



Written Testimony of
Sharon M. Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
January 29, 2015

Good Day Senator Winfield, Representative Tercyak, Senator Hwang, Representative Rutigliano and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with written testimony regarding **House Bill 5265 AAC Minimum Longevity Requirements for Unemployment Benefits**. My name is Sharon Palmer and I am the Labor Commissioner.

This bill seeks to modify the eligibility requirement to require the removal of an employee's first thirty days of wages earned from the separating employer and thus, would exclude those days from the claimant's base period. Further, employees with less than thirty days of employment (with the separating employer) would not be eligible even if the claimant is monetarily eligible based on the base period earnings. This proposal presents a conformity and compliance issue with federal law. The consequences of being out of conformity and out of compliance are the possible loss of administrative funding for the UI program and the loss of Federal Unemployment Tax Act (FUTA) credits for our state's employers. Administrative funding for the UI program represents approximately 60% of the CTDOL budget and loss of FUTA credits would cost the state's employers approximately \$500 million annually.

Under federal law, section 3304(a)(1) of FUTA, a state may not deny unemployment benefits to individuals who have sufficient wage credits in the base period because the individual did not work for a certain amount of time for any one employer. In addition, this proposed bill would require a new verification process to document such employment period and would require additional information / verification from the employer. Based on our experience, this would create an undue burden on the employer and substantially delay Unemployment Insurance (UI) benefit eligibility determinations for claimants.

Thank you for the opportunity to provide this written testimony.