



# Senate

General Assembly

**File No. 84**

February Session, 2002

Substitute Senate Bill No. 121

*Senate, March 21, 2002*

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 substitute bill ought to pass.

## ***AN ACT EXTENDING UNEMPLOYMENT COMPENSATION BENEFITS.***

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

1 Section 1. Section 31-230 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

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, as amended, and  
44 were not services covered pursuant to section 31-223, at any time  
45 during the one-year period ending December 31, 1975; and [(B) which  
46 (i)] (2) (A) are agricultural labor, as defined in [section 31-222(a)(1)(H)]  
47 subparagraph (H) of subdivision (1) of subsection (a) of section 31-222,  
48 or domestic service, as defined in [section 31-222(a)(1)(J)]

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

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

78 (c) The administrator shall adopt regulations, in accordance with the  
79 provisions of chapter 54, to implement the provisions of this section.  
80 Such regulations shall specify the manner and format in which the  
81 administrator shall:

82     (1) Provide written notice to individuals of the potential availability  
83     of the alternative base period calculation set forth in subsection (b) of  
84     this section; and

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

This act shall take effect as follows:	
Section 1	October 1, 2002

**Statement of Legislative Commissioners:**

In subsection (a), an existing statutory reference to a provision in section 31-222 was revised for consistency with the general statutes.

**LAB**     *Joint Favorable Subst.*

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:**

Fund-Type	Agency Affected	Current FY \$	FY 03 \$	FY 04 \$
SF - Cost	Labor Dept.	-	2,175,000	2,900,000
GF - Cost	Labor Dept.	-	294,513	392,684
GF - Cost	Unemployment Compensation	-	21,750	29,000

Note: SF=Special Fund (Non-appropriated); GF=General Fund

#### **Municipal Impact:**

Effect	Municipalities	Current FY \$	FY 03 \$	FY 04 \$
Cost	Various Municipalities	-	up to 27,187	up to 36,250

#### **Explanation**

The bill results in a cost of \$2,900,000 per year for the Unemployment Compensation Fund (UCF)<sup>1</sup> through the establishment of an alternative base period for purposes of calculating unemployment compensation benefits under the bill. This could result in an additional 1,265 claimants (out of 4,066 claimants that were found ineligible in 2001) becoming eligible for benefits. The estimated weekly entitlement is \$157 per week with an average duration of 14.1 weeks.

To process these additional claims, additional staff and expenses is estimated to be needed as follows:

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<sup>1</sup> The UCF is a non-General Fund that is financed by employer contributions

Positions	Annual Cost
Field Auditor	\$ 84,714
Customer Service Representative	67,793
Adjudication Specialist	79,565
Adjudication Specialist	79,565
Appeals Referee	81,047
Expenses	5,000
Equipment	15,000
Total	\$412,684.00

The bill would also result in a cost of up to \$29,000 to the state's of Connecticut's Unemployment Compensation Account.<sup>2</sup> State employees make up about 1% of unemployment compensation fund pool

There is also a a cost of up to \$36,250 for municipalities. Former municipal employers make up about 1.25% of the unemployment compensation fund pool.

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<sup>2</sup> The state's Unemployment Compensation account is a miscellaneous appropriation to the Comptroller in the General Fund.

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**OLR Bill Analysis**

sSB 121

**AN ACT EXTENDING UNEMPLOYMENT COMPENSATION BENEFITS****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 who serves as the unemployment administrator, to adopt regulations on the alternative base period.

EFFECTIVE DATE: October 1, 2002

**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. But, 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 individuals in writing that they may be eligible for the alternative base period calculation and (2) promptly obtain from employers wage information 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 Substitute

Yea 10    Nay 4