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Testimony IN FAVOR of HB 5269 AA CREATING PARITY BETWEEN PAID SICK LEAVE BENEFITS AND OTHER EMPLOYER-PROVIDED BENEFITS

Representative Perone, Senator LeBeau, and distinguished members of the Commerce Committee, thank you for the opportunity to testify on this issue today.

In 2011, Connecticut made history by passing the nation's first statewide paid sick time guarantee. Over 200,000 workers had access to paid sick days to use when they were sick, when a family member is, to seek medical treatment, or to deal with an incident of family violence or sexual assault.

Since its passage, employment in the affected hospitality and health care industries has increased in Connecticut since the law went into effect in January 2012,¹ even as other industries have fluctuated back and forth.

More importantly, working people and their families can rely upon this protection now, and thousands are no longer forced to make the choice between their job, and their health and the health of their family.

HB 5269 is unsupportable by Working Families in its current form. Essentially, this legislation takes paid sick time away from people who currently have it.

- It cuts out workers in every job in the manufacturing industry at all facilities. Current law exempts manufacturing establishments from having to provide paid sick days based on how the North American Industrial Classification System (NAICS) classifies the type of activity conducted at each of their establishments. A manufacturer with administrative and production facilities in separate locations is now required to provide paid sick days at the administrative facility, but not the production one. This bill would exempt manufacturers entirely as long as their business is "primarily engaged in activities" that fall under NAICS's manufacturing categories, regardless of the activities they conduct at different facilities. That broad, standardless language would create a significant loophole. Workers who serve particular functions (clerical, administrative, etc.) in one industry would be treated differently than workers with the same job responsibilities in another industry. There is no conceivable reason for this amendment other than to carve a larger loophole for particular organized and lucrative businesses.
- It creates an incentive to become a "small employer for a week" to evade the law and prohibit workers from earning sick time. The current law requires that service workers earn paid sick days if the business

¹ <http://www1.ctdol.state.ct.us/lmi/sectors/leisure.asp>
<http://www1.ctdol.state.ct.us/lmi/sectors/educational.asp>

they work for employs at least 50 people in Connecticut during any quarter of the previous year. This bill proposes to substitute a single, specific week – the first week in October – as the time period for determining an employer’s size. An employer who employs more than 50 people most of the year could slash their staff for one week in October and claim not to meet the threshold. The potential for employer abuse is enormous.

Connecticut should not move backwards on this issue, we should move forward. When the legislation was being debated years ago, detractors claimed that passing a paid sick time requirement here would crush Connecticut’s economy. Not only has that not been the case, but the policy has been passed in many other jurisdictions since then – Seattle, Portland OR, New York City, Jersey City, Newark – and it has been expanded in Washington DC. All of these other policies have a lower threshold for coverage; the Seattle ordinance, and soon the New York City ordinance will cover employers with 5 or more employees; San Francisco, Portland and Washington D.C.’s ordinances cover all employees. In the New Jersey cities the smallest firms covered at 10; no other paid sick days policy applies only to service workers.

We are proud of Connecticut’s paid sick days law, and we all should be. This law has provided real protection to workers who needs it very desperately to take care of themselves and their families without facing the loss of wages or a job. As we’ve done before, we have shown that Connecticut can be a leader in developing policies that support families and help them succeed in today’s economy. This law has been a success – the only detractor is that it should cover more workers.

Working Families cannot support 5269 in it’s current form, but could if this legislature took the opportunity to really “fix” the paid sick days law and considered some of the following expansions:

- Lower the threshold for employees in the definition of employer.
- Expand or eliminate the job classification standard.
- Close the “franchisee loophole,” which allows multiple businesses owned by the same owner to file in such a way that they skirt the law, despite being a successful enough venture that their aggregate employment is over 50.
- Ensure that all employees are protected when calling out sick from being fired, even those who have not been at their employer long enough to have worked the requisite 680 hours.

Please consider real improvements to this law alongside technical fixes, and reject any version of 5269 that only takes away paid sick time from workers who currently have it.

Thank you.