

Testimony of Eric W. Gjede
Assistant Counsel, CBIA
Before the Committee on Labor and Public Employees
Hartford, CT
February 26, 2013

**Testifying in Support of PHB-5686 An Act Concerning Minimum Base Period Wages And Eligibility For
Unemployment Benefits**

Good Afternoon Senator Osten, Representative Tercyak, and members of the Labor and Public Employees Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA) which represents more than 10,000 large and small companies throughout the state of Connecticut.

CBIA commends the labor committee for raising PHB-5686. Pursuant to section 31-225(c)(1)(A), an employer shall not be liable for unemployment compensation benefit payments to any employee that earned five hundred dollars or less prior to leaving their employ. The committee should note that this threshold has not been changed since public act 90-314, which was enacted 23 years ago. Conversely, the state of Connecticut has raised the minimum wage 4 times in the last 7 years.

As a result of the recent prolonged period of unemployment, the state has borrowed tremendous sums of money from the federal government in order maintain solvency of the unemployment compensation trust fund. In addition to payments and state taxes related to their unemployment experience rating, employers have also been paying special assessments for each employee as well as federal taxes that increase every year until the debt has been repaid.

Raising this threshold is one step toward ensuring the future solvency of the unemployment compensation trust fund.

We urge the committee to support PHB-5686.