



House Bill No. 5377

Public Act No. 21-5

AN ACT CONCERNING THE REMOVAL OF COVID-19 RELATED LAYOFFS FROM THE UNEMPLOYMENT COMPENSATION EXPERIENCE ACCOUNT.

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

Section 1. Subsection (a) of section 31-225a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) As used in this chapter: [, "qualified employer"]

(1) "Qualified employer" means each employer subject to this chapter whose experience record has been chargeable with benefits for at least one full experience year, with the exception of employers subject to a flat entry rate of contributions as provided under subsection (d) of this section, employers subject to the maximum contribution rate under subsection (c) of section 31-273, and reimbursing employers; ["contributing employer"]

(2) "Contributing employer" means an employer who is assigned a percentage rate of contribution under the provisions of this section; ["reimbursing employer"]

(3) "Reimbursing employer" means an employer liable for payments

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in lieu of contributions as provided under section 31-225; ["benefit charges"]

(4) "Benefit charges" means the amount of benefit payments charged to an employer's experience account under this section; ["computation date"]

(5) "Computation date" means June thirtieth of the year preceding the tax year for which the contribution rates are computed; ["tax year"]

(6) "Tax year" means the calendar year immediately following the computation date; ["experience year"]

(7) "Experience year" means the twelve consecutive months ending on June thirtieth; [and "experience period"]

(8) "Experience period" means the three consecutive experience years ending on the computation date, except that (A) if the employer's account has been chargeable with benefits for less than three years, the experience period shall consist of the greater of one or two consecutive experience years ending on the computation date, [.] and (B) to the extent allowed by federal law and as necessary to respond to the spread of COVID-19, for any taxable year commencing on or after January 1, 2022, the experience period shall be calculated without regard to benefit charges and taxable wages for the experience years ending June 30, 2020, and June 30, 2021, when applicable; and

(9) "COVID-19" means the respiratory disease designated by the World Health Organization on February 11, 2020, as coronavirus 2019, and any related mutation thereof recognized by the World Health Organization as a communicable respiratory disease.

Sec. 2. Subsection (d) of section 31-225a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

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(d) The standard rate of contributions shall be five and four-tenths per cent. Each employer who has not been chargeable with benefits, for a sufficient period of time to have his or her rate computed under this section shall pay contributions at a rate that is the higher of (1) one per cent, or (2) the state's five-year benefit cost rate. For purposes of this subsection, the state's five-year benefit cost rate shall be computed annually on or before June thirtieth and shall be derived by dividing the total dollar amount of benefits paid to claimants under this chapter during the five consecutive calendar years immediately preceding the computation date by the five-year payroll during the same period, except that, to the extent allowed by federal law and as necessary to respond to the spread of COVID-19, for any taxable year commencing on or after January 1, 2022, the state's five-year benefit cost rate shall be calculated without regard to benefit payments and taxable wages for calendar years 2020 and 2021, when applicable. If the resulting quotient is not an exact multiple of one-tenth of one per cent, the five-year benefit cost rate shall be the next higher such multiple.

Approved May 3, 2021