



General Assembly

Substitute Bill No. 243

February Session, 2014



AN ACT CONCERNING ELIGIBILITY FOR UNEMPLOYMENT BENEFITS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-225a of the 2014 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective January 1, 2015*):

4 (a) As used in this chapter, "qualified employer" means each
5 employer subject to this chapter whose experience record has been
6 chargeable with benefits for at least one full experience year, with the
7 exception of employers subject to a flat entry rate of contributions as
8 provided under subsection (d) of this section, employers subject to the
9 maximum contribution rate under subsection (c) of section 31-273, and
10 reimbursing employers; "contributing employer" means an employer
11 who is assigned a percentage rate of contribution under the provisions
12 of this section; "reimbursing employer" means an employer liable for
13 payments in lieu of contributions as provided under section 31-225;
14 "benefit charges" means the amount of benefit payments charged to an
15 employer's experience account under this section; "computation date"
16 means June thirtieth of the year preceding the tax year for which the
17 contribution rates are computed; "tax year" means the calendar year
18 immediately following the computation date; "experience year" means
19 the twelve consecutive months ending on June thirtieth; and

20 "experience period" means the three consecutive experience years
21 ending on the computation date, except that if the employer's account
22 has been chargeable with benefits for less than three years, the
23 experience period shall consist of the greater of one or two consecutive
24 experience years ending on the computation date.

25 (b) (1) The administrator shall maintain for each employer, except
26 reimbursing employers, an experience account in accordance with the
27 provisions of this section. (2) With respect to each benefit year
28 commencing on or after July 1, 1978, regular and additional benefits
29 paid to an individual shall be allocated and charged to the accounts of
30 the employers who paid [him] the individual wages in his or her base
31 period in accordance with the following provisions: The initial
32 determination establishing a claimant's weekly benefit rate and
33 maximum total benefits for his or her benefit year shall include, with
34 respect to such claimant and such benefit year, a determination of the
35 maximum liability for such benefits of each employer who paid wages
36 to the claimant in his or her base period. An employer's maximum
37 total liability for such benefits with respect to a claimant's benefit year
38 shall bear the same ratio to the maximum total benefits payable to the
39 claimant as the total wages paid by the employer to the claimant
40 within his or her base period bears to the total wages paid by all
41 employers to the claimant within his or her base period. This ratio
42 shall also be applied to each benefit payment. The amount thus
43 determined, rounded to the nearest dollar with fractions of a dollar of
44 exactly fifty cents rounded upward, shall be charged to the employer's
45 account.

46 (c) (1) (A) Any week for which the employer has compensated the
47 claimant in the form of wages in lieu of notice, dismissal payments or
48 any similar payment for loss of wages shall be considered a week of
49 employment for the purpose of determining employer chargeability.
50 (B) No benefits shall be charged to any employer who paid wages of (i)
51 five hundred dollars or less to the claimant in his or her base period, if
52 such base period commenced prior to January 1, 2015, or (ii) one

53 thousand dollars or less to the claimant in his or her base period, if
54 such base period commenced on or after January 1, 2015. (C) No
55 dependency allowance paid to a claimant shall be charged to any
56 employer. (D) In the event of a natural disaster declared by the
57 President of the United States, no benefits paid on the basis of total or
58 partial unemployment which is the result of physical damage to a
59 place of employment caused by severe weather conditions including,
60 but not limited to, hurricanes, snow storms, ice storms or flooding, or
61 fire except where caused by the employer, shall be charged to any
62 employer. (E) If the administrator finds that (i) an individual's most
63 recent separation from a base period employer occurred under
64 conditions which would result in disqualification by reason of
65 subdivision (2), (6) or (9) of subsection (a) of section 31-236, or (ii) an
66 individual was discharged for violating an employer's drug testing
67 policy, provided the policy has been adopted and applied consistent
68 with sections 31-51t to 31-51aa, inclusive, section 14-261b and any
69 applicable federal law, no benefits paid thereafter to such individual
70 with respect to any week of unemployment which is based upon
71 wages paid by such employer with respect to employment prior to
72 such separation shall be charged to such employer's account, provided
73 such employer shall have filed a notice with the administrator within
74 the time allowed for appeal in section 31-241. (F) No base period
75 employer's account shall be charged with respect to benefits paid to a
76 claimant if such employer continues to employ such claimant at the
77 time the employer's account would otherwise have been charged to the
78 same extent that he employed him during the individual's base period,
79 provided the employer shall notify the administrator within the time
80 allowed for appeal in section 31-241. (G) If a claimant has failed to
81 accept suitable employment under the provisions of subdivision (1) of
82 subsection (a) of section 31-236 and the disqualification has been
83 imposed, the account of the employer who makes an offer of
84 employment to a claimant who was a former employee shall not be
85 charged with any benefit payments made to such claimant after such
86 initial offer of reemployment until such time as such claimant resumes
87 employment with such employer, provided such employer shall make

88 application therefor in a form acceptable to the administrator. The
89 administrator shall notify such employer whether or not his or her
90 application is granted. Any decision of the administrator denying
91 suspension of charges as herein provided may be appealed within the
92 time allowed for appeal in section 31-241. (H) Fifty per cent of benefits
93 paid to a claimant under the federal-state extended duration
94 unemployment benefits program established by the federal
95 Employment Security Act shall be charged to the experience accounts
96 of the claimant's base period employers in the same manner as the
97 regular benefits paid for such benefit year. (I) No base period
98 employer's account shall be charged with respect to benefits paid to a
99 claimant who voluntarily left suitable work with such employer (i) to
100 care for a seriously ill spouse, parent or child or (ii) due to the
101 discontinuance of the transportation used by the claimant to get to and
102 from work, as provided in subparagraphs (A)(ii) and (A)(iii) of
103 subdivision (2) of subsection (a) of section 31-236. (J) No base period
104 employer's account shall be charged with respect to benefits paid to a
105 claimant who has been discharged or suspended because the claimant
106 has been disqualified from performing the work for which he or she
107 was hired due to the loss of such claimant's operator license as a result
108 of a drug or alcohol testing program conducted in accordance with
109 section 14-44k, 14-227a or 14-227b, regardless of whether such testing
110 program was conducted while the claimant was off duty.

111 (2) All benefits paid which are not charged to any employer shall be
112 pooled.

113 (3) The noncharging provisions of this chapter, except subdivisions
114 (1)(D) and (1)(F) of this subsection, shall not apply to reimbursing
115 employers.

116 (d) The standard rate of contributions shall be five and four-tenths
117 per cent. Each employer who has not been chargeable with benefits, for
118 a sufficient period of time to have his or her rate computed under this
119 section shall pay contributions at a rate that is the higher of (1) one per
120 cent, or (2) the state's five-year benefit cost rate. For purposes of this

121 subsection, the state's five-year benefit cost rate shall be computed
 122 annually on or before June thirtieth and shall be derived by dividing
 123 the total dollar amount of benefits paid to claimants under this chapter
 124 during the five consecutive calendar years immediately preceding the
 125 computation date by the five-year payroll during the same period. If
 126 the resulting quotient is not an exact multiple of one-tenth of one per
 127 cent, the five-year benefit cost rate shall be the next higher such
 128 multiple.

129 (e) (1) As of each June thirtieth, the administrator shall determine
 130 the charged tax rate for each qualified employer. Said rate shall be
 131 obtained by calculating a benefit ratio for each qualified employer. The
 132 employer's benefit ratio shall be the quotient obtained by dividing the
 133 total amount chargeable to the employer's experience account during
 134 the experience period by the total of his or her taxable wages during
 135 such experience period which have been reported by the employer to
 136 the administrator on or before the following September thirtieth. The
 137 resulting quotient, expressed as a per cent, shall constitute the
 138 employer's charged tax rate. If the resulting quotient is not an exact
 139 multiple of one-tenth of one per cent, the charged rate shall be the next
 140 higher such multiple, except that if the resulting quotient is less than
 141 five-tenths of one per cent, the charged rate shall be five-tenths of one
 142 per cent and if the resulting quotient is greater than five and four-
 143 tenths per cent, the charged rate shall be five and four-tenths per cent.
 144 The employer's charged tax rate will be in accordance with the
 145 following table:

T1	Employer's Charged Tax Rate Table	
T2		Employer's Charged
T3	Employer's Benefit Ratio	Tax Rate
T4	.005 or less	.5% minimum subject
T5	.006	.6% to fund

T6	.007	.7% solvency
T7	.008	.8% adjustment
T8	.009	.9%
T9	.010	1.0%
T10	.011	1.1%
T11	.012	1.2%
T12	.013	1.3%
T13	.014	1.4%
T14	.015	1.5%
T15	.016	1.6%
T16	.017	1.7%
T17	.018	1.8%
T18	.019	1.9%
T19	.020	2.0%
T20	.021	2.1%
T21	.022	2.2%
T22	.023	2.3%
T23	.024	2.4%
T24	.025	2.5%
T25	.026	2.6%

T26	.027	2.7%
T27	.028	2.8%
T28	.029	2.9%
T29	.030	3.0%
T30	.031	3.1%
T31	.032	3.2%
T32	.033	3.3%
T33	.034	3.4%
T34	.035	3.5%
T35	.036	3.6%
T36	.037	3.7%
T37	.038	3.8%
T38	.039	3.9%
T39	.040	4.0%
T40	.041	4.1%
T41	.042	4.2%
T42	.043	4.3%
T43	.044	4.4%
T44	.045	4.5%
T45	.046	4.6%

T46	.047	4.7%
T47	.048	4.8%
T48	.049	4.9%
T49	.050	5.0%
T50	.051	5.1%
T51	.052	5.2%
T52	.053	5.3%
T53	.054 & higher	5.4% maximum subject
T54		to fund solvency
T55		adjustment

146 (2) (A) Each contributing employer subject to this chapter shall pay
147 an assessment to the administrator at a rate established by the
148 administrator sufficient to pay interest due on advances from the
149 federal unemployment account under Title XII of the Social Security
150 Act (42 U.S. Code Sections 1321 to 1324). The administrator shall
151 establish the necessary procedures for payment of such assessments.
152 The amounts received by the administrator based on such assessments
153 shall be paid over to the State Treasurer and credited to the General
154 Fund. Any amount remaining from such assessments, after all such
155 federal interest charges have been paid, shall be transferred to the
156 Employment Security Administration Fund or to the Unemployment
157 Compensation Advance Fund established under section 31-264a, (i) to
158 the extent that any federal interest charges have been paid from the
159 Unemployment Compensation Advance Fund, (ii) to the extent that
160 the administrator determines that reimbursement is appropriate, or
161 (iii) otherwise to the extent that reimbursement of the advance fund is
162 the appropriate accounting principle governing the use of the
163 assessments. Sections 31-265 to 31-274, inclusive, shall apply to the

164 collection of such assessments.

165 (B) On and after January 1, 1994, and conditioned upon the issuance
166 of any revenue bonds pursuant to section 31-264b, each contributing
167 employer shall also pay an assessment to the administrator at a rate
168 established by the administrator sufficient to pay the interest due on
169 advances from the Unemployment Compensation Advance Fund and
170 reimbursements required for advances from the Unemployment
171 Compensation Advance Fund, computed in accordance with
172 subsection (h) of section 31-264a. The administrator shall establish the
173 assessments as a percentage of the charged tax rate for each employer
174 pursuant to subdivision (1) of this subsection. The administrator shall
175 establish the necessary procedures for billing, payment and collection
176 of the assessments. Sections 31-265 to 31-274, inclusive, shall apply to
177 the collection of such assessments by the administrator. The payments
178 received by the administrator based on the assessments, excluding
179 interest and penalties on past due assessments, are hereby pledged and
180 shall be paid over to the State Treasurer for credit to the
181 Unemployment Compensation Advance Fund.

182 (f) (1) For each calendar year commencing with calendar year 1994
183 but prior to calendar year 2013, the administrator shall establish a fund
184 balance tax rate sufficient to maintain a balance in the Unemployment
185 Compensation Trust Fund equal to eight-tenths of one per cent of the
186 total wages paid to workers covered under this chapter by
187 contributing employers during the year ending the last preceding June
188 thirtieth. If the fund balance tax rate established by the administrator
189 results in a fund balance in excess of said per cent as of December
190 thirtieth of any year, the administrator shall, in the year next following,
191 establish a fund balance tax rate sufficient to eliminate the fund
192 balance in excess of said per cent. For each calendar year commencing
193 with calendar year 2013, the administrator shall establish a fund
194 balance tax rate sufficient to maintain a balance in the Unemployment
195 Compensation Trust Fund that results in an average high cost multiple
196 equal to 0.5. Commencing with calendar year 2014 and ending with

197 calendar year 2018, the administrator shall establish a fund balance tax
198 rate sufficient to maintain a balance in the Unemployment
199 Compensation Trust Fund that results in an average high cost multiple
200 that is increased by 0.1 from the preceding calendar year. Commencing
201 with calendar year 2019, the administrator shall establish a fund
202 balance tax rate sufficient to maintain a balance in the Unemployment
203 Compensation Trust Fund that results in an average high cost multiple
204 equal to 1.0. If the fund balance tax rate established by the
205 administrator results in a fund balance in excess of the amount
206 prescribed in this subdivision as of December thirtieth of any year, the
207 administrator shall, in the year next following, establish a fund balance
208 rate sufficient to eliminate the fund balance in excess of said amount.
209 The assessment levied by the administrator at any time (A) during a
210 calendar year commencing on or after January 1, 1994, but prior to
211 January 1, 1999, shall not exceed one and five-tenths per cent, (B)
212 during a calendar year commencing on or after January 1, 1999, shall
213 not exceed one and four-tenths per cent, and shall not be calculated to
214 result in a fund balance in excess of eight-tenths of one per cent of such
215 total wages, and (C) during a calendar year commencing on or after
216 January 1, 2013, shall not exceed one and four-tenths per cent and shall
217 not be calculated to result in a fund balance in excess of the amounts
218 prescribed in this subdivision.

219 (2) The average high cost multiple shall be computed as follows:
220 The result of the balance of the Unemployment Compensation Trust
221 Fund on December thirtieth immediately preceding the new rate year
222 divided by the total wages paid to workers covered under this chapter
223 by contributing employers for the twelve months ending on the
224 December thirtieth immediately preceding the new rate year shall be
225 the numerator and the average of the three highest calendar benefit
226 cost rates in (A) the last twenty years, or (B) a period including the last
227 three recessions, whichever is longer, shall be the denominator. Benefit
228 cost rates are computed as benefits paid including the state's share of
229 extended benefits but excluding reimbursable benefits as a per cent of
230 total wages in covered employment. The results rounded to the next

231 lower one decimal place will be the average high cost multiple.

232 (g) Each qualified employer's contribution rate for each calendar
233 year after 1973 shall be a percentage rate equal to the sum of his or her
234 charged tax rate as of the June thirtieth preceding such calendar year
235 and the fund balance tax rate as of December thirtieth preceding such
236 calendar year.

237 (h) (1) With respect to each benefit year commencing on or after July
238 1, 1978, notice of determination of the claimant's benefit entitlement for
239 such benefit year shall include notice of the allocation of benefit
240 charges of the claimant's base period employers and each such
241 employer shall be mailed a copy of such notice of determination and
242 shall be an interested party thereto. Such determination shall be final
243 unless the claimant or any of such employers files an appeal from such
244 decision in accordance with the provisions of section 31-241. (2) The
245 administrator shall, not less frequently than once each calendar
246 quarter, mail a statement of charges to each employer to whose
247 experience record any charges have been made since the last previous
248 such statement. Such statement shall show, with respect to each week
249 for which benefits have been paid and charged, the name and Social
250 Security account number of the claimant who was paid the benefit, the
251 amount of the benefits charged for such week and the total amount
252 charged in the quarter. (3) The statement of charges provided for in
253 subdivision (2) of this subsection shall constitute notice to the
254 employer that it has been determined that the benefits reported in such
255 statement were properly payable under this chapter to the claimants
256 for the weeks and in the amounts shown in such statements. If the
257 employer contends that benefits have been improperly charged due to
258 fraud or error, a written protest setting forth reasons therefor shall be
259 filed with the administrator within sixty days of the mailing date of the
260 quarterly statement. An eligibility issue shall not be reopened on the
261 basis of such quarterly statement if notification of such eligibility issue
262 had previously been given to the employer under the provisions of
263 section 31-241, and he failed to file a timely appeal therefrom or had

264 the issue finally resolved against him. (4) The provisions of
265 subdivisions (2) and (3) of this subsection shall not apply to combined
266 wage claims paid under subsection (b) of section 31-255. For such
267 combined wage claims paid under the unemployment law of other
268 states, the administrator shall, each calendar quarter, mail a statement
269 of charges to each employer whose experience record has been
270 charged since the previous such statement. Such statement shall show
271 the name and Social Security number of the claimant who was paid the
272 benefits and the total amount of the benefits charged in the quarter.

273 (i) (1) At the written request of any employer which holds at least
274 eighty per cent controlling interest in another employer or employers,
275 the administrator may mingle the experience rating records of such
276 dominant and controlled employers as if they constituted a single
277 employer, subject to such regulations as the administrator may make
278 and publish concerning the establishment, conduct and dissolution of
279 such joint experience rating records. (2) The executors, administrators,
280 successors or assigns of any former employer shall acquire the
281 experience rating records of the predecessor employer with the
282 following exception: The experience of a predecessor employer, who
283 leased premises and equipment from a third party and who has not
284 transferred any assets to the successor, shall not be transferred if there
285 is no common controlling interest in the predecessor and successor
286 entities. (3) The administrator is authorized to establish such
287 regulations governing joint accounts as may be necessary to comply
288 with the requirements of the federal Unemployment Tax Act.

289 (j) (1) Each employer subject to this chapter shall submit quarterly,
290 on forms supplied by the administrator, a listing of wage information,
291 including the name of each employee receiving wages in employment
292 subject to this chapter, such employee's Social Security account
293 number and the amount of wages paid to such employee during such
294 calendar quarter.

295 (2) Commencing with the first calendar quarter of 2014, each
296 employer subject to this chapter who reports wages for employees

297 receiving wages in employment subject to this chapter, and each
298 person or organization that, as an agent, reports wages for employees
299 receiving wages in employment subject to this chapter on behalf of one
300 or more employers subject to this chapter shall submit quarterly the
301 information required by subdivision (1) of this subsection on magnetic
302 tape, diskette, or other similar electronic means which the
303 administrator may prescribe, in a format prescribed by the
304 administrator, unless such employer or agent receives a waiver
305 pursuant to subdivision (5) of this subsection.

306 (3) Any employer that fails to submit the information required by
307 subdivision (1) of this subsection in a timely manner, as determined by
308 the administrator, shall be liable to the administrator for a late filing
309 fee of twenty-five dollars. Any employer that fails to submit the
310 information required by subdivision (1) of this subsection under a
311 proper state unemployment compensation registration number shall
312 be liable to the administrator for a fee of twenty-five dollars. All fees
313 collected by the administrator under this subdivision shall be
314 deposited in the Employment Security Administration Fund.

315 (4) Commencing with the first calendar quarter of 2014, each
316 employer subject to this chapter who makes contributions or payments
317 in lieu of contributions for employees receiving wages in employment
318 subject to this chapter, and each person or organization that, as an
319 agent, makes contributions or payments in lieu of contributions for
320 employees receiving wages in employment subject to this chapter on
321 behalf of one or more employers subject to this chapter shall make
322 such contributions or payments in lieu of contributions electronically.

323 (5) Any employer or any person or organization that, as an agent,
324 submits information pursuant to subdivision (2) of this subsection or
325 makes contributions or payments in lieu of contributions pursuant to
326 subdivision (4) of this subsection may request in writing, not later than
327 thirty days prior to the date a submission of information or a
328 contribution or payment in lieu of contribution is due, that the
329 administrator waive the requirement that such submission or

330 contribution or payment in lieu of contribution be made electronically.
 331 The administrator shall grant such request if, on the basis of
 332 information provided by such employer or person or organization and
 333 on a form prescribed by the administrator, the administrator finds that
 334 there would be undue hardship for such employer or person or
 335 organization. The administrator shall promptly inform such employer
 336 or person or organization of the granting or rejection of the requested
 337 waiver. The decision of the administrator shall be final and not subject
 338 to further review or appeal. Such waiver shall be effective for twelve
 339 months from the date such waiver is granted.

340 (k) The employer may inspect his or her account records in the
 341 office of the Employment Security Division at any reasonable time.

342 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) An employer who fails to
 343 provide any employee with notice of termination of employment in
 344 accordance with subdivision (1) of section 31-222-9 of the regulations
 345 of Connecticut state agencies may be liable to the Labor Department
 346 for a civil penalty of not greater than fifty dollars. For any subsequent
 347 violation of this subsection, such employer may be liable to the Labor
 348 Department for a civil penalty of not greater than one hundred dollars.

349 (b) The Attorney General, upon complaint of the Labor
 350 Commissioner, shall institute civil actions to recover the penalties
 351 provided for under subsection (a) of this section. Any amount
 352 recovered shall be deposited in the General Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2015</i>	31-225a
Sec. 2	<i>October 1, 2014</i>	New section

LAB *Joint Favorable Subst.*

JUD *Joint Favorable*