



NEW YORK STATE SENATOR

James Skoufis

Skoufis Calls For Dept. of Labor To Forgive Unemployment Overpayments

JESSICA GULOTTA March 9, 2021

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Senator James Skoufis (D-Hudson Valley) announced that he, along with colleagues in the State Senate, recently sent a letter to the state Department of Labor urging the agency to waive repayment obligations for New Yorkers affected by the pandemic and who have received overpayments of unemployment benefits due to a state error.

By no fault of their own, thousands of New Yorkers received overpayments from the Department of Labor as a result of errors made by the Department itself. Now, the state is asking these same individuals to pay back thousands of dollars, for which they thought they were eligible, to the state.

Adding further insult to injury, individuals who received exactly what they were eligible for, are also being asked to pay the state for overpayments that they did not even receive. For the past several months, constituents have reached out to Senator Skoufis' office deeply concerned about how they are supposed to pay back this money that they spent on basic expenses such as food.

"First, the Department of Labor makes people go through hell and back just to get their benefits, and then, the Department makes its own errors and asks unemployed New Yorkers to front the bill," **said Senator Skoufis**. "This is beyond abhorrent and the solution to the Department's problem is not to take from residents in need. The Department ought to figure out another means of revenue and leave New Yorkers - who have suffered a great deal over the past year - and their wallets alone."

The full letter is copied below.

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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 (EUC08) 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 Skoufis

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