



Senate

General Assembly

File No. 84

January Session, 2017

Senate Bill No. 611

Senate, March 16, 2017

The Committee on Labor and Public Employees reported through SEN. GOMES of the 23rd Dist. and SEN. MINER of the 30th Dist., Chairpersons of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT CONCERNING THE CHARGING OF UNEMPLOYMENT
COMPENSATION BENEFITS TO EMPLOYERS.***

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

1 Section 1. Subdivision (1) of subsection (c) of section 31-225a of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2017*):

4 (c) (1) (A) Any week for which the employer has compensated the
5 claimant in the form of wages in lieu of notice, dismissal payments or
6 any similar payment for loss of wages shall be considered a week of
7 employment for the purpose of determining employer chargeability.
8 (B) No benefits shall be charged to any employer who paid wages of
9 five hundred dollars or less to the claimant in his or her base period.
10 (C) No dependency allowance paid to a claimant shall be charged to
11 any employer. (D) In the event of a natural disaster declared by the
12 President of the United States, no benefits paid on the basis of total or
13 partial unemployment which is the result of physical damage to a

14 place of employment caused by severe weather conditions including,
15 but not limited to, hurricanes, snow storms, ice storms or flooding, or
16 fire except where caused by the employer, shall be charged to any
17 employer. (E) If the administrator finds that (i) an individual's most
18 recent separation from a base period employer occurred under
19 conditions which would result in disqualification by reason of
20 subdivision (2), (6) or (9) of subsection (a) of section 31-236, or (ii) an
21 individual was discharged for violating an employer's drug testing
22 policy, provided the policy has been adopted and applied consistent
23 with sections 31-51t to 31-51aa, inclusive, section 14-261b and any
24 applicable federal law, no benefits paid thereafter to such individual
25 with respect to any week of unemployment which is based upon
26 wages paid by such employer with respect to employment prior to
27 such separation shall be charged to such employer's account, provided
28 such employer shall have filed a notice with the administrator within
29 the time allowed for appeal in section 31-241. (F) No base period
30 employer's account shall be charged with respect to benefits paid to a
31 claimant if such employer continues to employ such claimant at the
32 time the employer's account would otherwise have been charged to the
33 same extent that he or she employed him or her during the
34 individual's base period, provided the employer shall notify the
35 administrator within the time allowed for appeal in section 31-241. (G)
36 If a claimant has failed to accept suitable employment under the
37 provisions of subdivision (1) of subsection (a) of section 31-236 and the
38 disqualification has been imposed, the account of the employer who
39 makes an offer of employment to a claimant who was a former
40 employee shall not be charged with any benefit payments made to
41 such claimant after such initial offer of reemployment until such time
42 as such claimant resumes employment with such employer, provided
43 such employer shall make application therefor in a form acceptable to
44 the administrator. The administrator shall notify such employer
45 whether or not his or her application is granted. Any decision of the
46 administrator denying suspension of charges as herein provided may
47 be appealed within the time allowed for appeal in section 31-241. (H)
48 Fifty per cent of benefits paid to a claimant under the federal-state

49 extended duration unemployment benefits program established by the
 50 federal Employment Security Act shall be charged to the experience
 51 accounts of the claimant's base period employers in the same manner
 52 as the regular benefits paid for such benefit year. (I) No base period
 53 employer's account shall be charged with respect to benefits paid to a
 54 claimant who voluntarily left suitable work with such employer [(i) to
 55 care for a seriously ill spouse, parent or child or (ii) due to the
 56 discontinuance of the transportation used by the claimant to get to and
 57 from work, as provided in subparagraphs (A)(ii) and (A)(iii) of
 58 subdivision (2) of subsection (a) of section 31-236] without good cause
 59 attributable to the employer. (J) No base period employer's account
 60 shall be charged with respect to benefits paid to a claimant who has
 61 been discharged or suspended because the claimant has been
 62 disqualified from performing the work for which he or she was hired
 63 due to the loss of such claimant's operator license as a result of a drug
 64 or alcohol test or testing program conducted in accordance with
 65 section 14-44k, 14-227a or 14-227b while the claimant was off duty.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2017	31-225a(c)(1)

LAB *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill prohibits a charge against an employer's unemployment tax experience rate without good cause. This does not result in any fiscal impact to the state or municipalities as it represents the Labor Department's current practice.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 611*****AN ACT CONCERNING THE CHARGING OF UNEMPLOYMENT COMPENSATION BENEFITS TO EMPLOYERS.*****SUMMARY**

This bill creates a “non-charge” against an employer’s unemployment tax experience rate for any unemployment benefits paid to a former employee who voluntarily left suitable work with the employer without good cause attributable to the employer. In effect, this will keep an employer’s experience rate from increasing when an employee voluntarily leaves and begins working for another employer but is subsequently laid off by the second employer and becomes eligible for unemployment benefits.

In general, a portion of an employer's unemployment insurance taxes are based on the employer's “experience rate,” which reflects the amount of unemployment benefits paid to the employer’s former employees over a certain period of time. The law, however, allows several non-charging separations in which an employee can collect benefits without affecting a former employer's experience rate (in these instances, the benefits paid to the former employee are “pooled” and paid by all employers who pay unemployment taxes).

Current law allows a non-charge for employees who voluntarily leave work (1) to care for a seriously ill spouse, parent, or child or (2) due to a discontinuance of transportation to work. The bill expands this non-charge to include voluntarily leaving any work without good cause attributable to the employer.

EFFECTIVE DATE: October 1, 2017

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 13 Nay 0 (03/02/2017)