



General Assembly

Substitute Bill No. 5370

February Session, 2006

* HB05370INS 030706 *

**AN ACT CONCERNING THE EXEMPTION OF NEWSPAPER
DISTRIBUTORS FROM THE UNEMPLOYMENT COMPENSATION
LAW.**

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

1 Section 1. Subdivision (5) of subsection (a) of section 31-222 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2006*):

4 (5) No provision of this chapter, except section 31-254, shall apply to
5 any of the following types of service or employment, except when
6 voluntarily assumed, as provided in section 31-223:

7 (A) Service performed by an individual in the employ of [his] the
8 individual's son, daughter or spouse, and service performed by a child
9 under the age of eighteen in the employ of [his] the child's father or
10 mother;

11 (B) Service performed in the employ of the United States
12 government, any other state, any town or city of any other state, or any
13 political subdivision or instrumentality of any of them; except that, to
14 the extent that the Congress of the United States permits states to
15 require any instrumentalities of the United States to make
16 contributions to an unemployment fund under a state unemployment
17 compensation law, all of the provisions of this chapter shall be

18 applicable to such instrumentalities and to services performed for such
19 instrumentalities; provided, if this state is not certified for any year by
20 the Secretary of Labor under Section 3304 of the Federal Internal
21 Revenue Code, the contributions required of such instrumentalities
22 with respect to such year shall be refunded by the administrator from
23 the fund in the same manner and within the same period as is
24 provided in sections 31-268, 31-269, 31-270 and 31-271 with respect to
25 contributions erroneously collected;

26 (C) Service with respect to which unemployment compensation is
27 payable under an unemployment compensation plan established by an
28 Act of Congress, provided the administrator is authorized to enter into
29 agreements with the proper agencies under such Act of Congress, to
30 provide reciprocal treatment to individuals who have, after acquiring
31 potential rights to benefits under this chapter, acquired rights to
32 unemployment compensation under such Act of Congress, or who
33 have, after acquiring potential rights to unemployment compensation
34 under such Act of Congress, acquired rights to benefits under this
35 chapter, and provided further, in computing benefits the administrator
36 shall disregard all wages paid by employers who fall within the
37 definition of "employer" in Section 1(a) of the Federal Railroad
38 Unemployment Insurance Act;

39 (D) Service performed in this state or elsewhere with respect to
40 which contributions are required and paid under an unemployment
41 compensation law of any other state;

42 (E) Service not in the course of the employer's trade or business
43 performed in any calendar quarter by an employee, unless the cash
44 remuneration paid for such service is fifty dollars or more and such
45 service is performed by an individual who is regularly employed by
46 such employer to perform such service. For purposes of this
47 subparagraph, an individual shall be deemed to be regularly
48 employed by an employer during a calendar quarter only if (i) on each
49 of some twenty-four days during such quarter such individual
50 performs for such employer for some portion of the day service not in

51 the course of the employer's trade or business; or (ii) such individual
52 was so employed by such employer in the performance of such service
53 during the preceding calendar quarter;

54 (F) Service performed in any calendar quarter in the employ of any
55 organization exempt from income tax under Section 501(a) of the
56 Internal Revenue Code or under Section 521 of said code excluding
57 any organization described in Section 401(a) of said code, if the
58 remuneration for such service is less than fifty dollars;

59 (G) Service performed in the employ of a school, college, or
60 university if such service is performed (i) by a student who is enrolled
61 and is regularly attending classes at such school, college or university,
62 or (ii) by the spouse of such a student, if such spouse is advised at the
63 time such spouse commences to perform such service, that (I) the
64 employment of such spouse to perform such service is provided under
65 a program to provide financial assistance to such student by such
66 school, college or university, and (II) such employment will not be
67 covered by any program of unemployment insurance;

68 (H) Service performed as a student nurse in the employ of a hospital
69 or a nurses' training school chartered pursuant to state law by an
70 individual who is enrolled and is regularly attending classes in such
71 nurses' training school, and service performed as an intern in the
72 employ of a hospital by an individual who has completed a four years'
73 course in a medical school chartered or approved pursuant to state
74 law;

75 (I) Service performed by an individual [under the age of eighteen in
76 the delivery or distribution of] as a direct seller, as defined in 26 USC
77 3508, or who otherwise delivers or distributes newspapers or shopping
78 news, [not including delivery or distribution to any point for
79 subsequent delivery or distribution] including directly related services
80 such as soliciting customers and collecting receipts, provided (i) all or
81 substantially all of the individual's pay for such service directly relates
82 to sales or other output rather than to the number of hours worked,

83 and (ii) the individual performs such service under a written contract
84 which specifies that the individual will be an independent contractor
85 who will not be treated as an employee for federal tax purposes;

86 (J) Service performed by an individual who is enrolled, at a
87 nonprofit or public educational institution which normally maintains a
88 regular faculty and curriculum and normally has a regularly organized
89 body of students in attendance at the place where its educational
90 activities are carried on, as a student in a full-time program, taken for
91 credit at such institution, which combines academic instruction with
92 work experience, if such service is an integral part of such program,
93 and such institution has so certified to the employer, except that this
94 subparagraph shall not apply to service performed in a program
95 established for or on behalf of an employer or group of employers;

96 (K) Service performed by an individual as an insurance agent, other
97 than an industrial life insurance agent, and service performed by an
98 individual as a real estate salesperson, if all such service is performed
99 for remuneration solely by way of commission;

100 (L) Service performed in the employ of a hospital, if such service is
101 performed by a patient of the hospital, as defined in subsection (h) of
102 this section;

103 (M) Service performed by an individual in the employ of any town,
104 city or other political subdivision, provided such service is performed
105 in lieu of payment of any delinquent tax payable to such town, city or
106 other political subdivision; and

107 (N) Service performed by an individual as an outside sales
108 representative of a for-profit travel agency if substantially all of such
109 service is performed outside of any travel agency premises, and all
110 such service is performed for remuneration solely by way of
111 commission. For purposes of this subparagraph, an "outside sales
112 representative" means an individual whose services to a for-profit
113 travel agency are performed under such travel agency's Airlines

114 Reporting Corporation accreditation, or the International Airlines
115 Travel Agent Network endorsement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	31-222(a)(5)

INS *Joint Favorable Subst.*