



**State of Connecticut**  
HOUSE REPUBLICAN OFFICE  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

**Testimony in Support of House Bill 5954  
Labor and Public Employees Committee  
February 18, 2021**

Chairwomen Kushner and Porter, Ranking Members Sampson and Arora, and members of the Labor and Public Employees Committee, on behalf of the Republican Caucus, I would like to thank the committee for raising HB 5954 An Act Continuing the Suspension of the Experience Rate Component of the Unemployment Insurance Tax.

Throughout the COVID-19 pandemic, many of our state's businesses have been forced to close their doors or reduce their operations as a result of state mandates or out of necessity related to the pandemic. The disruptions caused by COVID resulted in, small and large employers alike, being forced to lay off their employees.

As the members of this committee are aware, an employer's unemployment insurance tax rate depends, in part, on the employer's "experience rate." The experience rate is based on the amount of Unemployment Insurance benefits its former employees received over the previous three years. This rate is intended to dissuade businesses from laying off their employees by increasing their unemployment insurance tax rate based on the number of employees they lay off. However, what we have seen happen during these unprecedented times are businesses having little choice about letting employees go and operating in a prolonged state of closure with a reduced workforce as they constantly have to reassess and adjust to the changing business world during this past year. With the unemployment rate in the 8% -10% range through most of the year, Connecticut's job creators will see significant increases in their unemployment insurance tax once the experience rate is applied.

Unless we take action, these employers will be unjustly punished for a situation they did not cause. We urge the committee to support this proposal and help our struggling businesses focus on economic recovery. Recognizing that the high number of layoffs have been prompted primarily by the pandemic, the Governor's Executive Order has suspended application of the experience rate, albeit temporarily. We need to extend the governor's moratorium to make sure our employers are protected from an unfair cost and allow them to use their resources to bring back their employees to work.

Our state's businesses face enough difficulty clawing their way out of this economic crisis without an additional burden for doing nothing more than what they were required to do to survive during an unprecedented crisis. This bill will help make things easier for our employers and will help get people back to work in Connecticut.

