



TAX-EXEMPT COMPLIANCE

February 24, 2011

Members of the Legislature's Labor and Public Employees Committee
Room 3800, Legislative Office Building
Hartford, CT 06106

Subject: SB 913: Mandatory Paid Time Off

Dear Ladies and Gentlemen:

I am the owner of a Corporation in Connecticut that employs less than 50 and provides a minimum of 2 weeks of paid vacation/leave for every employee. Vacation time, which can be used for any reason, is accumulated at the rate of one day per month following the month of employment through the month preceding the anniversary date of hire. Therefore, each member of our staff accumulates 10 days per year at a minimum.

I would like to point out the deficiencies in our voluntary program.

1. My staff tends to come to work when they are ill in an effort to save vacation/leave for when they are feeling well. This results in the opposite effect intended by Bill 913 and exposes all other staff to illness.
2. Abusers of our Program tend to call out sick on Monday and Friday.
3. Abusers of this Program have no accumulated (saved) vacation/leave time. They tend to use every hour within 30 days of receiving their allocation of vacation/leave time. In some cases, they use it before it is earned knowing that it will have accumulated before the end of the accumulation period.

SB 913 is bad for business in Connecticut in 2011. However, the Legislature, who generally does not sympathize nor understand how small business operates, is likely to push the Bill forward due to pressure by labor unions. To the extent that you feel obligated to push this Bill forward, I offer the following suggestions to amend SB 913 making mandatory leave fair to both the employer and the employee.

Consider Alternatives:

The origin of this Bill was to provide time off to employees that needed to tend to personal matters, without fear of being terminated by an employer.

There are other remedies that employers may wish to endorse other than those imposed by SB 913. As an example:

- Employers would rather provide time off without pay to employees in need of personal time off and do so without fear of termination.

If the reason for this Bill is to allow employees not report to work when they are ill or to tend to personal business without fear of losing their job, preserving the employee's job position for 40 hours a year should be adequate. Paying employees for taking the time off is an unnecessary cost.

Preserving the position and paying wages is a double hit on the employer, which will result in increasing the cost of goods and services to others or a reduction in corporate growth, which will have a negative effect on all employees of the company.

- Consider providing the employer with the authority to excuse employees who arrive to work ill or unfocused due to trauma in their life.

Bill 913 in its current form will hurt business since it requires the accrual of a minimum of 2,000 hours of paid leave for 50 full time employees. The math is simple and the benefit will be used:

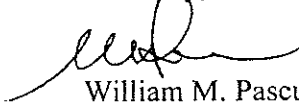
50 Employees earning \$9.00 will accumulate \$18,000 in additional wages to achieve the same amount of productivity.

In addition, a minimum of \$1,377, the Social Security and Medicare match of 7.65%, must also be factored in the cost.

Lastly, every employer is being faced with special assessments for unemployment compensation and significantly increased unemployment ratings and increased costs relating to 2009-2010 layoffs and the extension of this benefit. The total of this burden alone will be devastating to some employers.

During a period of very high costs to conduct business as a result of the recent recession, the additional burden of paid leave will be devastating. The Connecticut Legislature should focus on ways to assist employers who are in serious financial trouble to get back on their feet. Bill 913 will add costs to already cash strapped businesses and further delay any economic recovery, which we all know will lead to increased employment.

Sincerely,



William M. Pascucci
Chairman