

Testimony of Eric W. Gjede
Assistant Counsel, CBIA
Before the Committee on Labor and Public Employees
Hartford, CT
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Testifying in support of SB 320: AAC Unemployment Fraud

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 320.

As a result of the recent economic recession, the state of Connecticut had to borrow extensively from the federal government to shore up our unemployment compensation trust fund. The debt incurred must be repaid by the business community. With each year that our debt is outstanding, businesses have faced continuous increases in the federal unemployment taxes, as well as special assessments for each employee they have on payroll. These additional fees can quickly amount to many thousands of dollars in costs for employers – even if they never had an employee collect unemployment. It is critical we preserve the unemployment compensation trust fund for the unemployed individuals who truly deserve it.

CBIA supports this bill because it could result in savings for the unemployment compensation trust fund. For example, given the fund's debt to the federal government, no claimant should be getting a waiver from their obligation to repay benefits they should not have received. This bill also examines whether participation in the State Information Data Exchange System (UI SIDES) will result in savings for employers as well as reduced compliance burdens. Finally, our methods of awarding unemployment compensation benefits should be examined to address solvency without increasing financial burdens on employers.

For these reasons, the business community supports SB 320.