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**SB 635 - Support Unemployment Insurance
Appeals and Recovery of Overpayment of Benefits Procedures - Revisions**

Background:

- Unemployment Insurance (UI) is a limited but essential financial safety net for workers that rely on these benefits to pay for necessities upon losing their employment.
- UI claims exploded at the start of the COVID-19 pandemic as many Marylanders were forced out of their jobs due to COVID precautionary measures.
- Unfortunately, the Department of Labor (DOL) operationalized a new claims processing portal in April 2020, known as BEACON 2.0, which has been plagued with issues throughout the pandemic.^{1 2}
- Issues included incorrect overpayment processing determinations, claimants being incorrectly denied benefits, and a lack of opportunity to connect with customer service representatives to timely resolve problems.
- Many Marylanders struggled to navigate the Beacon portal which users found to be complex and difficult to monitor account updates such as those relating to the scheduling of appeal hearings and benefit adjudications.

Why SB 635 is needed:

- The administration of UI benefits in Maryland is in need of alterations to prevent these issues that Marylanders have faced during the pandemic.

¹ [Baltimore Sun \(April 2020\)](#)

² [CBS Baltimore \(February 2022\)](#)

- Claimants are entitled to the timely notification of important account updates to be delivered via a method that is convenient for them.
- The smooth administration of UI benefits is needed to ensure that Marylanders that need these benefits are not unduly burdened by complicated bureaucratic infrastructure.

As Amended What SB 635 Does:

- Before a claimant can be pursued for an overpayment, the Secretary must provide written notice of the pending predetermination investigation, the rationale for the investigation, and an opportunity for the claimant to respond within a reasonable timeframe before making the determination final.
- SB 635 will mandate that the Department send physical mail correspondence under certain circumstances to ensure that claimants are aware of important account updates such as scheduled hearings and overpayment notices, including information on how to move forward with appropriate follow-up responses.
- SB 635 will have the statutory authority to change their correspondence options to ensure that they are receiving communications conducive to their preferences.
- An amendment will delete the OAH appeal pathway provisions to ensure appropriate conformity with Federal UI statutes.

What SB 635 accomplishes:

- SB 635 enhances protections from incorrect overpayment recoveries by requiring, in accordance with Federal statute, the Department to promptly notify claimants of possible overpayments and conduct a predetermination investigation.
- SB 635 ensures that claimants are better informed of account updates and actionable items.
- SB 635 makes sure that all Maryland residents can receive notice from DOL in the form of their choosing, and mitigates problems associated with claimants' access to the internet and technology literacy.
- SB 635 provides claimants with strengthened positions to contest adverse determinations with correspondence requirements that are enshrined in Maryland statute.