



# House of Representatives

General Assembly

**File No. 390**

January Session, 2021

Substitute House Bill No. 6536

*House of Representatives, April 12, 2021*

The Committee on Labor and Public Employees reported through REP. PORTER of the 94th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT REQUIRING EMPLOYERS TO PROVIDE EMPLOYEES WORKING FROM HOME CERTAIN EQUIPMENT OR REIMBURSEMENT FOR CERTAIN NECESSARY EXPENDITURES.***

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

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2 section:

3 (1) "Employer" means any person engaged in business who has one  
4 or more employees, including the state and any political subdivision of  
5 the state;

6 (2) "Employee" means any person engaged in service to an employer  
7 in the business of the employer;

8 (3) "Necessary expenditures" means all expenditures required of the  
9 employee by the employer, in the discharge of employment duties that  
10 inure to the primary benefit of the employer, including, but not limited  
11 to, the cost of purchasing: (A) Equipment and technology, including, but

12 not limited to, computers, printers and cellular phones; (B) services,  
13 including, but not limited to, internet provider services, mobile internet  
14 access services and cellular telephone services; and (C) office supplies  
15 such as paper, printer ink and toner. "Necessary expenditures" do not  
16 include (i) expenses agreed to be borne by the employee prior to an  
17 assignment to work from home; (ii) expenses or losses due to an  
18 employee's own negligence or normal wear or theft, unless the theft was  
19 a result of the employer's negligence; or (iii) expenses indirectly related  
20 to the employee's scope of employment, such as costs related to  
21 traveling to and from the employee's regular work location.

22 (b) An employer shall reimburse an employee for all necessary  
23 expenditures incurred by the employee within the employee's scope of  
24 employment and directly related to services performed for the  
25 employer.

26 (c) The provisions of subsection (b) of this section shall not apply to  
27 an employer who provides an employee with all equipment and  
28 technology, services and office supplies necessary for the employee's  
29 scope of employment and directly related to services performed for the  
30 employer.

31 (d) An employer shall not be required to fully reimburse an employee  
32 for necessary expenditures that are services that the employee  
33 concurrently receives for his or her own personal use, except that an  
34 employer shall reimburse an employee for not less than fifty per cent of  
35 the cost of such services.

36 (e) An employee shall report to the employer any necessary  
37 expenditures and provide appropriate supporting documentation not  
38 later than thirty calendar days after incurring the expense, except that  
39 an employer may provide additional time for submitting requests for  
40 reimbursement in a written expense reimbursement policy. Where  
41 supporting documentation is nonexistent, missing or lost, the employee  
42 shall submit a signed statement regarding any such receipts. An  
43 employer shall reimburse the employee for the necessary expenditure  
44 no later than thirty calendar days after receiving such appropriate

45 supporting documentation or signed statement.

46 (f) An employer who has reimbursed an employee for purchasing a  
47 necessary expenditure shall maintain ownership rights to the  
48 equipment and technology, services or office supplies for which the  
49 employer provided such reimbursement, except that the provisions of  
50 this subsection shall not apply to reimbursements for services made  
51 pursuant to subsection (d) of this section.

52 (g) An employee shall not be entitled to reimbursement under this  
53 section if (1) the employer has an established written expense  
54 reimbursement policy that the employee has reviewed and agreed to,  
55 and (2) the employee failed to comply with the written expense  
56 reimbursement policy.

57 (h) An employer is not liable under this section unless the employer  
58 authorized or required the employee to incur the necessary expenditure  
59 or the employer failed to comply with its own written expense  
60 reimbursement policy.

61 (i) An employee or employer may file a complaint with the Labor  
62 Commissioner alleging violations of this section. Upon receipt of the  
63 complaint, the commissioner shall investigate such complaint and may  
64 hold a hearing. The commissioner shall send each party a written copy  
65 of the commissioner's decision and may award all appropriate relief. If  
66 the commissioner finds that a party wilfully violated this section, he or  
67 she may levy a civil penalty of up to one thousand dollars per violation.  
68 Any party aggrieved by the decision of the commissioner may appeal  
69 the decision to the Superior Court in accordance with the provisions of  
70 chapter 54 of the general statutes.

71 (j) The Labor Commissioner may adopt regulations, in accordance  
72 with the provisions of chapter 54 of the general statutes, to establish  
73 procedures and guidelines necessary to implement the provisions of this  
74 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section

**Statement of Legislative Commissioners:**

In Subsec. (a)(3), "items such as" and "services such as" were deleted for consistency with standard drafting conventions; in Subsecs. (d) and (f), "provided" was changed to "except that" for accuracy; in Subsec. (i), "his or her" was changed to "the commissioner's" for consistency with standard drafting conventions; and throughout the bill, "employment-related supplies" was changed to "office supplies" for clarity and accuracy.

**LAB**      *Joint Favorable Subst. -LCO*

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:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Labor Dept.	GF - Cost	230,230	254,857
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	92,855	102,819
Labor Dept.	GF - Potential Revenue Gain	Minimal	Minimal
All	Various - Potential Cost	Minimal	Minimal

Note: GF=General Fund; Various=Various

**Municipal Impact:**

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Potential Cost	Minimal	Minimal

**Explanation**

The bill, which requires employers to reimburse employees for certain costs directly related to services performed for the employer, results in: 1) a General Fund cost of \$323,085 in FY 22 and \$357,676 in FY 23, 2) a potential minimal revenue gain to the extent there are violations found and civil penalties levied, and 3) a potential minimal cost to the state and municipalities as employers.

The Department of Labor would incur salary and fringe benefit costs of \$317,685 in FY 22 and \$351,776 in FY 23 for two Wage Enforcement

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

Agents and one part-time Staff Attorney to enforce the bill's provisions, which apply to approximately 110,000 employers and 1.6 million workers in the state. There are also associated overhead costs estimated at \$5,400 for FY 22 and \$5,900 for FY 23 for computers, office supplies, etc.

The bill also results in a potential cost to the state and municipalities as employers to reimburse employees for costs related to working from home. Any cost would depend on the types of supplies and equipment employees request reimbursement for. A state agency or municipality that currently reimburses workers for work-from-home expenses would only incur a cost to the extent that the bill expands the type of expenses such state agency or municipality must reimburse. These potential expenses are anticipated to be minimal.

### ***The Out Years***

The annualized ongoing cost impacts identified above would continue into the future subject to inflation; the ongoing revenue impact would continue into the future subject to the number of violations found.

**OLR Bill Analysis****sHB 6536*****AN ACT REQUIRING EMPLOYERS TO PROVIDE EMPLOYEES WORKING FROM HOME CERTAIN EQUIPMENT OR REIMBURSEMENT FOR CERTAIN NECESSARY EXPENDITURES.*****SUMMARY**

This bill generally requires an employer to reimburse an employee for all necessary expenditures incurred by the employee within his or her scope of employment and directly related to services performed for the employer. Under the bill, an employer is any person engaged in business who has one or more employees, including the state and its political subdivisions (e.g., municipalities).

Under the bill, “necessary expenditures” generally include expenditures the employer requires of the employee to perform his or her work duties that primarily benefit the employer (e.g., equipment, technology, and office supplies). But it excludes certain expenditures, such as those an employee agrees to incur before being assigned to work from home.

Additionally, the bill:

1. excludes from its reimbursement requirements any employer that has its own written expense reimbursement policy and abides by it;
2. establishes a process for employees to document necessary expenses and employers to provide reimbursements;
3. establishes a process for employers and employees to file a complaint with the labor commissioner about violations of the bill’s requirements, and if aggrieved by the commissioner’s decision, appeal to the Superior Court;

4. generally grants ownership rights to employers for equipment and technology, services, or supplies they reimbursed employees for; and
5. authorizes the labor commissioner to adopt regulations to establish procedures and guidelines necessary to implement the bill.

EFFECTIVE DATE: Upon passage

### **EXPENSES AND EXCEPTIONS**

The bill defines “necessary expenditures” as any expenditures the employer requires of the employee in the discharge of work duties that primarily benefit the employer, including the cost of purchasing:

1. equipment and technology, including computers, printers, and cellular phones;
2. services, including internet provider services, mobile internet access services, and cellular telephone services; and
3. office supplies such as paper, printer ink, and toner.

The definition of necessary expenses excludes (1) expenses the employee agreed to bear before an assignment to work from home; (2) expenses or losses due to an employee's own negligence, normal wear, or theft, unless the theft was a result of the employer's negligence; and (3) expenses indirectly related to the employee's scope of employment, including costs related to traveling to and from the employee’s regular work location.

Under the bill, an employer is not required to fully reimburse an employee for necessary expenditures that are services that the employee concurrently receives for his or her own personal use, but an employer must reimburse an employee for at least 50% of the cost of these services. The bill also exempts from the reimbursement requirement, an employer who provides the employee with all the equipment, technology, services, and related supplies necessary for the job.

**EMPLOYER EXPENSE REIMBURSEMENT POLICIES**

An employer is not liable under the bill unless the employer authorized or required the employee to incur the necessary expenditure or the employer failed to comply with its own written expense reimbursement policy. Under the bill, an employee is not entitled to reimbursement if the employer has an established, written expense reimbursement policy that the employee has reviewed and agreed to, but the employee failed to comply with.

**REIMBURSEMENT DOCUMENTATION**

To receive reimbursement, the bill requires an employee to submit appropriate supporting documentation within 30 days after incurring the expense, although employers may allow for more time in a written expense reimbursement policy. If the supporting documentation is nonexistent, missing, or lost, the employee can instead submit a signed statement regarding any receipts. The employer has 30 days after receiving the documentation or statement to reimburse the employee.

**COMPLAINTS AND ENFORCEMENT**

Under the bill, an employee or employer may file a complaint with the labor commissioner alleging violations of the bill. Upon receipt of the complaint, the commissioner must investigate and may hold a hearing.

The bill requires the commissioner to send each party a written copy of his decision and may award appropriate relief. If the commissioner finds that a party willfully violated the bill's provisions, he may levy a civil penalty of up to \$1,000 per violation. Any party aggrieved by the commissioner's decision may appeal to the Superior Court.

**OWNERSHIP RIGHTS**

Under the bill, employers maintain ownership rights of any equipment and technology, services, or supplies which the employer provided reimbursement for, except when providing partial reimbursement for services the employee already receives.

**COMMITTEE ACTION**

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Labor and Public Employees Committee

Joint Favorable

Yea 9      Nay 4      (03/23/2021)