



# House of Representatives

General Assembly

**File No. 59**

February Session, 2000

House Bill No. 5158

*House of Representatives, March 13, 2000*

The Committee on Labor and Public Employees reported through REP. DONOVAN of the 84<sup>th</sup> Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***An Act Concerning Eligibility For Unemployment Compensation.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 31-230 of the general statutes is repealed and the following  
2 is substituted in lieu thereof:

3 (a) An individual's benefit year shall commence with the beginning  
4 of the week with respect to which [he] the individual has filed a valid  
5 initiating claim and shall continue through the Saturday of the fifty-  
6 first week following the week in which it commenced, provided no  
7 benefit year shall end until after the end of the third complete calendar  
8 quarter, plus the remainder of any uncompleted calendar week  
9 [which] that began in such quarter, following the calendar quarter in  
10 which it commenced, and provided further, the benefit year of [a  
11 claimant] an individual who has filed a combined wage claim, as  
12 described in subsection (b) of section 31-255, shall be the benefit year  
13 prescribed by the law of the paying state. In no event shall a benefit

14 year be established before the termination of an existing benefit year  
15 previously established under the provisions of this chapter. [The]  
16 Except as provided in subsection (b) of this section, the base period of  
17 a benefit year shall be the first four of the five most recently completed  
18 calendar quarters prior to such benefit year, provided such quarters  
19 were not previously used to establish a prior valid benefit year and  
20 provided further, the base period with respect to a combined wage  
21 claim, as described in subsection (b) of section 31-255, shall be the base  
22 period of the paying state, except that for any individual who is  
23 eligible to receive or is receiving workers' compensation or who is  
24 properly absent from work under the terms of [his] the employer's sick  
25 leave or disability leave policy, the base period shall be the first four of  
26 the five most recently worked quarters prior to such benefit year,  
27 provided such quarters were not previously used to establish a prior  
28 valid benefit year and provided further, the last most recently worked  
29 calendar quarter is no more than twelve calendar quarters prior to the  
30 date such individual makes [his] an initiating claim. As used in this  
31 section, an initiating claim shall be deemed valid if the [claimant]  
32 individual is unemployed and meets the requirements of [subsections]  
33 subdivisions (1) and (3) of subsection (a) of section 31-235. The base  
34 period of an individual's benefit year shall include wages paid by any  
35 nonprofit organization electing reimbursement in lieu of contributions,  
36 or by the state and by any town, city or other political or governmental  
37 subdivision of or in this state or of any municipality to such person  
38 with respect to whom such employer is subject to the provisions of this  
39 chapter. With respect to weeks of unemployment beginning on or after  
40 January 1, 1978, wages for insured work [shall] include wages paid for  
41 previously uncovered services. For purposes of this section, the term  
42 "previously uncovered services" means services that (A) [which] were  
43 not employment as defined in section 31-222, and were not services  
44 covered pursuant to section 31-223, at any time during the one-year  
45 period ending December 31, 1975; and (B) [which] (i) are agricultural  
46 labor as defined in section 31-222(a)(1)(H), or domestic service as

47 defined in section 31-222(a)(1)(J), or (ii) are services performed by an  
48 employee of this state or a political subdivision [thereof] of this state,  
49 as provided in section 31-222(a)(1)(C) or by an employee of a nonprofit  
50 educational institution [which] that is not an institution of higher  
51 education, as provided in section 31-222(a)(1)(E)(iii), except to the  
52 extent that assistance under Title II of the Emergency Jobs and  
53 Unemployment Assistance Act of 1974 was paid on the basis of such  
54 services.

55 (b) The base period of a benefit year for any individual who is  
56 ineligible to receive benefits using the base period set forth in  
57 subsection (a) of this section shall be the four most recently completed  
58 calendar quarters prior to the individual's benefit year, provided such  
59 quarters were not previously used to establish a prior valid benefit  
60 year, except that for any such individual who is eligible to receive or is  
61 receiving workers' compensation or who is properly absent from work  
62 under the terms of an employer's sick leave or disability leave policy,  
63 the base period shall be the four most recently worked calendar  
64 quarters prior to such benefit year, provided such quarters were not  
65 previously used to establish a prior valid benefit year and provided  
66 further, the last most recently worked calendar quarter is not more  
67 than twelve calendar quarters prior to the date such individual makes  
68 the initiating claim. If the wage information for an individual's most  
69 recently worked calendar quarter is unavailable to the administrator  
70 from regular quarterly reports of systematically accessible wage  
71 information, the administrator shall promptly contact the individual's  
72 employer to obtain such wage information.

73 (c) The administrator shall adopt regulations, in accordance with the  
74 provisions of chapter 54, to implement the provisions of this section.  
75 Such regulations shall specify the manner and format in which the  
76 administrator shall:

77 (1) Provide written notice to individuals of the potential availability

78 of the alternative base period calculation set forth in subsection (b) of  
79 this section; and

80 (2) Promptly obtain wage information from an employer in order to  
81 calculate the alternative base period set forth in subsection (b) of this  
82 section.

**LAB Committee Vote:** Yea 10 Nay 1 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** Cost (Unemployment Compensation Fund),  
(General Fund)

**Affected Agencies:** Department of Labor

**Municipal Impact:** Cost

**Explanation**

**State Impact:**

There will be a cost to the state Unemployment Compensation Fund as a result of this bill, which requires the Department of Labor to look at an alternate base period concerning eligibility for unemployment compensation benefits.

There will be a cost of approximately \$2.7 million to the fund based on 1300 additional eligible claimants out of 5,365 claimants that were ineligible in 1999. The estimated weekly entitlement is \$139 per week, with an average duration period of 14.9 weeks. The unemployment compensation cost to the state for its eligible employees will be approximately \$27,000. There will also be a cost of \$193,007 for additional staff and data processing start up expenses required by the Department of Labor to implement the alternative base period. Additional staff needed include:

- 1 Customer Service Representative	\$67,793
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- 1 Adjudication Specialist	\$79,565
Total Staff Costs	\$147,358

Data processing start-up costs amount to \$45,649 that are added to the staff costs.

***Municipal Impact:***

There will be an additional unemployment cost to municipalities for its eligible employees of approximately \$40,500 as a result the bill requiring an alternative base period.

**OLR Bill Analysis**

HB 5158

***AN ACT CONCERNING ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION.*****SUMMARY:**

This bill requires the Labor Department (DOL), when determining unemployment compensation eligibility, to look at the four most recently completed quarters prior to the quarter in which the claimant files an unemployment claim if he fails to qualify for benefits under the current base period definition. In these situations, it requires the department to obtain wage information directly from the claimant's most recent employer. Current law requires DOL to look at the first four of the five most recently completed quarters prior to the quarter in which the claimant files a claim.

EFFECTIVE DATE: October 1, 2000

**FURTHER EXPLANATION*****Obtaining Wage Information and Regulations***

The bill requires DOL to promptly contact the claimant's most recent employer to obtain wage information if it is unavailable from regular quarterly reports.

It requires the labor commissioner to adopt regulations concerning the alternative base period. Regulations must describe how the department will (1) notify individuals in writing that they may be eligible for the alternative base period calculation and (2) promptly obtain wage information from employers necessary to calculate the alternative base period.

***Alternative Base Period Rules***

The bill applies the following rules in current law to the alternative base period: (1) exclusion of the use of a quarter that was used to establish a prior unemployment compensation benefit year and (2) for claimants receiving workers' compensation benefits or who are properly out on sick leave, the last most recently worked quarter can be no more than 12 quarters before the claim is made. Although for these claimants, the base period is the four most recently completed quarters rather than the first four of the five most recently completed quarters.

## **BACKGROUND**

### ***The Base Period***

The unemployment compensation base period is used to determine (1) whether an individual has earned enough money to qualify for benefits (claimants must have earned at least 40 times the amount of their weekly benefit in the base period to be eligible) and (2) the amount of benefits. (Benefits are based on the average amount earned in the two highest-paid quarters of the base period.)

## **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Report

Yea 10    Nay 1