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FOR IMMEDIATE RELEASE

January 25, 2022

TRENTON – The New Jersey Department of Labor and Workforce Development (NJDOL) joined the National Association of State Workforce Agencies (NASWA) in urging Congress to allow states to waive all non-fraudulent pandemic-related unemployment compensation overpayments.

NASWA leaders this month penned a letter to Congressional leaders highlighting the need for the overpayment waiver allowance.

Changing federal rules on eligibility requirements caused millions of workers across the country to become ineligible for pandemic unemployment compensation they previously received, generating the overpayments.

Signing the letter were: New Jersey Labor Commissioner Robert Asaro-Angelo, the NASWA Board Chair; Board Chair-Elect Dr. Tamika L. Ledbetter, Commissioner of the Alaska Department of Labor and Workforce Development; and NASWA President and CEO Scott B. Sanders. The letter was addressed to: Senate Majority Leader Charles E. Schumer and Minority Leader Mitch McConnell; House Speaker Nancy Pelosi and Minority Leader Kevin McCarthy; and the Chairs and Ranking Members of the Senate Finance Committee and the House Ways and Means Committee.

“Millions of unemployed workers deemed eligible for federal pandemic unemployment benefits later found out that the rules had changed, and, through no fault of their own, were no longer considered eligible – months after they had spent the money on necessities like food and housing,” said Asaro-Angelo. “To try to recover these funds after the fact stresses these workers and their families, strains the system of resources with little chance of success, and is counterintuitive to our mission of helping people in their time of need.”

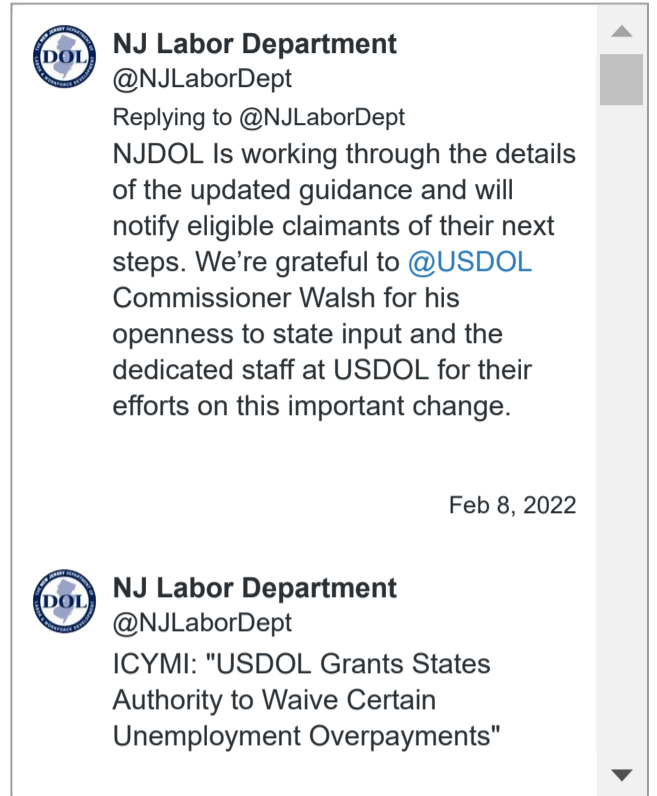
Congress expanded federal unemployment benefits with the CARES Act in March 2020, the Continued Assistance Act in December 2020, and the American Rescue Plan in March 2021. Evolving federal guidance after the CARES Act, and eligibility changes brought about in the Continued Assistance Act, resulted in overpayments for claimants who received Pandemic Unemployment Assistance (PUA) benefits months before. The PUA program expired on Sept. 4, 2021.

In the letter, the NASWA leaders request that Congress allow states to waive all non-fraudulent overpayments from federal programs to prevent further economic hardship for these recipients.

The leaders also ask that states be held harmless for unrecoverable payments under the Lost Wages Assistance (LWA) program administered by the Federal Emergency Management Administration (FEMA) in fall of 2020 as long as good-faith efforts are made to recoup improper payments.

An extension to waivers of interest payments and the accrual of interest on federal advances to state unemployment trust funds was also requested.

Asaro-Angelo has strongly and repeatedly advocated for federal reform of the UI system throughout the pandemic as each state strained against record unemployment claims. New Jersey has been at the forefront of UI improvements, creating innovative solutions to paying



benefits during a time of unprecedented demand and consistently being at or near the top of states with the highest percentage of unemployed workers who successfully receive benefits.

Because of these accomplishments, New Jersey was recently selected by the USDOL and U.S. Digital Service (USDS), housed in the Office of the President, as a pilot state for modernization and improvement of the federal unemployment insurance system. The goal of the Claimant Experience Pilot is to design an application system that provides equitable and timely access to unemployment benefits for eligible workers, while rooting out identity theft and other fraudulent claims that have bogged down state unemployment systems throughout the COVID-19 pandemic. The other pilot state partner is Arkansas.

“As evidenced by piecemeal policies we’re still trying to sort out months after their expiration, it’s clear that our federal unemployment system was not built to withstand workers’ needs of today,” Asaro-Angelo said. “With Congress and other federal partners, I’m hoping we can create a system that provides reliable support to every state and every worker.”

[Click here](#) to read the letter in its entirety.

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