



**HB 955 - Unemployment Insurance - Procedures for Recovery of Overpayment of Benefits - Alterations
House Economic Matters Committee**

March 01, 2022

SUPPORT

Chairman Wilson, Vice-Chair and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 955. This bill will strengthen Maryland's unemployment system and protect Marylanders from having their benefits negatively affected.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The pandemic has put a huge financial burden on many Marylanders and social safety nets such as Unemployment Insurance (UI) are put in place to provide individuals with the ability to survive. Unfortunately, Maryland's UI program has failed in its core mission of providing a critical but temporary safety net for people out of work. **The Department of Labor's (DOL) mishandling of redetermination and overpayment notices results in claimants losing crucial benefits.**

CASH held many conversations with stakeholders that identified key issues their clients are facing revolving around redetermination and overpayment notices. Problems include people not being able to find their notices in BEACON. This is due to many reasons. Some claimants do not have access to BEACON. BEACON can only be fully accessed through a computer- not a mobile device. This also limits claimants' ability to file an appeal, which also must be done through BEACON. For many claimants, the button to file an appeal would not work. Also, past notices that were only sent through BEACON have disappeared. Notices also offer insufficient information to the claimants. The notices did not include any evidence showing where the department overpaid, and the notices did not include information on how to submit an appeal.

Claimants only have a set number of days to submit an appeal. The department's negligence in including critical information and the limited functionality of BEACON makes it extremely difficult for claimants to understand what is happening and appeal to keep their benefits.

HB 955 addresses these concerns by:

- Establishing a predetermination investigation before seeking recovery benefits,
- Requiring the department to send a written notice that includes evidence of overpayment and instructions on how to appeal

UI is a basic and essential safety net for workers who are temporarily unemployed through no fault of their own. Unfortunately, Maryland's system is not functioning properly in a manner that protects unemployed Marylanders. The issues with BEACON and overpayment notices did not come from additional stress from the pandemic. It came from the inadequate and ineffective infrastructure of Maryland's UI system, and it must be solved by strengthening that infrastructure.

Thus, we encourage a favorable report on HB 955.

Creating Assets, Savings and Hope