

The Virgin Islands Consortium

Dept. of Labor Issues Notice Regarding Residents Who May Have Been Overpaid Disaster Unemployment Benefits

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The Dept. of Labor has issued a notice to the public regarding the review of individual case files for claimants who may have received an overpayment of Unemployment Insurance Benefits. D.O.L. said an overpayment occurs when a recipient (claimant) of unemployment insurance benefits receives benefit payment for which he/she is not entitled. Pursuant to Title 24, Chapter 12 Section 305 Recovery and Recoupment, claimants are responsible for repaying any overpayment of benefits he/she was not eligible to receive back to the Virgin Islands Department of Labor, Unemployment Insurance Division, including any taxes deducted.

The cause of an overpayment of benefits includes:

- Claimant and/or employer failed to disclose that the claimant received wages, holiday, vacation pay, severance pay, or any other deductible pay after your job separation.
- Claimant failed to report earnings and hours accurately worked while filing for unemployment insurance benefits.
- Claimant's weekly and/or maximum unemployment insurance benefit amount changed (a monetary redetermination is made) because the wage information was incorrect when the claim was initially filed.
- Claimant is disqualified by failing to meet eligibility requirements by not returning to work as established by the Virgin Islands Code Title 24 Chapter 12 Subsection 303 (f), which states:

"No individual may receive benefits in a benefit year unless subsequent to the beginning of the next preceding benefit year during which he received benefits, he performed service, whether or not "employment" as defined in section 302(k) of this title, and earned remuneration for such service in an amount equal to not less than the lesser of 3 1/3 of the individual's high quarter wages or six times his weekly benefit amount."

D.O.L. Commissioner Gary Molloy said that case files are subject to review by the U.S. Virgin Islands Department of Labor in order to ensure fair and timely issuance of assistance. If an error was made based on payment, the department has the authority to audit each case file to ensure that transactions occurred correctly, he said.

D.O.L. classifies overpayment into two categories, according to the release: non-fraud or fraud. At present, the department is treating all cases as non-fraud. Non-fraud is when a claimant receives benefits to which you were not entitled, and you are not at fault, thus the overpayment is considered non-fraud. There are no penalty or interest unless your case is determined as a fraud.

A fraud overpayment occurs when you knowingly give false information or withhold information and as a result, receive benefits that you should not have received, D.O.L. said. Withholding or giving false information to obtain unemployment insurance benefits is a serious offense that can result in criminal prosecution. With a fraud overpayment, you are assessed a penalty in the amount of 15 percent of the amount of the overpayment. Fraud overpayments and penalties must be repaid. Virgin Islands Department of Labor will consider on a case by case basis if this action is warranted from claimants response.

D.O.L. says it is authorized to recapture and recoup all overpayment by offsetting any and all other money owed to individuals by the state.

Notification of meeting and individual appointments with Unemployment Insurance staff will be announced.

Feature Image: Line at Firstbank in Golden Rock following Hurricane Maria's landfall on St. Croix (VIC)

