

Labor and Public Employees Committee

JOINT FAVORABLE REPORT

Bill No: SB-347 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT INCREASING THE THRESHOLD AMOUNT FOR FELONY

Title: UNEMPLOYMENT COMPENSATION FRAUD.

Vote Date: 3/5/2026

Vote Action: Joint Favorable

PH Date: 3/3/2026

File No.:

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SPONSORS OF BILL:

Labor & Public Employees Committee

REASONS FOR BILL:

The reason for this bill is to increase the threshold at which overpayment of unemployment insurance benefits becomes a felony; at present, the threshold for felony unemployment fraud is \$500, which has not increased since 1969, whereas the threshold for felony larceny is \$2,000. By updating this threshold, someone who may have inadvertently committed unemployment fraud would be guilty of a misdemeanor if the amount was under \$2,000. The individual in question would still be required to pay back all money owed.

RESPONSE FROM ADMINISTRATION/AGENCY:

None provided.

NATURE AND SOURCES OF SUPPORT:

Ed Hawthorne, President, Connecticut AFL-CIO: Mr. Hawthorne is in support of the bill. He understands the hardships that people go through when they lose their jobs, such as economic challenges. He states that the law already prohibits workers from receiving a paycheck and unemployment benefits at the same time. However, when a worker starts a job again it can be a few weeks before they receive their paycheck. If they continue to receive unemployment benefits during that interim period, the current statute allows them to be charged with a felony for accepting more than \$500 in excess benefits. This bill will change that to \$2000.

Nick Russel, Attorney, Connecticut Legal Services: Mr. Russel is in support of the bill. He states that he is a lawyer who regularly represents low wage workers claiming unemployment compensation. He explains that as the law is now wage workers may be charged with a felony instead of a misdemeanor if they receive as little as a \$500 overpayment by accident. He claims that often his clients do not receive this money on purpose, but they believe these are benefits they are entitled to, however they are still charged with a felony. He describes an instance where one of his clients received an overpayment in benefits, the DOL had alleged they obtained these benefits fraudulently, this charge was later removed once things were figured out. He urges the committee to pass the bill because it will raise the \$500 limit to \$2000.

Jess Zaccagnino, Policy Counsel, American Civil Liberties Union of Connecticut (ACLU-CT): Ms. Zaccagnino explains that the ACLU-CT is an organization dedicated to ending mass incarceration, eliminating racial disparities in the criminal legal system, and reducing harm to justice-impacted people. She is in support of the bill because it will help lower the number of crimes in our general statutes and find solutions that do not involve incarceration. She states that a job loss is destabilizing for many one but especially black people and people working low wage jobs. These people could face evictions, foreclosure along with other things. She notes that the State law forbids workers from double-dipping and receiving both unemployment benefits and a paycheck. She adds that because there is a gap between paychecks if a person receives unemployment benefits during this time and it adds up to \$500, they could be charged with a felony. She supports the bill because it will raise overpayment to \$2000.

Rachel Scotch, Attorney, New Haven Legal Assistance Association (“LAA”): Ms. Scotch is in support of the bill. She explains that as the law is now a low wage worker could be charged with a felony if they received as little as \$500 in an overpayment. She says that many people who receive this money do not do so intentionally. She quotes *State v. Reed* (2022) which states that a person who takes another person property by mistake does not have the intent required for larceny. She also states that under Conn. Gen. Stat. Ann. § 53a-119(6)(A) \$2000 is already determined to be the threshold for a felony charge.

Sara Parker McKernan, Legislative/Policy Advocate, New Haven Legal Assistance: Ms. McKernan is in support of the bill. She states that when a worker finds a new job it might be difficult during the first month deepening on paychecks, so unemployment benefits might seem like a logical way to get by. However, they get charged with a felony for over payment even if it was a mistake. She states that under CGS Sec. 53a-124 people are not charged with felony larceny unless the value of the property is over \$2000. She adds that the bill will allow people to better support their families while not being labeled as a felon.

NATURE AND SOURCES OF OPPOSITION:

None provided.

Reported by: Lawrence Sanchez

Date: 03/16/2026