such person has repaid or had offset from such affected
68 claimant's unemployment benefits and the amount that remains
69 outstanding; and (3) any additional information as requested or
70 required by the administrator.

71 (d) Subject to available funds, the amount of assistance offered to an
72 affected claimant shall be the amount that: (1) Such claimant has repaid
73 or had offset from the claimant's unemployment benefits, which shall be
74 reimbursed to the affected claimant; and (2) remains outstanding for
75 repayment by the claimant, which shall be deposited in the
76 Unemployment Compensation Fund on behalf of the affected claimant.

77 (e) The administrator shall promptly review all claims submitted
78 pursuant to this section. The administrator shall evaluate each claim and
79 determine, on the basis of information provided by the affected
80 claimant, or additional information provided by another person at the
81 request of the administrator, whether or not such claim should be
82 approved and, if approved, the amount of assistance offered. The
83 administrator shall provide such determination, in writing, to such

84 affected claimant not later than sixty business days after having received
85 the notice of claim, or, if the administrator requested additional
86 information, not later than ten business days after receiving such
87 additional information. The administrator shall pay any such assistance
88 offered to such affected claimant in the amount and for the duration
89 determined by the administrator, if applicable.

90 (f) An affected claimant may request that a determination made
91 pursuant to subsection (e) of this section be reconsidered by filing a
92 request with the administrator, on a form prescribed by the
93 administrator, not later than twenty business days after the mailing of
94 the notice of such determination. The administrator, not later than three
95 business days after receipt of such request for reconsideration, shall
96 designate an individual to conduct such reconsideration and shall
97 submit to such designated individual all documents relating to such
98 affected claimant's claim. The administrator's designee shall conduct
99 any reconsideration requested by an affected claimant, which shall
100 consist of a de novo review of all relevant evidence, not later than
101 twenty business days after such individual's designation. Such
102 administrator's designee shall issue such designee's decision affirming,
103 modifying or reversing the decision of the administrator not later than
104 twenty business days after the designee's reconsideration of the
105 determination and shall submit such decision in writing to the
106 administrator and the affected claimant. The decision shall include a
107 brief statement of findings that shall specify any assistance to be paid to
108 the affected claimant in accordance with subsection (e) of this section.

109 (g) Any statement, document, information or matter may be
110 considered by the administrator or, on reconsideration, by the
111 administrator's designee, if, in the opinion of the administrator or
112 designee, it contributes to a determination of the claim, whether or not
113 the same would be admissible in a court of law.

114 (h) Notwithstanding sections 4-183 and 51-197b of the general
115 statutes, there shall be no right of appeal by any affected claimant
116 claiming assistance under this section following the final decision of the

117 administrator's designee issued pursuant to subsection (f) of this
118 section.

119 (i) Any assistance provided to an affected claimant under this section
120 shall not be considered income for the purpose of the state's personal
121 income tax law.

122 (j) If a claim is paid to an affected claimant erroneously or as a result
123 of wilful misrepresentation by such affected claimant, the administrator
124 may seek repayment of benefits from the affected claimant having
125 received such compensation and may also, in the case of wilful
126 misrepresentation, seek payment of a penalty in the amount of fifty per
127 cent of the benefits paid as a result of such misrepresentation.

128 (k) On or before January 1, 2023, and at least quarterly thereafter, the
129 administrator shall submit to the joint standing committee of the
130 General Assembly having cognizance of matters relating to labor, in
131 accordance with section 11-4a of the general statutes, a report on the
132 financial condition of the pandemic unemployment nonfraudulent
133 overpayment account established in subsection (b) of this section. Such
134 report shall include: (1) An estimate of the account's value as of the date
135 of the report; (2) the effect of scheduled payments on the account's value;
136 (3) an estimate of the monthly administrative costs necessary to operate
137 the Pandemic Unemployment Nonfraudulent Overpayment Program;
138 and (4) any recommendations for legislation to improve the operation
139 or administration of said program and said account.

140 Sec. 3. (*Effective from passage*) (a) Not later than September 1, 2022, the
141 administrator shall send written notice, by mail, to each person who: (1)
142 Through error, has received any sum as benefits under chapter 567 of
143 the general statutes on and after March 10, 2020, and before December
144 31, 2021, while any condition for the receipt of benefits imposed by such
145 chapter was not fulfilled in such person's case, or has received a greater
146 amount of benefits than was due to said person under said chapter, and
147 whose receipt of such a sum was not due to fraud, wilful
148 misrepresentation or wilful nondisclosure by himself or herself or

149 another person; and (2) did not request a determination of eligibility
150 pursuant to subdivision (1) of subsection (a) of section 31-273 of the
151 general statutes.

152 (b) Such notice shall inform the person: (1) Of his or her option to
153 request a determination of eligibility, pursuant to subdivision (1) of
154 subsection (a) of section 31-273 of the general statutes, for a waiver of
155 the amount owed if it would defeat the purpose of the benefits or be
156 against equity and good conscience; (2) the procedure for requesting
157 such determination of eligibility; (3) that the request shall be made not
158 later than six months after the Labor Department sent the person the
159 notice; (4) that a final determination of eligibility shall be made before
160 the person may apply to the Pandemic Unemployment Nonfraudulent
161 Overpayment Program; and (5) such other information as the
162 administrator deems necessary.

163 (c) Notwithstanding the provisions of section 31-273 of the general
164 statutes, any person who is sent a notice pursuant to subsection (a) of
165 this section shall not be required to repay the amounts owed pursuant
166 to subsection (a) of section 31-273 of the general statutes on and after the
167 date such notice is sent and before the earlier of (1) the date a final
168 determination of eligibility is made in relation to such notice, provided
169 the person requests a determination of eligibility, or (2) six months after
170 the notice is sent to the person if the person has not requested a
171 determination of eligibility by such date.

172 Sec. 4. (*Effective from passage*) The sum of fifty million dollars is
173 appropriated to the Labor Department from the General Fund, for the
174 fiscal year ending June 30, 2023, for purposes of funding the pandemic
175 unemployment nonfraudulent overpayment account, established
176 pursuant to section 2 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Section 1(2), "Department" was changed to "Commissioner" for clarity; in Section 2(e), "additional information provided at the request of the administrator" was changed to "additional information provided by another person at the request of the administrator," for clarity; in Section 2(h) "Notwithstanding sections 4-183 and 51-197b of the general statutes," was added for clarity; in Section 3(a)(1), "due said" was changed to "due to said" for clarity and proper grammar; in Section 3(b), "commissioner" was changed to "administrator" for consistency; and, in Section 3(c), "provided" was removed for clarity and proper grammar.

LAB *Joint Favorable Subst.*