



# Senate

General Assembly

**File No. 63**

January Session, 2011

Substitute Senate Bill No. 936

*Senate, March 14, 2011*

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 THE LOOK-BACK PERIOD TO DETERMINE ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION EXTENDED BENEFITS.***

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

1 Section 1. Section 31-232b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in subsection (d) of section 31-222 and sections 31-231b, 31-  
4 232a to 31-232k, inclusive, as amended by this act, [31-236(a)(8)]  
5 subdivision (8) of subsection (a) of section 31-236 and section 31-250,  
6 unless the context clearly requires otherwise:

7 (a) (1) "Extended benefit period" means a period which (A) begins  
8 with the third week after a week for which there is a state "on"  
9 indicator; and (B) ends with either of the following weeks, whichever  
10 occurs later: (i) The third week after the first week for which there is a  
11 state "off" indicator; or (ii) the thirteenth consecutive week of such

12 period; provided no extended benefit period may begin by reason of a  
13 state "on" indicator before the fourteenth week following the end of a  
14 prior extended benefit period which was in effect with respect to this  
15 state.

16 (2) With respect to benefits for weeks of unemployment beginning  
17 after September 26, 1982, there is a state "on" indicator for a week if, for  
18 the period consisting of such week and the immediately preceding  
19 twelve weeks, the rate of insured unemployment, as defined in  
20 subdivision (4) of this subsection, (A) equaled or exceeded five per cent  
21 and equaled or exceeded one hundred twenty per cent of the average  
22 of such rates for the corresponding thirteen-week period ending in  
23 each of the preceding two calendar years, or (B) equaled or exceeded  
24 six per cent.

25 (3) With respect to benefits for weeks of unemployment beginning  
26 after June 23, 1993, there is a state "on" indicator for a week if the  
27 average rate of total unemployment in the state, as determined by the  
28 United States Secretary of Labor, for the period consisting of the most  
29 recent three months for which data for all states are published before  
30 the close of such week (A) equals or exceeds six and one-half per cent,  
31 and (B) equals or exceeds one hundred ten per cent of such average for  
32 either or both of the corresponding three-month periods ending in the  
33 two preceding calendar years.

34 (4) Notwithstanding the provisions of subdivisions (2) and (3) of  
35 this subsection, with respect to benefits for weeks of unemployment  
36 (A) beginning after December 17, 2010, and ending on or before  
37 December 31, 2011, or (B) established in federal law permitting this  
38 subdivision for which there is one hundred per cent federal sharing  
39 authorized by federal law, there is a state "on" indicator for a week if  
40 the average rate of total unemployment in the state, as determined by  
41 the United States Secretary of Labor, for the period consisting of the  
42 most recent three months for which data for all states are published  
43 before the close of such week (i) equals or exceeds six and one-half per  
44 cent, and (ii) equals or exceeds one hundred ten per cent of such

45 average for any or all of the corresponding three-month periods  
46 ending in the three preceding calendar years.

47 [(4)] (5) There is a state "off" indicator for a week only if, for the  
48 period consisting of such week and the immediately preceding twelve  
49 weeks, none of the options specified in subdivisions (2) and (3) of this  
50 section result in an "on" indicator.

51 [(5)] (6) "Rate of insured unemployment", for the purposes of  
52 subdivisions (2) and (3) of this subsection, means the percentage  
53 derived by dividing (A) the average weekly number of individuals  
54 filing claims for regular benefits in this state for weeks of  
55 unemployment with respect to the most recent thirteen-consecutive-  
56 week period, as determined by the administrator on the basis of his  
57 reports to the United States Secretary of Labor, by (B) the average  
58 monthly employment covered under the provisions of this chapter, for  
59 the first four of the most recent six completed calendar quarters ending  
60 before the end of such thirteen-week period.

61 [(6)] (7) "Regular benefits" means benefits payable to an individual  
62 under this chapter, or under any other state law, including benefits  
63 payable to federal civilian employees and to ex-servicemen pursuant  
64 to 5 USC Chapter 85, other than extended benefits and additional  
65 benefits.

66 [(7)] (8) "Extended benefits" means benefits, including benefits  
67 payable to federal civilian employees and to ex-servicemen pursuant  
68 to 5 USC Chapter 85, payable to an individual under the provisions of  
69 subsection (d) of section 31-222 and sections 31-231b, 31-232a to 31-  
70 232k, inclusive, as amended by this act, [31-236(a)(8)] subdivision (8) of  
71 subsection (a) of section 31-236 and section 31-250 for weeks of  
72 unemployment in his eligibility period.

73 [(8)] (9) "Additional benefits" means benefits payable to exhaustees  
74 by reason of conditions of high unemployment or by reason of other  
75 special factors under the provisions of section 31-232a.

76 [(9)] (10) "Eligibility period" of an individual means the period  
77 consisting of the weeks in his benefit year which begin in an extended  
78 benefit period and, if his benefit year ends within such extended  
79 benefit period, any weeks thereafter which begin in such period.

80 [(10)] (11) "Exhaustee" means an individual who, with respect to any  
81 week of unemployment in his eligibility period: (A) Has received,  
82 prior to such week, all of the regular benefits that were available to  
83 him under this chapter, or any other state law, including dependents'  
84 allowances and benefits payable to federal civilian employees and ex-  
85 servicemen under 5 USC Chapter 85, in his current benefit year that  
86 includes such week; provided, for the purposes of this subparagraph,  
87 an individual shall be deemed to have received all of the regular  
88 benefits that were available to him although, as a result of a pending  
89 appeal with respect to wages or employment or both that were not  
90 considered in the original monetary determination in his benefit year,  
91 he may subsequently be determined to be entitled to added regular  
92 benefits; or (B) his benefit year having expired prior to such week, has  
93 no, or insufficient, wages or employment or both on the basis of which  
94 he could establish a new benefit year that would include such week;  
95 and (C) (i) has no right to unemployment benefits or allowances, as the  
96 case may be, under the Railroad Unemployment Insurance Act, the  
97 Trade Expansion Act of 1962, the Automotive Products Trade Act of  
98 1965 and such other federal laws as are specified in regulations issued  
99 by the United States Secretary of Labor; and (ii) has not received and is  
100 not seeking unemployment benefits under the unemployment  
101 compensation law of the Virgin Islands or of Canada, provided that  
102 the reference to the Virgin Islands shall be inapplicable effective on the  
103 day after the day on which the United States Secretary of Labor  
104 approves under Section 3304(a) of the Internal Revenue Code of 1986,  
105 or any subsequent corresponding internal revenue code of the United  
106 States, as from time to time amended, an unemployment compensation  
107 law submitted to the Secretary by the Virgin Islands for approval; but,  
108 if he is seeking such benefits and the appropriate agency finally  
109 determines that he is not entitled to benefits under such law, he is  
110 considered an exhaustee.

111 [(11)] (12) "State law" means the unemployment insurance law of  
112 any state, approved by the United States Secretary of Labor under  
113 Section 3304 of the Internal Revenue Code of 1986, or any subsequent  
114 corresponding internal revenue code of the United States, as from time  
115 to time amended.

116 [(12)] (13) "High unemployment period" means any period during  
117 which an extended benefit period would be in effect if subparagraph  
118 (A) of subdivision (3) of subsection (a) of this section were applied by  
119 substituting eight per cent for six and one-half per cent.

120 (b) "Wages" means all remuneration for employment as defined in  
121 subsection (b) of section 31-222.

122 (c) "Administrator" means the Labor Commissioner, as defined in  
123 subsection (c) of section 31-222.

124 Sec. 2. Section 31-232d of the general statutes is repealed and the  
125 following is substituted in lieu thereof (*Effective from passage*):

126 An individual shall be eligible to receive extended benefits with  
127 respect to any week of unemployment in his eligibility period only if  
128 the administrator finds that with respect to such week: (a) He is an  
129 "exhaustee" as defined in subdivision (11) of subsection (a) of section  
130 31-232b, [(a)][(9)] as amended by this act; (b) he has satisfied the  
131 requirements of this chapter, for the receipt of regular benefits that are  
132 applicable to individuals claiming extended benefits, including not  
133 being subject to a disqualification for the receipt of benefits, except  
134 where such requirements are inconsistent with the requirements of  
135 subdivisions (c) and (d) of this section; (c) he has been paid wages, by  
136 an employer subject to the provisions of this chapter, during the base  
137 period of his applicable benefit year (1) in an amount equal to at least  
138 one and one-half times the wages paid during that quarter of the base  
139 period of his applicable benefit year in which such wages were  
140 highest, (2) in an amount equal to at least forty times his most recent  
141 weekly benefit amount, including dependents' allowances, or (3) for  
142 twenty different weeks; and (d) he has not been found ineligible for

143 failure to apply for or accept suitable work or for failure to actively  
144 seek work, as provided in section 31-232l.

145 Sec. 3. Subsection (b) of section 31-232f of the general statutes is  
146 repealed and the following is substituted in lieu thereof (*Effective from*  
147 *passage*):

148 (b) With respect to weeks of unemployment which begin in a high  
149 unemployment period, as defined in subdivision [(12)] (13) of  
150 subsection (a) of section 31-232b, as amended by this act, the total  
151 extended benefit amount payable to any eligible individual with  
152 respect to his benefit year shall be the least of the following amounts:  
153 (1) Eighty per cent of the total amount of regular benefits, including  
154 dependents' allowances, which were payable to him under this  
155 chapter, in his applicable benefit year; and (2) twenty times his average  
156 weekly benefit amount, including dependents' allowances, which was  
157 payable to him under this chapter, for a week of total unemployment  
158 in the applicable benefit year.

159 Sec. 4. Section 31-232g of the general statutes is repealed and the  
160 following is substituted in lieu thereof (*Effective from passage*):

161 (a) Whenever an extended benefit period is to become effective or is  
162 to be terminated in this state, the administrator shall make an  
163 appropriate public announcement.

164 (b) Computations required by the provisions of subdivision (5) of  
165 subsection (a) section 31-232b, [(a) (4)] as amended by this act, shall be  
166 made by the administrator, in accordance with regulations prescribed  
167 by the United States Secretary of Labor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	31-232b
Sec. 2	<i>from passage</i>	31-232d
Sec. 3	<i>from passage</i>	31-232f(b)
Sec. 4	<i>from passage</i>	31-232g

**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 12 \$
State Comptroller - Fringe Benefits	GF - Cost	135,000 - 890,000

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 12 \$
Various Municipalities	STATE MANDATE - Cost	Potential

**Explanation**

The bill lengthens the look back period used in determining the eligibility for extended unemployment compensation benefits, which allows claimants to receive benefits beyond 78 weeks of unemployment. Pursuant to the American Recovery and Reinvestment Act of 2009, these benefits are federally funded for private sector employers; however, state, municipal and Indian Tribal employers are responsible for 100% of the Extended Benefits claims. It is assumed the bill would apply to between 27- 178<sup>1</sup> unemployed former state workers which will result in a state cost of \$135,000 - \$890,000<sup>2</sup> in FY 12. Municipal employers may incur FY 12 costs, the extent of which is contingent on the number of municipal employees

<sup>1</sup> Estimates on the number of unemployed state workers who have exhausted all 26 weeks of regular benefits and proceed to exhaust all Federal Emergency programs varies. The Department of Labor estimates that 27 former state employees would be eligible, whereas the Office of the State Comptroller estimates 178 employees could be eligible.

<sup>2</sup> Costs are determined by the number of claimants X average benefit level of \$250 X 20 weeks.

laid off, the average benefit level, and the duration of unemployment.

***The Out Years***

The extended look back period will remain in effect until December 31, 2011, thus there are no out year costs.

*Sources: Department of Labor, 4th Quarter Unemployment Statistics  
Office of the State Comptroller- Report by unemployment claims vendor,  
Employers Edge LLC - February 2011*

**OLR Bill Analysis****sSB 936*****AN ACT EXTENDING THE LOOK-BACK PERIOD TO DETERMINE ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION EXTENDED BENEFITS.*****SUMMARY:**

This bill broadens the circumstances under which an unemployed person can access unemployment extended benefits. It does this by lengthening the “look back period,” from two years to three years, that is used to determine the benefit’s availability. Doing so will allow unemployment compensation claimants to continue to receive extended benefits that are fully funded by the federal government past week 78 of their unemployment. The extended look back period will remain in effect until December 31, 2011 or as long as the federal government continues to allow the extension and provide 100% funding for it, whichever is longer.

Under current law, extended benefits are available when the state’s unemployment rate is (1) above 6.5%, as determined by the U.S. Secretary of Labor, and (2) at least 10% higher than it was at the same time during at least one of the past two calendar years (a two-year “look back”). The benefits are not available unless both conditions are met. Presently, if unemployment remains around 9% in the coming months the benefit’s availability will end sometime in the summer because unemployment will not be 10% higher than it was at the same point in either of the last two years. Extending the look back to three years, when unemployment rates were lower, will make it possible for the benefits to remain available for a longer period of time.

However, the bill does not correspondingly incorporate the three-year look back into the current law’s provisions for determining when the benefit is no longer available. Thus, the benefit could

simultaneously be available, using the bill's three-year look back, and not available, using current law's two-year look back.

The bill does not otherwise change the eligibility requirements or benefit amounts for individuals applying for extended benefits.

EFFECTIVE DATE: Upon passage

## **BACKGROUND**

The federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act passed in December 2010 allows states to extend their look-back periods from two to three years in order to continue qualifying for unemployment extended benefits. The act also provides 100% federal funding for the extended benefits through 2011.

In general, unemployment benefits come in three components:

1. the first 26 weeks, which are funded by employers' unemployment tax contributions to the state's unemployment trust fund;
2. weeks 27-78 of Emergency Unemployment Compensation (EUC), which are entirely funded by the federal government; and
3. weeks 79-92 (or 79-99 if unemployment is above 8%) of Extended Benefits (EB), which have been funded entirely by the federal government since passage of the American Recovery and Reinvestment Act (stimulus) of 2009. Prior to the stimulus act the federal government and states split the cost of extended benefits.

## **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 11 Nay 0 (03/01/2011)