



Senate

General Assembly

File No. 53

January Session, 2009

Substitute Senate Bill No. 715

Senate, March 11, 2009

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 REQUIRING EMPLOYERS TO CITE A REASON FOR TERMINATION OF THEIR EMPLOYEES.

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

1 Section 1. (NEW) (*Effective January 1, 2010*) (a) Any employer that
2 terminates an employee shall provide a written notice of the reason or
3 reasons for such termination to the employee at the time of such
4 termination, unless such notice is not required under the terms of an
5 employment agreement executed by the employer and the employee
6 prior to the date of such termination.

7 (b) A copy of the written notice provided by the employer in
8 accordance with subsection (a) of this section shall be retained by the
9 employer for a period of one year after the date of termination.

10 Sec. 2. Section 31-69a of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective January 1, 2010*):

12 (a) In addition to the penalties provided in this chapter and chapter

13 568, any employer, officer, agent or other person who violates any
 14 provision of this chapter, or chapter 557 or subsection (g) of section 31-
 15 288 or section 1 of this act, shall be liable to the Labor Department for a
 16 civil penalty of three hundred dollars for each violation of said
 17 chapters and for each violation of subsection (g) of section 31-288 or
 18 section 1 of this act, except that any person who violates (1) a stop
 19 work order issued pursuant to subsection (c) of section 31-76a, shall be
 20 liable to the Labor Department for a civil penalty of one thousand
 21 dollars and each day of such violation shall constitute a separate
 22 offense, and (2) any provision of section 31-12, 31-13 or 31-14,
 23 subsection (a) of section 31-15 or section 31-18, 31-23 or 31-24 shall be
 24 liable to the Labor Department for a civil penalty of six hundred
 25 dollars for each violation of said sections.

26 (b) The Attorney General, upon complaint of the Labor
 27 Commissioner, shall institute civil actions to recover the penalties
 28 provided for under subsection (a) of this section. Any amount
 29 recovered shall be deposited in the General Fund and credited to a
 30 separate nonlapsing appropriation to the Labor Department, for other
 31 current expenses, and may be used by the Labor Department to
 32 enforce the provisions of chapter 557, this chapter and subsection (g) of
 33 section 31-288 and to implement the provisions of section 31-4.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2010	New section
Sec. 2	January 1, 2010	31-69a

LAB *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Labor Dept.	GF - Revenue Gain/Cost	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires employers that terminate employees to provide a written notice for the reason(s) for such termination, and subjects violators of this provision to a civil penalty of \$300 imposed by the Department of Labor (DOL). Although the number of anticipated complaints regarding this violation is unknown, it is anticipated that any cost to DOL to investigate such complaint could be offset by the revenue gained from imposing civil penalties.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the amount of activity and the amount of civil penalties imposed.

OLR Bill Analysis**sSB 715*****AN ACT REQUIRING EMPLOYERS TO CITE A REASON FOR TERMINATION OF THEIR EMPLOYEES.*****SUMMARY:**

With one exception, this bill requires all employers that terminate an employee to provide the employee, at the time of firing, with a written explanation of the reason or reasons for the termination. The exception is for situations where such a notice is not required under the terms of an employment agreement executed by the two parties before the termination date.

Under current law, (1) private sector employers do not have to provide a reason for firing an employee, and (2) the state may not terminate a state employee with civil service status except for good cause, which must be stated during termination. (Unionized public and private sector employees typically cannot be fired without good cause under the terms of the union contract.)

The bill requires the employer to keep a copy of the written explanation for one year following the termination date.

The bill subjects violators to a \$300 civil penalty imposed by the Labor Department. This penalty is in addition to any other applicable penalty that may be imposed under workers' compensation and minimum wage laws. The bill authorizes the department to ask the attorney general to start a civil action to recover these civil penalties if necessary.

EFFECTIVE DATE: January 1, 2010

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 8 Nay 3 (02/26/2009)