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## **OLR Bill Analysis**

### **HB 5271**

#### ***AN ACT INCREASING THE UNEMPLOYMENT COMPENSATION THRESHOLD FOR AGRICULTURAL EMPLOYERS.***

#### **SUMMARY**

This bill increases, from \$20,000 to \$25,000, the quarterly compensation threshold that determines whether an agricultural employer and its employees are covered by the state's unemployment law.

Under current law, if an employer paid at least \$20,000 to people employed in agricultural labor during any calendar quarter of the current or preceding year, then that labor is considered "employment" covered by the unemployment law. As covered employment, the employer would have to pay unemployment taxes on it, and the employees could qualify for unemployment benefits.

The bill increases this threshold to \$25,000 for compensation paid on or after January 1, 2025. (Because of the law's one-year lookback, during 2025, an agricultural employer could come under the unemployment law by either (1) having paid at least \$20,000 during a 2024 quarter or (2) paying at least \$25,000 during a 2025 quarter.)

By law, "agricultural labor" is generally any service performed (1) on a farm, in the employ of any person, in connection with cultivating the soil or with raising or harvesting an agricultural or horticultural commodity; (2) in the employ of a farm's owner, tenant, or other operator in connection with operating, managing, conserving, improving, or maintaining the farm and its tools and equipment; or (3) in the employ of certain farm operators handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering an agricultural or horticultural commodity in its unmanufactured state.

EFFECTIVE DATE: July 1, 2024

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 12 Nay 0 (03/21/2024)