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CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
OPPOSING
HB-5240, AA REQUIRING DOUBLE DAMANGES BE AWARDED IN CIVIL ACTIONS TO COLLECT WAGES OR BENEFITS
&
HB-5235, AAC AN EMPLOYEE'S RIGHT TO INSPECT, COPY OR DISPUTE THE CONTENTS OF HIS OR HER PERSONNEL FILE
BEFORE THE
LABOR COMMITTEE
MARCH 1, 2012

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees and membership is scattered across the state and ranges from sophisticated high technology enterprises to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut opposes HB-5240. This unnecessary legislation would make the award of double damages automatic in claims for unpaid wages where an employee prevails. As such, this would unfortunately remove the discretion from courts to make factual determinations of when such damages are indeed necessary and appropriate. Removing such existing judicial discretion is unnecessary and without merit. In cases where appropriate, such damages are awarded. This legislation simply serves as one more strike against employers in the ever-eroding balance of the relationship between private employers and employees in Connecticut.

NFIB/Connecticut also opposes HB-5235. While on its face this legislation may appear to simply permit employees and former employees the right to copy their personnel files and requires employers to provide copies of any documented discipline notices and copies of statements notifying an employee of their right to dispute certain documents in their personnel file, NFIB is concerned that there could be far greater implications from this legislation, such as the potential erosion of "at will" employment in Connecticut. Specifically, NFIB is concerned with the real world implications of the provisions contained in Sections 1(c) and 2(b) of the bill. This legislation is unnecessary, could result in additional litigation for businesses, and particularly for small businesses, compliance would be unduly burdensome.

Small business owners know that their employees are their most valuable resource, and they work hard to train and retain employees by creating a comfortable workplace and rewarding them for a job well done. However, government rules and regulations are making labor issues more complicated than ever, and HB-5235 is yet another example of this.

It's important to remember that small businesses must operate differently from large businesses; they do not have human-resources departments to track the changing standards and mandates that affect their workforce and workplace. NFIB urges the legislature to simplify employment laws and processes for small business, eliminate burdensome mandates and prevent the expansion of cumbersome regulations that punish the small businesses that create the majority of Connecticut's jobs. Provisions such as those contained in HB-5235 run contrary to this goal, opening up employers to the potential for increased frivolous litigation, and potentially hampering the ability of private employers to make legitimate personnel decisions.

Small business owners continuously cite problems complying with burdensome government regulations, including "paperwork", and specifically "state and local paperwork" burdens. (See 2008 "*Small Business Problems & Priorities*", NFIB Research Foundation). Finally, small business owners are concerned that passage of this bill will invite even more litigation for employers. Frivolous lawsuits create a climate of fear for small businesses. While some claims are legitimate, a large percentage are completely without merit. However, individuals and entities that are sued still have to defend themselves, and this defense is often costly to both business and ultimately their workers and consumers.

Thank you again for the opportunity to comment, and NFIB/Connecticut opposes both HB-5240 and HB-5235.