



Greater Hartford Legal Aid

**Testimony of Attorney Sue Garten  
Greater Hartford Legal Aid  
In OPPOSITION to SB 6729  
In SUPPORT of the Concept of SB 696 and  
In SUPPORT of HB 6921**

### **SB 696 and SB 6729 (Unemployment Insurance)**

Legal Aid often represents low-income workers who have lost their jobs through no fault of their own and who depend on unemployment insurance (“UI”) to pay for basic necessities for their families.

SB 696 proposes to amend the law to “ensure that the Unemployment Trust Fund remains solvent in future years.” Changes should certainly be made to the Trust Fund so that it has enough money to pay claims during the next recession. But the solution must be a balanced one that updates the obsolete UI financing system and adjusts benefit payments equitably. A balanced approach would increase the taxable wage base, which has been frozen at \$15,000 since 1999.

SB 6729 rejects that balanced approach and places the entire burden of restoring the health of the UI Trust Fund on workers without asking anything of employers. SB 6729 punishes vulnerable workers by cutting their UI benefits in four ways.

SB 6729 would bar workers from collecting any UI if they earned less than an unspecified amount. It would count all severance pay against UI benefits, even if the recipient had felt pressured to sign a promise not to sue the employer in exchange for receiving the severance. It freezes the maximum weekly benefit rate (currently \$631) for three years. And it would disqualify more workers from getting UI at all by effectively reducing the number of allowable absences in a year from five to three. The legislature lowered the acceptable number of absences in 2004 and should not lower it further.

#### **SB 6729 will not restore the financial health of the Trust Fund.**

The UI Trust Fund is not underfunded because unemployment benefits are too generous. UI benefits currently replace only 30% of the average weekly wage for Connecticut workers who qualify for unemployment.

The UI Trust Fund ran out of money in the last recession because the amount of wages on which UI taxes are assessed has not increased in 20 years. Our taxable wage base has been frozen at \$15,000 since 1999. Twenty states have higher taxable wage bases than Connecticut. If the taxable wage base had kept up with wage growth, our fund would have weathered the Great Recession without having to borrow millions of dollars from the federal government. Employers wouldn’t have had extra assessments or higher tax rates to repay the interest on the borrowed funds. Every \$1,000 increase in the TWB would generate about \$56 million in additional revenue to the Trust Fund.

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**The solution is to fix, once and for all, the financing structure of the UI tax fund.** The taxable wage base should be increased to a sustainable level, and it should be indexed to wage growth so that our trust fund establishes a robust balance in economically vibrant years and can weather the next, inevitable, economic downturn.

Do not cut benefits to unemployed workers, especially without increasing the taxable wage base.

### **SB 6921 (AAC Discrimination Based on a Person's Criminal Record)**

Legal services attorneys represent job applicants who are denied positions because of their criminal records. Under current law, those hiring decisions can be challenged only for Black and Latinx applicants- not for Caucasian applicants- and only by meeting the heavy statistical burden of showing that the employer's use of criminal records has a disparate effect on the racial composition of that employer's workforce compared to the available labor pool.

In practice, that usually means that applicants who are otherwise qualified for the job and eager to work have no legal redress for being rejected due to their criminal records.

SB 6921 would remedy that by prohibiting discrimination in employment based on a person's criminal history. This would open doors for many skilled workers with much to contribute to employers in Connecticut.