

April 20, 2021

The Honorable Dick Durbin
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510

The Honorable Chuck Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Durbin, Ranking Member Grassley, Chairman Wyden, and Ranking Member Crapo:

We are writing to express concerns with unemployment insurance related provisions in Section 703 of HR 1620 as it was passed by the U.S. House of Representatives on March 17, 2021. These provisions would negatively impact claimants filing for unemployment compensation, state administrative agencies, and the employers who fund the employment security system.

The federal – state unemployment insurance system provides temporary partial wage replacement support to individuals who become unemployed through no fault of their own. To be paid unemployment compensation individuals must be able to work, available to work and actively seeking work. State unemployment agencies determine whether individuals qualify for benefits and whether they may be paid unemployment compensation under state law. The determination of whether an individual is eligible for benefits is based on the evaluation of the reason for separation from employment indicated by the employer and the individual filing an application to establish eligibility to claim benefits.

This amendment will require the payment of unemployment benefits to individuals whose employers had no connection to the reason for the separation

from work. Those employers and other base period employers, who may also be chargeable for the benefits, would be subject to higher unemployment tax rates as a result of increased unemployment compensation payments. The solvency of state unemployment trust funds that are recovering from the COVID-19 recession would be negatively impacted with the potential of increasing unemployment tax rates for all employers in these states.

The amendment language in Section 703 of HR 1620 raises a number of concerns, including:

- **The amendment would impose a federal mandate that would be inconsistent with state law with respect to unemployment insurance.** Violence against women in connection with work is already just cause to quit (i.e., is non-disqualifying). The issue has been addressed in every state in statute, administrative rule or policy.
- **Under the amendment unemployment benefits would be charged to employers even when claimed harassment was not at the workplace, not due to anything the employer did, and did not arise in the course of employment.**
- **Information about harassment could not be kept confidential during the determination of benefits.** Employers to be charged for benefits should have a right to review the claim and respond. UI benefit determinations include representation by employers who are charged for the benefits.
- **The amendment would raise a scoring issue.** It would increase outlays from federal unemployment trust fund accounts and increase the cost of unemployment compensation for federal agencies.
- **The amendment would impose additional unfunded federal mandates.** The amendment imposes increased costs of administration for states without additional federal appropriations and increases administrative costs for employers and federal agencies.
- **The amendment would increase unemployment insurance taxes and increase insolvency in state unemployment trust funds.**

For these reasons, we oppose enactment of the unemployment compensation provisions in Section 703 of HR 1620.

Arkansas State Chamber of Commerce
Associated Industries of Arkansas

Associated Industries of Florida
Association of Unemployment Tax Organizations
Connecticut Business and Industry Association
Georgia Association of Manufacturers
Chamber of Commerce Hawaii
Idaho Hospital Association
Illinois Manufacturers' Association
Illinois Chamber of Commerce
Indiana Chamber of Commerce
The Indiana Manufacturers Association
Iowa Association of Business and Industry
Kansas Chamber of Commerce
Louisiana Association of Business and Industry
Michigan Chamber of Commerce
Michigan Manufacturers Association
North Carolina Chamber
Ohio Chamber of Commerce
Pennsylvania Chamber of Business and Industry
People Systems/NEC
The Ohio Manufacturers Association
The State Chamber of Oklahoma
Unemployment Services Corporation
Unemployment Services Trust
Unemployment Tax Management Corporation
UWC – Strategic Services on Unemployment & Workers' Compensation
Virginia Chamber of Commerce
Washington Food Industry Association
Wisconsin Manufacturers and Commerce