

Labor and Public Employees Committee
JOINT FAVORABLE REPORT

Bill No.: HB-5270
AN ACT INCREASING THE THRESHOLD AMOUNT FOR FELONY
Title: UNEMPLOYMENT COMPENSATION FRAUD.
Vote Date: 3/7/2024
Vote Action: Joint Favorable
PH Date: 2/27/2024
File No.:

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SPONSORS OF BILL:

Labor and Public Employees Committee

REASONS FOR BILL:

This bill raises the felony threshold for unemployment fraud from 500\$ to 2000\$. This bill would not legalize unemployment fraud under 2000\$ but would instead make it a misdemeanor, with repayment and associated penalties still applying. Raising the threshold would remove cases of unintended fraud where an individual may continue to receive benefits until their first paycheck at a new job. This would allow those individuals to keep their jobs and remove potential difficulties in the future in pursuing new positions. Additionally, this would lighten the burden on the CTDOL who are currently required to undergo a lengthy process to file felony charges on every case over 500\$.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Provided

NATURE AND SOURCES OF SUPPORT:

Ed Hawthorne, President Connecticut, AFL-CIO: Hawthorne voices his support for the bill out of concern of how the current laws impact low wage workers. Hawthorne brings attention to a specific situation that occurs that would be considered a felony, where workers who find a new job continue to receive unemployment for the two weeks before they receive their first check. Raising the felony threshold to 2000\$ would prevent these people from being charged with a felony while also bringing it in line with current precedent with other laws where the felony threshold is 2000\$. Hawthorne believes most cases of unemployment overpayment are human error and should be only charged with a misdemeanor, allowing them to keep

their jobs. Hawthorne emphasizes that this change in classification does not make fraud legal as violators are still expected to repay funds but instead allows for some leniency while lowering the load on DOL.

Sara Parker McKernan, Legislative Policy Advocate, New Haven Legal Assistance:

Parker McKernan addresses cases where workers who find a new job where they remain on unemployment until their first paycheck (which could be up to a month). In these cases, Parker McKernan believes that it would be logical to extend benefits in these cases. According to DOL numbers pre-pandemic the average overpayment was about 800\$ and typically occurred during the first two weeks of new employment before receiving a paycheck. Many workers are under the belief that unemployment extends until their first paycheck and thus unintentionally commit fraud. This bill would still hold individuals who commit fraud responsible for paying the money back but would make these unintentional cases a misdemeanor, allowing them to continue to support them and their families.

NATURE AND SOURCES OF OPPOSITION:

None Provided

Reported by: Noah Gulla

Date: 3/14/2024