



Senate

General Assembly

File No. 69

January Session, 2001

Senate Bill No. 1197

Senate, March 26, 2001

The Committee on Labor and Public Employees reported through SEN. PRAGUE of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT AUTHORIZING USE OF AN ALTERNATE BASE PERIOD FOR DETERMINING 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1 Section 31-230 of the general statutes is repealed and the following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 [(A) which] that (1)
43 were not employment as defined in section 31-222, and were not
44 services covered pursuant to section 31-223, at any time during the
45 one-year period ending December 31, 1975; and [(B) which (i)] (2) (A)
46 are agricultural labor as defined in section 31-222(a)(1)(H), or domestic

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

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:

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 that requires the Department of Labor to look at the alternate base period concerning eligibility for unemployment compensation benefits.

There will be a cost of approximately \$2.8 million to the fund based on 1,265 additional eligible claimants out of 4,066 claimants that were ineligible in 2000. The estimated weekly entitlement is \$157 per week, with an average duration of 14.1 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

- 1 Adjudication Specialist
- Total Staff Costs \$147,358

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

Municipal Impact:

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

OLR Bill Analysis

SB 1197

AN ACT AUTHORIZING USE OF AN ALTERNATE BASE PERIOD FOR DETERMINING ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION.**SUMMARY:**

This bill establishes an alternative base period for determining the eligibility of unemployment compensation claimants who do not qualify for benefits under the "regular" base period. When determining unemployment compensation eligibility under the alternative period, the bill requires the Department of Labor (DOL) to look at the four most recently completed quarters prior to the quarter in which a claimant filed his claim. By law, the regular base period is the first four of the five most recently completed quarters prior to the quarter in which the claimant files a claim.

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

It also requires the labor commissioner to adopt regulations concerning the alternative base period.

EFFECTIVE DATE: October 1, 2001

RULES APPLICABLE TO BASE PERIOD

The rules that currently apply to the regular base period apply to the alternative base period. Under these rules: (1) the quarter used to establish a prior unemployment compensation benefit year must be excluded, and (2) claimants receiving workers' compensation benefits or who are properly out on sick or disability leave, must have worked at least one quarter of the 12 immediately preceding their claim. Although for these claimants, the base period is the four most recently worked calendar quarters rather than the first four of the five most recently completed quarters.

REGULATIONS

The bill requires the commissioner to adopt regulations that describe how the department will: (1) notify the 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.

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 4