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# SERVICE BULLETIN

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## Florida Amends UI Law to Encourage Timely Responses to UI Claims

June 24, 2010

Senate Bill 1736 was approved by Governor Crist on May 17, 2010, making several changes to Florida Employment Security Law. One significant provision relating to unemployment claims will take effect on July 1<sup>st</sup>.

Currently there is no time limit established in statute for requiring employers to respond to a notice of claim. An employer may respond after benefits have already begun to be paid to the claimant. This is considered new evidence pertinent to the initial determination, and a redetermination may be issued. If the employer successfully contests the claim, any benefits that have been erroneously paid are not charged to the employer's tax account. Rather, such overpayments are recovered through an adjustment factor added to the UI tax rates, spreading the cost among all experience-rated employers who had benefit experience over the previous three years. The employer that delays responding to notices of claims is not directly charged for the erroneous benefit payments caused by such late responses.

Effective July 1, 2010, this amendment establishes a twenty-day time limit for making a timely response to the notice of claim. When an employer's response is late, and when the late response results in erroneous benefit payments, such overpayments will be charged to the tax account of the employer that made the late response. Further, a claimant will not be required to repay any overpayments due to the employer's failure to respond, so long as there is no fraud involved.

Senate Bill 1736 will essentially protect those employers who are diligent in providing timely information from having to subsidize the unnecessary costs associated with slow responders. The bill will also protect claimants from having to repay benefits received erroneously when the payments were the result of a late employer response.

As always, if there are any questions please contact us.

