



Senate

General Assembly

File No. 219

January Session, 2021

Substitute Senate Bill No. 942

Senate, March 30, 2021

The Committee on Labor and Public Employees reported through SEN. KUSHNER of the 24th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE ON-TIME PAYMENT OF WAGES.

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

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Employer" means a fiscal intermediary who provides payroll
3 services funded in whole or in substantial part by state funds to pay
4 personal care attendants, but does not include a consumer, as defined in
5 section 17b-706 of the general statutes; and
- 6 (2) "Personal care attendant" has the same meaning as provided in
7 section 17b-706 of the general statutes.
- 8 (b) Each employer shall pay weekly, or once every two weeks, all
9 wages, salary or other compensation due each personal care attendant
10 on a regular pay day, designated in advance by the employer, using one
11 or more of the following methods: (1) Cash; (2) by negotiable checks; (3)
12 upon an employee's written or electronic request, by direct deposit; or
13 (4) by payroll card, provided the requirements of section 31-71k of the
14 general statutes are satisfied.

15 (c) Each employer shall provide clear and timely communication
 16 directly to each personal care attendant regarding payment
 17 confirmation, a change in payment status or any pay discrepancy. If
 18 there is a pay discrepancy or an issue with the time records submitted
 19 by the personal care attendant that will impact the amount of wages,
 20 salary or other compensation the personal care attendant will receive on
 21 the personal care attendant's regular pay day, the communication shall
 22 (1) contain specific information about the discrepancy or issue, and (2)
 23 provide the personal care attendant with sufficient time, and a specific
 24 and accessible method, to respond to the employer and attempt to
 25 correct such discrepancy or issue prior to the personal care attendant's
 26 regular pay date. If the pay discrepancy or issue has not been resolved
 27 twenty-four hours or more before the personal care attendant's regular
 28 pay day, the employer shall provide to the personal care attendant a
 29 method to receive wages, salary or other compensation between payroll
 30 cycles and not later than forty-eight hours after such discrepancy or
 31 issue has been resolved.

32 (d) An employer who violates any provision of this section shall be
 33 fined one hundred dollars per day for each separate violation from the
 34 date of the violation to the date such violation is corrected. If the Labor
 35 Commissioner imposes a fine under the provisions of this section, the
 36 commissioner shall, not later than thirty days after collecting such fine,
 37 remit the amount collected to the personal care attendant who was
 38 subjected to the violation.

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

LAB *Joint Favorable Subst.*

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 - Potential Cost	Up to 113,075	Up to 114,905
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	Up to 46,700	Up to 47,456
Social Services, Dept.; Department of Developmental Services	GF - Potential	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires fiscal intermediaries providing payroll services for state-funded personal care attendants (PCAs) to pay a fine of \$100 per day for violations of the payroll-related requirements established under the bill.

To the extent the fiscal intermediary experiences increased cost to meet the requirements of the bill, the state contract with the fiscal intermediary may be adjusted to reflect such increases.

The Department of Social Services and the Department of Developmental Services support certain individuals, who are enrolled in a Home and Community-Based Medicaid waiver, with funding for PCAs. The bill may also result in a potential federal revenue loss to the

¹The 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.

extent the bill's provisions conflict with Medicaid waiver requirements.

There is a cost to the Department of Labor (DOL) the extent that the agency would have to investigate and hold hearings on potential violations.² The potential cost is estimated to be up to \$159,775 in FY 22 and up to \$162,361 in FY 23 for one full-time Wage Enforcement Agents and one part-time Staff Attorney.³

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

² Per the *Shortt vs. New Milford Police Department* (212 Conn. 294, 1989) Connecticut Supreme Court decision, DOL could administer a fine only after a PCA has exhausted all administrative remedies afforded them under a collective bargaining agreement.

³ For context, in January 2021 446 PCA timesheets were delayed beyond the pay period due to errors.

OLR Bill Analysis**sSB 942*****AN ACT CONCERNING THE ON-TIME PAYMENT OF WAGES.*****SUMMARY**

This bill requires certain fiscal intermediaries that provide payroll services for paying state-funded personal care attendants (PCAs) to meet certain payroll-related requirements. It applies to fiscal intermediaries that provide payroll services funded in whole or in substantial part by state funds to pay PCAs. PCAs covered by the bill are people who provide personal care assistance under a state-funded program, such as the Connecticut Home Care Program for Elders. The bill specifies that fiscal intermediaries do not include the consumers who receive PCA services.

The bill requires the fiscal intermediaries to pay the PCAs weekly or bi-weekly on a regular pay day designated in advance by the fiscal intermediary. As under the payroll law that applies to all employers and employees, they must do so by cash, check, direct deposit (upon the employee's request), or payroll card.

The bill further requires the fiscal intermediaries to provide clear and timely communication directly to each PCA about payment confirmation, a change in payment status, or any pay discrepancy. If there is a pay discrepancy or issue with a PCA's time records that will impact how much pay the PCA will receive on his or her regular pay day, the fiscal intermediary's communication must (1) contain specific information about the discrepancy or issue and (2) give the PCA enough time and a specific and accessible way to respond and try to fix the problem before the regular pay day. If the problem has not been resolved at least 24 hours before the regular pay day, the fiscal intermediary must provide a way for the PCA to receive his or her pay

between payroll cycles and within 48 hours after the problem has been resolved.

The bill subjects violators to a \$100 fine per violation, per day, until the violation is corrected. If the labor commissioner imposes the fine, he must remit it to the PCA who was subjected to the violation within 30 days after collecting it.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Bill

sHB 6560, reported favorably by the Human Services Committee, similarly requires fiscal intermediaries to provide PCAs with a way to address pay discrepancies and timely receive their pay.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 10 Nay 3 (03/18/2021)