



NEW YORK STATE SENATOR

Liz Krueger

## Senators Call For State Department Of Labor To Forgive Unemployment Overpayments

LIZ KRUEGER February 16, 2021

| ISSUE: **COVID-19; UNEMPLOYMENT**



**Albany** – Today New York State Senator Liz Krueger and 11 other senators released a letter to state Department of Labor Commissioner Roberta Reardon, urging the Department to follow the example of other states by waiving or forgiving repayment obligations for New Yorkers who have received overpayments of unemployment benefits through no fault of their own. The letter from the senators can be [viewed here](#) and is reprinted below.

"Out of work New Yorkers have suffered enough in this pandemic - they don't need the state pounding on their door to collect debts they never even knew they had incurred in the first place," said **Senator Krueger**. "These overpayments were the result of mistakes made by the state, and the state should pay for them. Almost a year into the pandemic I still have constituents calling my office every day because they can't get a response from DOL on their unemployment claims. Let's use Department resources to help those people, instead of trying to collect from our neighbors in need."

In 2020, the Department of Labor overpaid more than \$114 million in benefits to New Yorkers, often as a result of errors made by their employers or by the Department itself. Recently, individuals who received overpayments through no fault of their own are being ordered to pay back thousands of dollars in benefits for which they believed they were eligible.

Under the terms of the federal CARES Act, states were required to recover overpayments, with no option to waive them. However, as a result of the federal COVID relief bill passed in December, states now have the option to waive or forgive overpayments, as New York State chose to do with federal Emergency Unemployment Compensation provided through the 2008 Economic Stimulus Act.

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February 12, 2021

Commissioner Roberta Reardon  
New York State Department of Labor  
Building 12  
W.A. Harriman Campus

Albany, NY 12240

Dear Commissioner Reardon,

As New Yorkers continue to navigate the economic crisis brought on by COVID-19 and the resulting high levels of unemployment, we acknowledge the changes the Department of Labor has made to ensure that New Yorkers receive the benefits they are owed. Today, we write to urge the Department of Labor to address the issue of unemployment overpayments, and follow the example of other states that are waiving or forgiving repayment obligations.

We are hearing from many constituents who received letters from the Department of Labor notifying them that they owe back thousands of dollars of what they believed were legitimate benefits. The collection of unemployment overpayments is a particularly troublesome burden on individuals during the ongoing pandemic and economic crisis.

We understand that when the CARES Act expanded unemployment benefits to self-employed and other workers, it set a standard that the overpayment of federal dollars should be collected and did not provide a waiver, forcing states to recover the funds. However, with the recent passage of the December COVID Relief Bill, states now have the ability to waive or forgive these overpayments. Many states are opting in through forgiveness in instances of financial hardship for the recipient or due to error on the part of the employer or the unemployment agency.

At a time when it appears that the New York State Department of Labor is still overwhelmed by volume of current claims, prioritizing departmental resources on collecting overpayment could be reconsidered. Under the temporary federal Emergency Unemployment Compensation (EUCo8) program as part of the Economic Stimulus Act of 2008, New York

enacted relief for the collection of overpayment. The 2008 extended benefits were analogous to the 2020 extended benefits and there was a system put in place to mitigate the impact of overpayments.

Thank you for updating labor policy to account for the new realities during the pandemic. We urge the Department of Labor to consider methods to mitigate the impact overpayments and provide relief for those affected.

Thank you,

James Gaughran

Andrew Gounardes

Brad Hoylman

Liz Krueger

Rachel May

Shelley Mayer

Elijah Reichlin-Melnick

Zellnor Myrie

Jessica Ramos

Sean Ryan

James Skoufis

Kevin Thomas