



# Legislature of the Virgin Islands

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## POST AUDIT DIVISION

January 29, 2024

### MEMORANDUM

**TO:** Honorable Donna A. Frett-Gregory  
Chairwoman, Committee on Budget, Appropriations, and Finance  
35<sup>th</sup> Legislature of the Virgin Islands

**FROM:** Post Audit Division

**SUBJECT:** **Bill No.- 35-0218-**An Act amending Title 24, Virgin Islands Code, Chapter 12 relating to unemployment benefits by: reducing the number of weeks that unemployment benefits can be received; increasing the statute of limitations for the collection of overpayments of unemployment benefits from claimants and for delinquent employer contribution; allowing for the implementation of the payroll variation methodology launch in the calendar year beginning January 2024; implementing a 10-year record retention period for employers; and requiring employers to register with the Virgin Islands State Information Data Exchange System .

### BACKGROUND AND HISTORY

Title 24 Virgin Islands Code, Chapter 12, Section 303 was created to establish payments (benefits) granted to any insured worker/individual who meets the conditions and criteria of eligibility requirements for benefits.

### ANALYSIS

Unemployment Benefits are payments made by a government or a labor union to an unemployed person. The unemployment rate represents the number of unemployed as a percentage of the labor force (the labor force is the sum of the employed and unemployed). The rate is calculated as:  $(\text{unemployed}/\text{labor force} * 100)$ . Individual benefit payment amount (benefit rate) depends on how much and when the individual was paid before they became unemployed. Duration of unemployment varies; long term unemployment relates those who are unemployed for twenty-seven (27) continuous weeks or more. ([www.bls.gov](http://www.bls.gov))

According to the U. S. Virgin Islands Department of Labor as of January 1, 2024, the Maximum Weekly Benefit Amount (MWBA) for unemployment will be \$645.00 and Taxable Wage Base (TWB) for employer contribution will be \$31,000.00. The MWBA is calculated as sixty-five (65%) percent of the average weekly wage in insured work. The established average weekly wage

## Bill 35-0218 Unemployment Insurance Benefits

is \$993.02, and the average annual wage is \$51,637.00 based on employment and wage statistics reported by the local Bureau of Labor Statistics. As of July 2023, the unemployment rate for the Virgin Islands was 3.7%, a decrease of 1.1% from July 2022.

([www.vidol.gov](http://www.vidol.gov))

*Exhibit I* displays a summarized pictorial view of the number of recipients and total amount paid out for unemployment insurance benefits for tax years 2021-2023. Information provided by the U.S. Virgin Islands Department of Labor.

*Exhibit I*

	Tax Year 2021 (January 1- December 31)	Tax Year 2022 (January 1- December 31)	Tax Year 2022-2021 Variance	Tax Year 2023 (January 1- December 31)	Tax Year 2023-2022 Variance
Number of Recipients	10,214	2,435	(7,779)	1,013	(1,422)
Total Amount Paid	\$124,550,541	\$14,953,648	(\$109,596,893)	\$4,702,634	(\$10,251,014)

Bill **35-0218** seeks to establish adjustments in the unemployment benefits in relations to the payment weeks, statute of limitations, collection of overpayments, and delinquent employer contributions.

**SUMMARY**

The Government of the Virgin Islands (Department of Labor) will be mandated to ensure the laws pertaining to the reduction unemployment benefits weeks (from 26 to 16), the increase of statute of limitations and collection of overpayments of unemployment benefits from claimants and delinquent employer contributions are adhered to.



Wendell Gaskin  
Post Auditor