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**CONNECTICUT**

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
REGARDING  
SB-1036, AAC UNEMPLOYMENT COMPENSATION  
BEFORE THE  
LABOR & PUBLIC EMPLOYEES COMMITTEE  
MARCH 3, 2015**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:*

SB-1036, which would require the Labor Committee to study the unemployment compensation system in the state, has the potential to be a positive piece of legislation if the study contemplated in the bill as currently drafted would address issues in the unemployment compensation system from an employers' perspective. As such, NFIB would hope that such a study includes an examination of the administration and levels of benefits provided in the state and potential reforms to help shore up the solvency of the system. Specifically, NFIB recommends that the reforms currently contained in House Bill 5851 be included, and that any attempt to increase the taxable wage base be excluded. Such modest reforms include instituting a nominal waiting period before benefits can be claimed; increasing the base wages to at least \$2,000 (currently at \$600 and has not been updated since the 1980's); a renewed focus on claimants' work search efforts – e.g. posting resumes online (as required in other states); and freezing the maximum rates, etc. A common-sense study could help pave the way for a healthy discussion of how and when benefits can be adjusted. It must be noted, that Connecticut's small businesses have been straining under high unemployment taxes for some time now and have also suffered from recent surcharges. In addition, Connecticut employers' FUTA charge due to the state choosing not to seek a waiver from the U.S. DOL from the BCR (Benefit Cost Rate) add on charge is currently the highest in the nation, and is predicted to be among if the highest again for next year if the BCR waiver is not requested by July 1 again. NFIB/Connecticut welcomes any relief that would help ease this burden on our state's job creators. Furthermore, NFIB/Connecticut also recommends that in the future, additional significant changes need to be made to the eligibility and administration of the state's unemployment benefits system in order to maintain long-term solvency and to ensure the fiscal health of our state's small employers. NFIB/Connecticut would be happy to work with member of the Labor Committee, the Department, and the Administration in such an endeavor. Thank you for your consideration of our comments.