



Connecticut **Business & Industry** Association Service Corp.

**Testimony of Kia D. Floyd
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**Before the Committee on Labor and Public Employees
Hartford, CT
February 27, 2007**

S.B. 1081 AAC The Frequency of Paychecks (Opposed)

Good Afternoon Senator Prague, Representative Ryan and other members of the Committee. My name is Kia Floyd and I am Assistant Counsel for Labor & Employment matters at the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 companies throughout the state of Connecticut, ranging from large corporations to small businesses. The vast majority of our companies employ fifty (50) or fewer employees, many of whom make up Connecticut's workforce. I am here today to speak on behalf of all of our member companies. CBIA generally supports any labor and employment related legislation that does not increase the costs of doing business in the state or unreasonably increase administrative burdens on employers in dealing with employment and workplace issues. We do not believe that **S.B. 1081** is a cost-effective measure, therefore we generally oppose it.

Mandatory Pay Periods Are Too Restrictive for Many Employers

This legislation would restrict a private employer's ability to pay its employees on anything other than a bi-weekly basis. CBIA believes that employers should be able to pay their employees whenever it best suits their administrative needs, so long as the employee is paid within a reasonable time of performing the work. So long as an employer devises a compensation timetable and pay period that is fair and fully compensates employees, legislation such as S.B. 1081 is unnecessary.

Currently, the Connecticut Department of Labor ("DOL") will grant a weekly payroll waiver to any company who elects to pay its employees on any basis other than weekly. (C.G.S. §31-71(i)). Many Connecticut employers file for DOL waivers each year. In fact, the DOL has issued three hundred and twenty-five (325) waiver requests from July 2006 thru February 2007. The DOL waiver program saves Connecticut employers significant costs in processing payroll weekly, thereby allowing them to provide employees with fringe benefits. Allowing employers to set their own payroll schedules is also cost-efficient because payroll service and processing companies often assess businesses additional fees and charges for changes in pay periods; payroll deductions; employee name changes and other routine administrative tasks.

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In the case of companies with offices or sites in Connecticut but headquarters elsewhere, this legislation may cause companies to expend exorbitant sums of money on computer, software and database upgrades to ensure that their Connecticut payroll systems comply with SB 1081. For multi-national companies with thousands of employees world-wide, this seemingly minor change could result in major administrative costs.

Based on the foregoing reasons, CBIA urges you to reject S.B. 1081 because it will cost Connecticut business significant time, expense and administrative resources without adding value or benefit to employees in the state workforce.