



COMMONWEALTH of VIRGINIA  
Virginia Employment Commission

Demetrios J. Melis  
Commissioner

Post Office Box 26441  
Richmond, VA 23261-6441

January 17, 2024

The Honorable Glenn Youngkin  
Governor, Commonwealth of Virginia  
P.O. Box 1475  
Richmond, Virginia 23218

The Honorable Jennifer Boysko  
Senate of Virginia  
P.O. Box 689  
Richmond, Virginia 23218

The Honorable Adam Ebbin  
Chairman, Commission on Unemployment Compensation  
Senate of Virginia  
P.O. Box 396  
Richmond, Virginia 23218

The Honorable R. Lee Ware  
P.O. Box 689  
Powhatan, Virginia 23139

The Honorable Elizabeth Bennett-Parker  
107 South West Street, #152  
Alexandria, Virginia 22314

The Honorable Chris Runion  
P.O. Box 202  
Bridgewater, Virginia 22812

Dear Governor and Chairman:

**EXECUTIVE SUMMARY**

**Number of employers deemed to have established a pattern of failing to respond timely or adequately to written requests for information: 15 – 2023**

Due to pandemic related guidance and the transition to the Virginia Employment Commission's (VEC) new technology system, VUIS, in November 2021, VEC was not assessing penalties for employers in violation of §60.2-528.1 from November 2021 through February 2023. Upon going live with VUIS and working out necessary system adjustments, VEC resumed assessing penalties and tracking this information in February 2023.

**The amount of benefit charges not relieved from employers' accounts as a result of the implementation of §60.2-528.1:**

This data is not currently available as VEC did not assess any penalties to employers from November 2021 through February 2023. The data for 2023 is not currently available as the quarter has not ended, therefore the totals have not been processed. This information will be available for the next reporting period.

**The assessment of civil penalties pursuant to §60.2-528.1:** 15 civil penalties of \$75 each were assessed for a total of \$1,125.00 in 2023.

No civil penalties were assessed on employers from November 2021 through January 2023.

**The effectiveness of the section in:**

- **Reducing the number and amount of erroneous payments made to claimants.**

Due to the lack of data available for 2021 through the beginning of 2023, we cannot make an accurate inference as to the effectiveness of the section in reducing the amount of erroneous payment made to claimants. The overwhelming number of claims that came in, and therefore the extraordinary amount of information requested and received or not received from employers would not provide an accurate representation of the section's impact. Looking at 2023, 15 claimants were determined erroneously paid where employers violated §60.2-528.1. When employers comply with the Code, the information allows VEC to make timelier and better claims decisions. In turn, this reduces the number and dollar value of improper overpayments.

- **Increasing the percentage of employers that provide timely and adequate responses to requests for information relating to claims for compensation prior to enactment of this statute.**

"Pattern" has been defined in Title 60.2 as failing to respond timely or adequately to written requests for information on four or more occasions within the applicable review period. The "review period" is defined as the 48 consecutive calendar month period ending on June 30 that precedes the Commission's next annual calculation of the employer's benefit ratio. For this report, the review period is from July 1, 2021, through June 30, 2023. From February 2023 through October 2023, only 15 employers were penalized for failure to comply under §60.2-528.1. While this data shows a decrease from the number of employers reported in 2019, VEC does not have enough data to get a significant inference from the reporting time period. Moving forward, the Commission will be assessing penalties on employers in violation of §60.2-528.1 and tracking that data to utilize internally and provide useful information regarding the implementation of the Code.

- **The effect thereof on the solvency level of the Unemployment Trust Fund.**

The effect on the solvency of the Unemployment Trust Fund remained negligible.

- **The average state unemployment tax per employee.**

The average state unemployment tax per employee is calculated based on the calendar year. For 2022, the average state unemployment tax per employee was 1.04%. For 2023, the average state unemployment tax per employee was 0.94%.

- **The burden of complying with and administering the section**

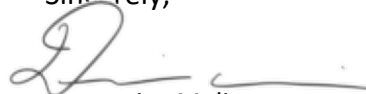
Moving forward, VEC will be assessing penalties and tracking the data on a regular basis, which will allow for detailed analysis and reporting on the burden imposed by doing so.

- **Recommendations for legislative changes that would ease such burdens and increase this section's effectiveness:**

At this time, VEC does not have any recommendations regarding legislative changes.

Please do not hesitate to contact me at [demetrios.melis@vec.virginia.gov](mailto:demetrios.melis@vec.virginia.gov) or (804) 786-3001 with any questions.

Sincerely,



Demetrios Melis