

Testimony of Eric W. Gjede
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Before the Committee on Labor and Public Employees
Hartford, CT
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Testifying in support of SB 243: AAC Eligibility For Unemployment Benefits

Good afternoon Senator Holder-Winfield, Representative Tercyak, Senator Markley, Representative Smith 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 supports SB 243. This bill will make minor, commonsense modifications that will help preserve the unemployment compensation trust fund for claimants. The bill makes the following changes:

1. Section 1 changes an employee's base period for initially qualifying for unemployment compensation with a new employer from \$500 to \$2,000. Increasing this threshold allows employers to test a new employee to see if they are a good fit without becoming part of that employee's base period for benefit calculation purposes. Although wages have continued to increase over time, this earnings threshold has remained constant for the last 24 years. We ask that you increase this threshold.
2. Section 2 makes ineligible for unemployment benefits any CDL driver that was discharged from employment for losing their commercial driver's license as a result of drunk driving while off duty. An employer should not have to pay unemployment benefits to an individual who loses the license necessary to perform the only job for which they were hired. The business community believes this is a common-sense reform, and will help preserve the unemployment compensation trust fund for future deserving claimants.
3. Section 2 also changes the definition of willful misconduct. Under current law, an individual can be a no call/no show to his or her job three "instances" in a twelve month period before becoming disqualified from receiving unemployment benefits. The problem is, as illustrated by the chart below, the labor department has defined "instance" as being one day or two consecutive days. The result is that an individual can be a no call/no show 5 or 6 days in a 12 month period before they can be terminated for misconduct -- which is costly to the employer. The business community requests that you change one instance to mean one day.

From RCSA 31-236-26d:

(f) **Consecutive days – Separate Instances.** Where an absence without good cause for absence from work or without notice continued for two or more consecutive days, the Administrator shall rely upon the following table to determine the number of separate instances of absence under this section.

| <u>Consecutive Days</u> | <u>Instance(s) of Absence</u> |
|-------------------------|-------------------------------|
| 2 | 1 |
| 3 | 2 |
| 4 | 2 |
| 5 | 3 |
| 6 | 3 |

- Section 3 creates a task force to study the criteria used to determine the sufficiency of an unemployment benefit claimant’s reasonable effort to obtain work and the methods by which the labor department verifies said claimant’s efforts to obtain work. The labor department has been doing a great job of cracking down on fraudulent receipt of benefits, but in most cases, this occurs after thousands of dollars have been paid to the recipient. The business community suggests business, labor and labor department officials come together to examine the processes used to verify work search efforts. This will help prevent fraud BEFORE it happens.

Thank you for raising this bill. If passed, this legislation would help to preserve our unemployment compensation trust fund for claimants, as well as result in cost savings for businesses.