

Legislative History for Connecticut Act

HB 675	PA 354	1953
Senate	1327, 1380, 1467	(3)
House	1855, 1884, 1893, 1941	(4)
<del>Labor</del>		
Labor	234-265, 288-292	(37)

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1953

VOL. 5  
PART 4  
1203-1566

The Senate was called to order on Friday, May 15, 1953 at 11:15 a.m. by The President.

THE PRESIDENT: The Senate will please come to order and give your attention to the Chaplain who will offer prayer.

THE CLERK: Change of reference, SB 739, report of the JSC on State Parks and Reservations, referred to Committee on Appropriations.

FAVORABLE REPORTS: Reports having been received from the committees indicated on Sub. for SB 645, SB 508, SB 418, SB 931, SB 911, SB 368 and SB 367, were referred to the Calendar and printing.

UNFAVORABLE REPORTS: SB 875 and SB 914 were referred to the Calendar.

BUSINESS FROM THE HOUSE: Change of Reference - HB 1006 was referred to Committee on Finance. Committee HB 1791, 1792, 1793, 1794 and 1795 were referred to The Committee on Education, Judiciary and Public Utilities, respectively.

FAVORABLE REPORTS: Favorable reports were received from the committees indicated on Sub. HB 1030, HB 73 and 330, 424 and 436, Committee HB 1543, 1699, Sub. HB 328, HB 578 and 591, Sub. HB 675 and 773, HB 1557, Committee HB 1585, HB 1781, Sub. HB 635 and 1244, HB 1416, 1722, 1726, 1782, Sub HB 33, 238, 276, 505, HB 550 and 608, Sub. HB 697, 746, 813, HB 815, Sub. HB 873, HB 1274, 1275, 1276, Sub. HB 1619, HB 1716 and 1627, Sub. HB 1710, HB 1737 and 1788 were referred to the Calendar.

SENATOR JEWETT OF THE TWENTIETH DISTRICT: I would move you, sir, that we recess until 11:45

After recess

THE CLERK: Favorable report of the JSC on Education, Sub. SB 429 and SB 608 were referred to the Calendar and printing.

UNFAVORABLE REPORTS, SB 105, 692 and 540 were referred to the Calendar.

SENATOR SULLIVAN, SIXTEENTH DISTRICT: Mr. President, I move acceptance of the Committee's favorable report and passage of the bill.

THE PRESIDENT PRO TEM: The motion is on acceptance of the Committee's favorable report and passage of the bill. Will you remark:

SENATOR SULLIVAN, SIXTEENTH DISTRICT: Mr. President. This provides for a seven man Board of Education in the Town of Easton - there have been the number of six.

THE PRESIDENT PRO TEM: Are there any further remarks? All those in favor will please say Aye - those opposed no - - the Ayes have it and it is ordered so voted.

THE CLERK: Calendar No. 1083 - Substitute for House Bill 675 - An Act Amending the Unemployment Compensation Act, Favorable Report of the Committee on Labor, File No. 712.

SENATOR JEWETT, TWENTIETH DISTRICT: Mr. President - may this be passed retaining its place on the Calendar?

THE PRESIDENT PRO TEM: If there is no opposition, this will be passed retaining its place on the Calendar.

SENATOR JEWETT, TWENTIETH DISTRICT: Calendar No. 1086 - may this likewise be passed retaining its place on the calendar.

PRESIDENT PRO TEM: If there is no opposition this will also be passed retaining its place on the calendar.

THE CLERK: Calendar No. 1084, House Bill No. 773, An Act Concerning Pension Rights of Kenneth P. Reid - Favorable report of the Committee on Cities and Boroughs - File No. 771.

SENATOR GRANT, TWENTY\*SEVENTH DISTRICT: Mr. President, I move acceptance of the Committee's favorable report and passage of the bill.

THE PRESIDENT PRO TEM: The question is on acceptance of the Committee's

THE CLERK: Calendar No. 1083, Substitute for <sup>H</sup>ouse Bill No. 675, An Act amending the Unemployment Compensation Act, Favorable report of the Committee on Labor, File No. 712.

SENATOR SADEN, TWENTY-SECOND DISTRICT: Mr. President, there are two amendments on the Clerk's desk -

THE CLERK: Strike out Section 2 and re-number the ensuing sections accordingly.

SENATOR SADEN, TWENTY-SECOND DISTRICT: I move adoption of the amendment.

THE PRESIDENT: The question is on adoption of the amendment - all those in favor please say aye - those opposed no -

SENATOR WARD, SECOND DISTRICT: Mr. President, this is a highly technical bill and I am opposed to some of these various amendments - I would like to go slow on this -

SENATOR SADEN, TWENTY-SECOND DISTRICT: May I just remark on this all it does is to eliminate section 2 and it leaves the law as it stands at the present time - there is no change from the number of employees which an employer must have before the act takes effect - originally some thought was on making it one - section 2 will just confuse the whole issue.

THE PRESIDENT: The question is on adoption of the amendment - will all those in favor say aye - those opposed no - the amendment is adopted.

SENATOR SADEN, TWENTY-SECOND DISTRICT: The clerk has another amendment.

THE CLERK: In section fifteen, line eleven change the period to a comma and insert the following; except that where an employer has, by collective bargaining agreement, provided for reemployment for such woman after childbirth, and she has, within two months, applied, without restrictions, for reemployment in the same job or a comparable job which may be provided by the employer, and the employer does not reemploy such woman, the requirement of

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HOUSE

PROCEEDINGS  
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VOL. 5  
PART 5  
1668-2065

AGM

1861

House Bill 1612 "An Act concerning Publication of Ordinances in the Town of Greenwich." Calendar 1132 File 715.

MR. BOWERS (MANCHESTER): retaining its place on the Calendar.

I move the acceptance of the Committee's favorable report and passage of the bill.

THE SPEAKER: Substitute for House Bill No. 1007 "An Act Extending

Question is upon acceptance of the Committee's favorable report and passage of the bill.

MR. BOWERS (MANCHESTER): acceptance of the Committee's favorable re-

Mr. Speaker, this bill provides that instead of publication verbatim of any ordinance in the town of Greenwich, a certified copy may be filed in the office of the town clerk providing the general nature of the ordinance is published. The bill also provides copies shall be made available by the board of selectmen. The bill also shall not take effect until approved by a representative town meeting.

THE SPEAKER: It also increases the use of these state aid funds

Question is upon passage of the bill. Those in favor will signify by saying "aye"; opposed? The bill is passed.

House bill 1612, Calendar 1132. The bill is passed.

THE CLERK: to twenty per cent of the total fund that is allocated

Favorable report of the Committee on Labor on Substitute for House Bill No. 675 "An Act amending the Unemployment Compensation Act." Calendar 1162 File 712.

MR. PARSELLS (FAIRFIELD): opposed? The bill is passed.

Mr. Speaker, may this bill be passed until tomorrow, retain- Favorable report of the Committee on Judiciary on House Bill

AGM

1890

THE SPEAKER: Question is on the motion to recommit. Those in favor will signify by saying "aye"; opposed? The bill is recommitted.

THE CLERK: Business on the Calendar. Page 2. Second matter starred. Favorable report of the Committee on Education on Substitute for House Bill No. 1311 "An Act concerning Transferring the Functions of the Public School Building Commission to the State Board of Education." Calendar 1127, File No. 695.

MR. COHEN (ELLINGTON):

Could that be passed, retaining its place?

THE SPEAKER: The bill is passed temporarily.

THE CLERK: Page 3. Favorable report of the Committee on Labor on Substitute for House Bill No. 675 "An Act amending the Unemployment Compensation Act." Calendar 1152 File No. 712.

MR. PARSELLS (FAIRFIELD): Mr. Speaker, I ask that this bill be passed over until tomorrow.

THE SPEAKER: This bill is passed temporarily retaining its place on the Calendar.

MR. DEMPSEY (PUTNAM): If I may, Sir, I would like to suggest to the various heads of the Committees when the General Assembly is in session there should be no committee meetings. If you look around, Sir, you

AGM

1899

5/13/23  
ls

THE CLERK:

Favorable report of the Committee on Labor on Substitute for House Bill No. 675 "An Act amending the Unemployment Compensation Act." Calendar 1162, File No. 712.

MR. PARSELLS (FAIRFIELD):

Mr. Speaker, I thought that was passed?

THE SPEAKER: The legislature for several sessions, two years ago

The bill is passed temporarily. Committee on Education

THE CLERK: man from Newtown who had definite experience with the

Favorable report of the Committee on Elections on Substitute for House Bill No. 1600 "An Act concerning the Location and Taxation of Regional Schools when located in a Town Outside of Such District." Calendar 1169 File No. 723.

MR. FOORD (LITCHFIELD): as of the Gentleman from Newtown, but he

This bill contains a similar provision, section 8, to the bill next following on the Calendar. An amendment will be introduced to file 714 that deals with the same subject in terms of file 723 and it seems to me it would be better to postpone action on file 723 until we dispose of 714 and then we may not have to take up 723 at all. I so move, that it be passed, retaining its place on the Calendar.

THE SPEAKER: (NEWTOWN):

The bill is passed, retaining its place on the Calendar.

THE CLERK (Page 1900 follows. No omissions.)

To substitute for House Bill 1605, File 714, section one, lines 10 and 11, strike out "take an option on one or more sites and may". In lines 12 after "plans" insert "only." In section

AGM

1947

MR. WOODWORTH (WATERFORD): The purpose of this act is to increase the number of members of the Board of Education in the town of Easton from six to seven and to provide for the election and filling of the vacancy. I hope this bill passes.

THE SPEAKER: Question is upon adoption of the amendment. Those in favor will signify by saying "aye"; opposed? The bill is passed.

THE CLERK: Favorable report of the Committee on Labor on Substitute for House Bill No. 675 "An Act amending the Unemployment Compensation Act." Calendar 1162 File No. 712.

MR. PARSELLS (FAIRFIELD):

THE CLERK has an amendment.

THE SPEAKER: The Clerk will read the amendment.

THE CLERK: the following: "except".

MR. PARSELLS (FAIRFIELD): To House Bill, Substitute for House Bill 675, file No. 712 strike out section 2 and renumber the ensuing sections accordingly.

MR. PARSELLS (FAIRFIELD):

Mr. Speaker, I move the adoption of the amendment.

THE SPEAKER: Question is upon the adoption of the Amendment, Schedule "A".

MR. PARSELLS (FAIRFIELD): The reason for this amendment is that the Committee decided to leave coverage as it is in the present law. Section 2 as it

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## LABOR COMMITTEE

TUESDAY

MARCH 31, 1953

Chairman Saden presiding

Members present: Senators Saden, Desrosiers and Ward

Representatives Cohen, Williams, Novaco,  
Douglass, Carlson, Kesaris, Zanobi, Tyler,  
Tyler, Liberty, Griffith

SEN. SADEN: We will take up first H.B. 675, about which a number of these other bills revolve and we can consider them altogether, so if you want to comment on any of these other bills that deal with any part of H.B. 675 it will be permissible to do so. S.B. 339 and S.B. 354 touch upon the first seven sections. S.B. 375 and 330 on Section 5. Senate Bills 101, 335 and 336 touch upon sections 8, 9 and 20. H.B. 461 touches on section 10. S.B. 108 and 333 touch upon section 11. S.B. 332, 342, 703 and 364 on section 12. I think if we will discuss those and keep in mind all I mentioned we will be able to dispose of a good portion of the legislation.

- H.B. 675 ✓ - AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT  
(Cohen)
- S.B. 339 ✓ - AN ACT TO PROVIDE UNEMPLOYMENT BENEFITS FOR PUBLIC EMPLOYEES (Tedesco)
- S.B. 354 ✓ - AN ACT CONCERNING UNEMPLOYMENT COMPENSATION FOR STATE AND MUNICIPAL EMPLOYEES (Ward)
- S.B. 330 ✓ - AN ACT CONCERNING CREDIT MEMORANDA AND MERIT RATING (Tedesco)
- S.B. 101 ✓ - AN ACT CONCERNING UNEMPLOYMENT COMPENSATION (Saden)
- S.B. 335 ✓ - AN ACT CONCERNING INCREASING UNEMPLOYMENT BENEFITS (Tedesco)
- S.B. 336 ✓ - AN ACT CONCERNING UNEMPLOYMENT COMPENSATION - UNEMPLOYMENT WEEKLY BENEFIT RATE (Tedesco)
- H.B. 461 ✓ - AN ACT CONCERNING THE UNEMPLOYMENT COMPENSATION ACT (Marsilius)
- S.B. 108 ✓ - AN ACT CONCERNING LAYOFFS AFTER RECALL BY FORMER EMPLOYER (Saden)
- S.B. 333 ✓ - AN ACT TO AMEND UNEMPLOYMENT ACT (Tedesco)
- S.B. 332 ✓ - AN ACT TO AMEND UNEMPLOYMENT COMPENSATION ACT (Tedesco)
- S.B. 342 ✓ - AN ACT TO AMEND UNEMPLOYMENT COMPENSATION ACT CONCERNING COMPENSATION FOR LOSS OF WAGES (Foley)
- S.B. 703 ✓ - AN ACT TO AMEND UNEMPLOYMENT COMPENSATION ACT (Murphy)
- S.B. 364 ✓ - AN ACT CONCERNING UNEMPLOYMENT COMPENSATION BENEFITS FOR PERSONS RECEIVING PENSIONS (Jewett)
- SEN. SADEN: Legislators may speak first.

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REP. MOPSICK, Plainfield; I want to register against S.B. 364. ✓ I'm all mixed up. I want to register in favor of S.B. 364.

SEN. SADEN: Any others? If not, those in favor of H.B. 675 ✓ or any of these other bills I've mentioned in conjunction with it? Anyone in favor?

HOWARD HAUSMAN, Executive Director, Employment Security Division, Labor Department: Before we hear any of these bills, if the committee please, I would like to leave individual copies for each member of the committee of three documents which will be useful in reference. The first is a pamphlet entitled "Adequacy of Benefits under Unemployment Insurance" which gives the provisions of various state laws on various items. The next is a similar document entitled "Significant Provisions of State Unemployment Insurance Laws", and the third is the table prepared by the Labor Department of estimates of costs of benefits under provisions of not only H.B. 675 but various other bills which are before you. It might be helpful if these could be passed around to the committee during the hearing. Also, Mr. Chairman, I have a number of corrections to H.B. 675 covering items which the Labor Department has run into since the bill was drafted. I will leave 25 copies of that with the committee. This memorandum explains the corrections which are being made. For the most part they are corrections of errors in reference, errors in the effective date. There are, however, three I believe I ought to mention briefly. The first is that in the provision covering state employees it is now proposed that that be amended so as to cover only such classified employees those in the civil service. We feel the way the bill was originally drafted state employed school teachers, many of whom get paid a full year's salary in ten months and don't work during the summer might claim unemployment compensation during that period, and we know it wasn't the intention of the drafters to have that result, and we don't believe that the legislature would favor that. Under section 14 we recommend a small change by striking out the words "by a special employer". This change would make that section conform to section 13 which doesn't have that phrase. Section 17, we suggest the addition of some new material which is on page 3 of this memorandum. It affords a right of appeal to a claimant whom the administrator claims has been overpaid benefits. There's been a recent decision of the appeals commission holding there is no right of appeal in a situation like that, and we believe there ought to be a right of appeal, the same as on any other benefit determination. The last change recommended would permit the state treasurer to invest the money in the employment security in a special administration fund. That fund now amounts to \$200,000. Originally this item was supposed to be covered in a joint bill permitting the treasurer to invest all special funds, but since our bill was drafted the treasurer has recommended it be added in this bill instead.

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MR. COHEN: We have the changes to this bill. Do you have the highlights of the changes?

MR. HAUSMAN: Yes, I do. I have a summary of the provisions of H.B. 675 by sections. I don't have as many copies of that.

SEN. SADEN: Do you also have the breakdown of the changes made by H.B. 675 over the existing laws?

MR. HAUSMAN: That's what this is. I might say, Mr. Chairman, that about half a dozen of the provisions of H.B. 675 were in H.B. 1182 two years ago which passed both houses but which died in disagreeing action because of three sections. There was disagreement on three sections, which are section 12, 13 and 14 of this bill this year. That's where the controversy was two years ago. The first change is to cover state employees under the act and also to cover municipal employees at the option of the municipality. The bill also extends coverage to employees of small employers, employers of one or more as compared to the employers of four or more under the present act. The provisions of sections 5 and 7 are purely administrative, non-controversial, and were passed two years ago. I don't see any necessity for going into this. Section 8 increases the weekly maximum benefit amount from \$24 to \$30. It also provides for the use of the highest of four quarters instead of three quarters in figuring average weekly earnings. Section 9 increases the duration computation of 25% to 33 1/3% of base period wages, keeps the maximum number of weeks at 26. Section 10 increases the qualifying amount of wages from \$240 to \$300. All these items were considered two years ago. The other part of section 10 is new. It provides that women aren't required to be available for work between the hours of 1 A.M. and 6 A.M. That recommendation results from a decision of the Superior Court holding that a woman who refused to work on the third shift was not eligible for benefits. The department policy had always been not to pressure women into working on the third shift, and we would like to be able to return to that. Also section 11 eliminates the disqualification of a claimant who quits a temporary job not in his regular occupation to return to his regular occupation and then gets laid off within a couple of weeks. Under the present law he is penalized for that.

MR. COHEN: What would the change be?

MR. HAUSMAN: Under the present law if a person is ~~was~~ laid off from his regular job and takes a temporary job, as a dish washer for example, and then he's called back to his regular job, quits his dishwasher job voluntarily, then if he gets laid off again in a few weeks he's penalized because he quit the dishwasher job. It's restricted pretty much to that kind of case.

MR. COHEN: Actually it's for the benefit of the worker?

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- MR. HAUSMAN: Oh, definitely. I think there are several of the other bills with the same provision. Section 12 provides that an individual receiving a private pension less than his benefit rate is eligible for benefits equal to the difference between his benefit rate and the pension. That was one of the controversial things two years ago. Since the last session the Supreme Court has decided that claimants receiving a pension are not entitled to any benefits, regardless how small the pension is. This is the same middle of the road provision we recommended two years ago and still recommend. Section 13 requires that women who have given birth to children earn \$150 in wages before they are again eligible for benefits. That was one of the stumbling blocks three years ago. Section 14 provides that claimants who have received benefits in one benefit year are required to earn at least \$150 after the beginning of their first benefit year before they are eligible to receive benefits in the second benefit year. That was the third of the disagreeing sections two years ago. That's section 14.
- MR. GRIFFITH: Am I right in assuming those are the recommendations of the Labor Department?
- MR. HAUSMAN: Everything in H.B. 675 is a recommendation of the Labor Department.
- MR. GRIFFITH: Sections 12 and 13 also?
- MR. HAUSMAN: Yes, sir. Section 15 gives to Korean veterans the same consideration which was given to World War II veterans in waiving interest on tax contributions while the individual owner of the business is in service. Section 16 lowers from 6 years to 3 years the statute of limitations on collection of taxes on newly covered employers, not on just underpayment of taxes only, on those who didn't know they were covered by the act. Section 17 permits the administrator to cancel off the books benefit overpayments which he deems uncollectible after 6 years. We have a whole file of such over payments which are cluttering up the office which the state auditors have asked us to wipe off the books. Section 18 provides for penalties imposed by the administrator by way of deprivation of benefits between 2 and 20 weeks for fraudulent claims. Under the present law the only remedy against claimants who deliberately defraud the state is by criminal prosecution and there are a lot of people that have been prosecuted. There are a number of types of cases that aren't serious enough to warrant imposing a criminal penalty yet there should be an administrative penalty by way of deterrent. Sections 19 and 20 are both new, weren't in the bill two years ago. Section 19 limits claimants for rehiring credit under the merit rating part of the law to claimants who have filed within 90 days after the rehiring. This results from a Supreme Court decision a while ago which in effect allowed employers to file the claim indefinitely. In that particular case it was more than a year after the

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rehiring took place, and we believe that there has to be a definite time when the state knows it has to make provisions. Section 21 ties in with the same proposition, fixes a definite overall limit of 6 years on refunds of taxes. This of course corresponds with the six year limitation on the other side on the collection of taxes. Gentlemen, we have run through the provisions of this bill very briefly. Commissioner Egan is going to discuss the more important sections of the bill, particularly the controversial ones.

COMMISSIONER EGAN: Mr. Chairman, this bill is introduced as the result of great study on the part of our department, not only two years ago, but again this past year. We have recommended that the maximum amount be brought up to \$30, and the reason for recommending that is that the number of states in the country now that pay \$30 and we didn't feel as though we had to or ought to go any higher than the \$30 until some other state has passed higher than \$30. I am of the opinion we haven't raised the maximum since 1947 and haven't kept the pace with the increase in wages, and I think maximum benefits ought to be pretty much tied to the average wages today in the state so we are very strong for a \$30 maximum. If the committee wants to accept anything higher that's up to the committee. If I get any further information pertaining to other states making it a higher amount I will be glad to furnish it to the committee. Now, as to the 4th week, why we include the highest quarter of the four quarters is that four years ago that omission was made in our revision of the act. We made it three instead of four quarters. Two years ago we proposed that that be corrected and the house went along with that correction as well as the senate, and we recommend it again this year. The reason state employees ought to be covered is because of the fact in a few departments they lay off people. For instance, in my own department, I may lay off 300 people because I don't need them and they ought to be covered by unemployment same as everyone else. We impose a state and municipal tax that where they collect under state or municipality only reimburses for the amount paid out in benefits, not on the same as you would at the present time, 2.7%. We also propose to correct the situation pertaining to the question of second benefit year. Most states don't pay second benefit year. They are on a flat duration. In 1949 we found ourselves in the difficulty of paying benefits because of the fact that our law permits an employer not to pay the tax until the 31st day of the following month. Therefore we wouldn't have the records in our office for, say the months of October, November and December, and somebody filed in January. We wouldn't have the records in the office, couldn't tell how much to pay them or what the duration should be, have to write to the employer and get the information back, with the employer wondering why he has to furnish it because he has to January 31st to inform us of that particular employee and the result was, there was considerable confusion. Even so we recommended that we be

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permitted to have the last quarter as a result instead of increasing the number of weeks an employee could collect over and above the 26 in the first year. At the present time many people are collecting as high as 17 weeks. Therefore we think the correction ~~xxx~~ should be made and bring them all back in line with what was the intent to allow us to have the lag quarter for administration purposes. We also propose on the question of childbirth. We have had so much difficulty with that situation we have recommended a change and it will be up to the legislature what they want to do with it. We have wrestled with the problem. At the present time many of the women who give birth to a child have in their contract with the union and employer a proviso that the employer must protect the job for a period of six months, or a year in some cases, 3 months in some cases. Well, they will not go back to that particular employer, they file their claim for compensation, don't take jobs, aren't available to take jobs. When we disqualify them they take an appeal, come back again and say they are qualifying and do the same thing all over again. We had to go to court on some cases. There isn't anything we can do about correcting the abuse except by putting something in the law. At the present time our records show that 33% of all the claims filed last year in pregnancy cases refused right off the bat to take any job. We disqualify them. They go back and say they are going to qualify, to make themselves available, but they don't take jobs. 87% of them don't take any jobs during the time they can collect unemployment, and of that 13% that's left a great many will not take a job until the benefits have been completed, so we think it is an abuse that ought to be corrected. It's nothing new. Other states have the same type legislation because of this, because we have complaints to our office on the part of people who don't think it's right for those people to collect when they are not available, don't intend to go to work, but will collect. The great bulk of the women complain it wouldn't pay them to take another job because they would have to have a baby sitter and if they did it wouldn't pay them because they wouldn't earn enough. I don't think the unemployment act was put upon the books for the purpose of paying maternity benefits to take the place of paying baby sitters. It was to pay people unemployed through no fault of their own, available, willing and seeking employment and will take a job that will pay them a going rate of wages. So I am bringing this to your attention because that's one of the abuses we have in our office and that's the question I'm bringing up here today.

SEN. WARD: Isn't it true you have the sole right, aren't you made the judge of whether a person is making themselves available or not and you have a right to disqualify them?

COMM. EGAN: We disqualify them until such time as they bring themselves in compliance. The next week they come right back in and the trouble is in the course of 52 weeks they

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have 52 weeks to collect this 26 weeks. You disqualify them this week, next week they come in and the week afterwards and then you disqualify them again and it's continuous throughout the entire year. Then it comes into the second benefit year. I am of the opinion there ought to be come correction of this. I am of the opinion when an employer, like your employer in your particular factory, provides in his agreement with you that that woman has a right to her job for one year, instead of coming in and applying for benefits for two months after childbirth she ought to go back and go to work, but when she says she won't go back, they have no job she can do, she has a doctor's certificate, says she can't return, we have a million kinds of excuses. My friend Margaret brought up one particular case, she was going to propose a change in the law pertaining to nausea in which the girl over in Bristol, we offered her a job in Terryville and she couldn't take that job because she couldn't ride on a bus or in a car even though her husband owned a car, and therefore she couldn't take that job, and we denied her benefits, she took an appeal and the commissioner upheld her and we didn't agree and went higher and the court reversed the commissioner and told the commissioner that particular case didn't comply with the law and the person was disqualified. The history is this. She continued to do this and as soon as she expired her benefits she went to the very place we offered her, the job in Terryville, and had no trouble riding at that particular time. That's the kind of abuse we have. There are a great many women who do return back to work after the second month period, some after one month. We haven't any difficulty, but these people never intended to go back to work, they are not available.

SEN. WARD: Let me ask, what's the percentage of the people who return to work?

COMM. EGAN: I'm not saying that. I have no way of getting those records. There's no report made to our office.

SEN. WARD: Suppose this whole thing concerns 500 women, are there 400 returned to work? How does it work out?

COMM. EGAN: There were 1722 last year, and out of the 1722 87% of them did not go back to work, and of the 13% the great bulk of them did not go back to work until after they had drawn benefits. This is abuse and I think the legislature ought to find some way to correct it. It is just as great as the abuse in New York in which the garment worker would go to Florida and the New York Labor Department would have to send people down to find out why they weren't making themselves available for employment. As far as I'm concerned I'm not going to assume any further responsibility on the use of the law. That's up to the legislature, if they want the abuse, all right, it's up to the legislature, if they want me to continue to

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pay benefits that's o.k. I think it's my responsibility to bring it to your attention.

MR. GRIFFITH: What would happen if this bill were enacted if the employer refused?

COMM. EGAN: Then that person is entitled to benefits just the same as at the present time if an employer lays a woman off during her pregnancy we pay her benefits.

MR. GRIFFITH: There's nothing in this law to provide for that.

COMM. EGAN: It's in the law pertaining to the laying off of pregnant cases. That's in the law. All I'm concerned about is paying benefits to people who are entitled to them and at the present time we disqualify about 2 1/2% of the total claimants. We can't be too tough. But I am opposed to abuses, just the same as I am opposed to these people who come in and deliberately ~~kn~~ steal the money for unemployment when they are already working and having another job. I say those people ought to be sent to jail.

SEN. WARD: I agree with that, Mr. Commissioner, but I don't think you can compare people who have built up credits, who under our system today are entitled to it with people who deliberately steal while they are working. I don't think it's a fair comparison to bring up the people go to Florida, because in this state we have you as commissioner who in your good judgment take care of this and have the right to rule over it. I don't think it's fair to compare that kind of business with this.

COMM. EGAN: Let me ask this, Mr. Ward, don't you think when the employer has a job for the person that person ought to accept that job, their own job back again?

SEN. WARD: Yes, I do.

COMM. EGAN: Don't you think if they refuse to take it -

SEN. WARD: I would be interested to see how many you get.

COMM. EGAN: Would you be agreeable to those persons refusing to take their job back where they earned their credit -

SEN. WARD: If the person is available and refuses to take their own job back, yes, I would.

COMM. EGAN: That suits me.

SEN. WARD: But you are ruling everybody out. I am for absolute fairness and honesty. I will go along with you on that if you put it in here. I will support it. But I am not for wiping out what everybody has just to -

SEN. SADEN: I think I might say in fairness to the Commissioner

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he wasn't comparing stealing as analgous with the pregnant women situation, but he was talking of the abuse by the pregnant women.

SEN. WARD: If the abuses are that people are available for work at their same job at the same rate and refuse I say O.K., don't pay them unemployment compensation. But let's try to get those cases one side and don't wipe out all the gains that have been made because of them.

COMM. EGAN: If we get that much correction in the law we will go a long way, I assure you. I know what I'm talking about. I have the records in my office.

SEN. SADEN: Commissioner, on this Section 12, the pension situation -

COMM. EGAN: Two years ago I said, and nobody agreed with me, that under the law a person - the legislature passed a bill upon that basis in which we would give them the difference between their pension and their unemployment benefit rate and there was considerable disagreement with that. Then there was a case arose with an insurance company that went to Supreme Court on the case, and the court unanimously agreed that under present law no person shall be entitled to unemployment compensation if they are receiving a pension. The result has been there's been some injustice done. We have people who receive a sum of \$150 a year as pension, a few who receive as low as \$50 a year as pension, and that has been, in my opinion, a little injustice, so I have suggested we pay them the difference between that \$150 a year, divide it into weeks, and their benefit rates as far as unemployment compensation, but never to exceed their compensation rate, and the reason I say that is this. I don't believe a person should be, like this case with the insurance company, ought to be able to receive more money in retirement and compensation benefits than his earnings was when he was working for the employer. I believe they ought to be able to collect up to 50%, not beyond that. For that reason I have suggested this change and hope for serious consideration. The way we have written the bill it says for 26 weeks because we say they can collect not more than 26 weeks in the year. If it was construed as partial they could collect 52 weeks in the year and we have limited it. The reason we recommend the 33.3%, is Connecticut is one of the low states in the country on that percentage of total earnings, and we have recommended it be 1/3 more. Many pay 40%, 35%, 50%. One state pays 70% of the total earnings but they have other ~~xx~~ gimmicks that control that situation and I am in favor raising that. If we are going to raise the maximum to \$30 we have to raise the percentage. We can't pay the full 26 weeks at \$30 on that percentage.

SEN. SADEN: How about Section 14, second year benefit, requirement of earning at least \$150.

COMM. EGAN: Where that will affect will those people in seasonal

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industry. It won't help, it will hurt, the people, and there's no question about that, that have retired from the labor market for good. Those who come in and collect this year 26 weeks, no intentions of going back again, next year they will come in and collect again. It's going to shut them off unless they have returned and earned \$150 from the time they first applied for benefits until the time they apply in the second year. It wouldn't affect the tradesmen who are out this week, back next week out again and back again, the garment worker, the hatter. It will affect the person, whether it be the man or woman who retire, who are giving up working at the age of 60. They couldn't collect.

SEN. SADEN: Why do you consider that desirable?

COMM. EGAN: There isn't any states that pay second year benefits. They don't pay as well as we do, the few states that do. It was just a slip that that was put into the law. It wasn't intended. I think I ought to be honest and correct the things I made a mistake on. I made a mistake when I recommended the second benefit year and assured the legislature it wouldn't mean more than four weeks. Now a person can collect 26 weeks. All you've got to do is work 6 months and collect 26 weeks, and in some benefit years they have earned 5 months and 3 weeks and then got 26 weeks.

MR. COHEN: All these changes are designed to strengthen the act?

COMM. EGAN: All my life I've been opposed to abuses and to dishonesty and abuses creep in on the part of people. Ninety percent of the people today are laboring under the impression that they pay for unemployment compensation, that the boss doesn't pay for it. The employer pays the tax, not the worker. They labor under that impression and they say they are working for what they are entitled so, so I propose to take and correct abuses and this is one of the abuses I think exists. I don't think it was ever intentional. I know something about unemployment compensation acts. I toured this country for ten years before it was put on the statute books. I have always believed a man separated from his job should receive 50% of his wages. That's the reason I'm not in accord with what is going on in this country today, limiting the maximum, in view of the fact the wages have gone up the law ought to be he could collect 50% of his wages. There isn't any state in the country that has more than \$30 and I don't want to put Connecticut out as no employers want to come into the state of Connecticut because of unfair competition with other employers in the country.

SEN. WARD: There's no question unemployment hasn't been upped at all to match the cost of living, and actually that's what it was intended to do and today it doesn't cover the essentials at all.

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COMM. EGAN: I think it hadn't ought to be on the cost of living, but it ought to be in regard to wages, in conformity with wages.

SEN. WARD: The fund has never been threatened with depletion as it has in some other states?

COMM. EGAN: Our fund I would say is as good as the average fund in the country.

SEN. WARD: Do you have any idea how much we have in our fund now?

COMM. EGAN: About \$215 million.

SEN. WARD: If we hadn't cut that tax a few years ago we would have had a lot more.

COMM. EGAN: Let me say this. Our fund on a percentage basis is no higher than it was when we had \$75 million in the fund compared to total wages today.

SEN. WARD: If we hadn't cut down -

COMM. EGAN: I never favored the cutting down. You know that.

SEN. WARD: I am just making that as a remark.

MR. GRIFFITH: Mr. Egan, you said you were in favor of maximum benefits being increased. Do you think the increase of \$26 to \$30 is comparable to the increase in wages?

COMM. EGAN: No, it isn't. I said that. It's \$24, not \$26. Let me say there is one state in the country that has a formula set up in which it shall keep abreast with wages.

SEN. WARD: I was wondering if there was any reason why you shouldn't be the great crusader and start off Connecticut as the first state. Maybe the rest of the states would follow. You've done a lot of crusading in the past for what was wright.

COMM. EGAN: Do you want an answer?

SEN. WARD: Well, you are commissioner now, of course.

COMM. EGAN: Let me say this. I have been serving on a committee dealing with this problem of industry leaving New England. We are confronted with a pretty serious problem, and the New England states have been accused of putting a lot of legislation on the statute books that has driven industry out. Some of the members of the committee said that. I said I defy anybody to say any employer has left the state of Connecticut because of the fact that the labor laws put on our statute books. The reason I am

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cautious about leading is because I still want to preserve that position, that we want to keep our industry in Conn. and New England. I don't want to see the textile industry moving to the south, and we are confronted with that particular problem. I have always said Connecticut is a great place to work.

FRED WATERHOUSE, Counsel Manufacturer's Association: Mr. Chairman, there are certain provisions in this bill we are in favor of. I would like to comment on it as a whole, if I may. I think there are more we are in favor of than opposed to.

SEN. WARD: You are in a neutral position.

MR. WATERHOUSE: With regard to the sections 1, 2, 3 and 4, and what other sections deal with the inclusion of state employees and municipal and other political subdivision employees, we are inclined to agree with the thought of the commissioner that on the reimbursing basis that is a reasonable provision to be put in there. We think in most instances there probably aren't many employees working for these subdivisions or for the state who are laid off for lack of work, but there's no particular reason why they can't be covered, and on the reimbursement basis. With regard to reducing the coverage to one or more or increasing it to employers of one or more, we don't take any position on that. Two years ago some of our people thought it was not a desirable thing because of the increase in administrative cost which wouldn't be commensurate with benefits or gains to any individual, and others thought there would be some advantage in it because of the fact if an individual was always covered the administrator would catch up with some of the abuses a little more rapidly. I give you both thoughts for you to mull over. As far as most of our people are concerned they are covered anyway. Section 5 is a non-controversial thing, preserving the merit rate for an employer who enters the armed services. Of course we are in favor of that. Section 6, is part and parcel of the extended coverage to state and municipal employees and is necessary if you are going to do that type of coverage. Section 7 is also technical dealing with the same subject. With regard to Section 8 we come to something on which we don't entirely agree. This in the first instance would increase the maximum weekly rate from \$24 to \$30. We realize that for the last four years or since 1949 there hasn't been any change. On the other hand, if you will take a look at the benefits payable in other states at \$28, with our dependency allowances, we will be the highest in the country. We will have then a maximum of \$1170 of total benefits payable, and the highest other one that I have is \$962 in Nevada, and most range much lower than that. We feel if it is increased to any more than \$28 it will bring us up above practically all other states and we will have then a maximum with dependency allowances of \$1040 which again puts us in the lead, and with regard to the maximum value for employees who don't have

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dependency allowances we will have \$728 maximum, as against the highest other maximum of states with the \$30, of \$780. We therefore feel that \$28 will put us even with the situation as it is today well in the lead with regard to the amount of benefits available to individuals and it has been pointed out that we shouldn't get so far out in front that we don't look like an attractive state from the standpoint of industry. I feel undoubtedly some revision should be made in view of the changing situation. However I do feel we shouldn't get so far out in front and the \$28 as maximum will put us practically in front of all except three or four states without the dependency allowances and in front of all states with them. In that same section there is a provision which would determine an individual's rate on the basis of his highest quarter earnings during four calendar quarters of a benefit year rather than the first. I think that was inadvertently omitted when the law was changed four years ago and it should be four quarters. That, incidentally, would amount to an increase in benefits or it will never work to the disadvantage of an employee, it can only work to his advantage because it includes one more quarter available to determine his wages and if they were more than the other three they will certainly be raised. On the other hand if it were less he will still have the highest. Section 9 we do disagree with. It increases the total amount of benefits to one-third of base period earnings. That section, in our opinion, and as it operates, would work to the advantage of the person who is in and out of the labor market, not the individual who is seriously included in the labor market, who wants to be. It won't give a man more than 26 weeks anyway because that's the maximum, but for the individual who would now get 8 he would get 12. If he's one of those who wishes to take advantage of the act and work long enough to get benefits and then stop work he gets an additional number of weeks. It isn't in our opinion desirable to foster that type of situation, but we should devote our selves to assisting the individual who is definitely and sincerely a part of the labor market. It has been said you can't give benefits at \$30 without raising that percentage. That isn't necessarily true. If you increase it to not more than \$28 that question doesn't arise in any event. Section 10 has a number of provisions in it, one revising the terminology in connection with an individual obtaining work, the other provides that a woman shall not be required to take work between the hours of one and six in the morning or to be disqualified. We agree with the general thought, and remember if a woman hasn't worked during those hours she shouldn't be required to take that work on that shift or lose her eligibility for benefits. On the other hand, we do feel and you will find in H.B. 460 a provision that qualifies that to the extent that she wouldn't be so required unless she had within the previous 12 months been employed between those hours. In other words, if a woman of her own volition takes employment during that shift there is no particular reason that she should be permitted to leave it and decide when she wanted to work if she earned

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them on that shift she should be required to continue with it if there is work on that rather than be permitted to eliminate it as disqualification. With that one revision we agree with the basic principle that originally and in the first place a woman might not and should not properly be called on to work during those hours. Of course it is permissible under the state law, but there is no reason why normally a woman should be expected to or required to work during those hours. The other parts of that section are technical, dealing with the inclusion of state and local political subdivisions problems that would arise under those situations and are necessary if they are going to be included. Section 11 permits an individual on layoff from regular work to accept other employment, etc. We believe that that is a desirable provision. It causes injustice as it now operates and it would be propriety to revise it. Section 12 requires that a pension be credited against unemployment benefits due. That coincides with the position we took two years ago in connection with this situation, and is practically identical with the bills introduced at that time which we favored. Of course the situation was entirely different from what the Supreme Court determined but since the Supreme Court has determined the receipt of a pension would disqualify the individual regardless of whether the pension would amount to that or not we feel that is highly just. We feel if a man is available he should not be disqualified except to the extent of his pension but he should not be entitled to pension plus unemployment benefits. This would merely credit his pension against his benefits and it should be indicated it is a liberalization of the present law as interpreted by the Supreme Court. Section 13 is the clause which has caused such a lot of controversy in connection with the ineligibility of a woman after childbirth. The cause has been more clearly explained to you by the commissioner and the persons who deal with the dispensing of these benefits than I could explain it to you, but we feel there should be a revision to eliminate the abuse. Section 14 requires reemployment and earning at least \$150 to qualify for second benefit year. As has been explained to you second benefit year was eliminated some time ago because of the administrative difficulty which developed in determining the benefits for an individual in his first benefit year the labor department, the commissioner, and the people in the unemployment division know it or seem to know and did need some change in order to permit them to have the information to properly pay benefits they couldn't properly pay them, and it was quite confusing. We tried to work out a method whereby it would be easier for them and more administratively feasible to pay benefits promptly but in doing so it did reinstate the second benefit year. We feel that was an impropriety. As has been explained by the commission the number of weeks he estimated would be added to an individual was at that time considered comparatively small, therefore we felt that amount didn't outweigh the desirability of

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assisting him in his administrative capacity, but it turns out otherwise, and we feel it should be eliminated. It leaves the claimant in a little better position than he was at one time because prior to this more recent amendment he wouldn't be entitled to any benefits in his second benefit year. Now he will be entitled to pick up his credit after he goes back into the labor market, his lag quarter and the unexpired portion of the current quarter. It is technically difficult to explain the proper method of determining the qualifications for benefits. The first part of Section 15 is a provision which removes requirement of interest payment for employers entering military service. I understand there is no controversy. And the second part permits interest to be waived. That is a technical revision developing from misunderstanding of the present statute. Section 16 revises statute limitations to 3 years. As has been explained. And there is no controversy about that. Section 17 permits the administrator to cancel claims for repayment of improperly paid benefits after six years, and that's desirable to clear is record of a lot of unnecessary data never going to be of value. Section 18 is a forfeiture provision with which we agree. Section 19 is one that we feel needs some revision, requires the employer to apply for credit for rehiring within 90 days. I have talked to the director and administrator in connection with this in an attempt to work out some administrative details which will assist him in remedying the confusion which has resulted because of that and would like the opportunity to continue that and to report to the committee later on that particular section. I think the labor department feels more or less the same way. This is not exactly the answer. There should be some answer and some limitation, but this is hardly the proper one. That is an administrative detail which calls for the cooperation of the employers in reporting rehires, etc. That particular section I would like to talk to him about because we haven't had an opportunity to consider it thoroughly, because as he said the decision was handed down very recently and I have only recently had an opportunity to talk with employers about the problems which would be involved in that particular section and brought them to the attention of the unemployment compensation administrator. Section 20 goes along with a previous section and is technical. If Section 9 is enacted Section 20 will have to be. Section 21 establishes six year limitation on refunds. We agree with that. The six year limitation is reasonable.

MARGARET DRISCOLL, State C.I.O. Counsel: I am appearing in opposition, Mr. Chairman. I will pick out the particular provisions to which we are opposed. The first is that provision which would raise the amount for qualifying purposes from \$240 to \$300. In our opinion no excuse has been given, I listened quite carefully and hear no reason. I would like to point out Connecticut already has one other restriction on qualifications, the earnings must be in two quarters, not just one quarter. There are only four or five other states

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that has that additional restriction so you don't need the additional 60. If, they made the duration uniform perhaps there would be an excuse, but with the rather minimum benefits suggested there is no reason and none has been given for increasing the qualifying amount. The second thing we are against is the provision which would disqualify women who have children and then go back into the labor market being available for work, actively seeking work, because if they are unavailable and are not seeking work there is no excuse for the Commissioner to come to this Legislature and ask for power to disqualify everybody who happens to be in the class of women who have children and go back in the labor market. If they are not actively seeking work he can disqualify them right this minute and he knows it.

SEN. SADEN: As I gather the point Mrs. Driscoll, the fact is because of the administrative mechanics involved, while what you say is true, by the time you have disqualified them they have collected the benefits they are disqualified for and come back and make themselves available again and the whole process keeps going on. They are collecting money to which they are not entitled. If that is true that is an abuse by the individual applicant.

MRS. DRISCOLL: Either that or it is a perversion of the administrative procedure because as I understood it you don't get benefits in this state within the week in which you file, within two weeks in many cases, so it isn't a question of going to the office and filing a claim and getting benefits. You have to wait until they go through the process of determining whether you are available and they do that every time. It seems to me what he is substituting here is one rule for disqualifying everybody who leaves the labor market to have a child and then returns with all the wage credits. He says they have to take a job and earn \$150.00 he said 1200 people were disqualified this way. He disqualified 16,000 in 1951, 16,000. If you are going to take every disqualification and write it into the law as a said disqualification you might just as well go by administrative procedure. There is no reason for it. You can do it all by law. It just seems that people who happen to be that class are going to be disqualified whether they comply with the provisions or not. The basic reason here is they are not available for work and not actively seeking work one week, and they change their status the next week. They should be allowed to. Why shouldn't they? There may be any number of reasons why. Their child might be sick one week and better the next. That's an obvious reason. Why disqualify everybody. If you are going to do it here you have in all fairness to do it to all the people disqualified and there were 16,000

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in 1951. When you take that figure the 1200 is a rather small percentage. What is happening here is that the Commissioner has what he thinks is a disagreeable job apparently and wants to pass the buck. But what happens is people who are qualified and should obtain benefits will be disqualified. If the proposition mentioned that a worker under contract has a right to return to original job after childbirth within a period of six months sure if she has the right and can do the work but he throws up the fact that the physical setup that she couldn't do it as if that was a fraud. Maybe doctors will write out certificates which aren't so. Maybe they will abuse their rights and privileges as physicians that way. But that is the physician not the worker and there is no reason for the worker to be disqualified if the doctor puts that in wrong.

SEN. SADEN: Doesn't that frequently result from a request of a worker. The doctor wouldn't dream it up would he?

MRS. DRISCOLL: No, of course he would not. If a person says can I do this job without harming myself after childbirth there are a number of things that can happen and they have to be rather careful for a period. That kind of thing only a physician can tell. That isn't done just by acceptance from the doctor's certificate. They don't have to accept it. They can disqualify the person and say I don't believe it, or they can call the doctor in or subpoena him and have him testify. All the cards are on their side. Why give them another ace? They have it all. In the second benefit year you ask why the Commissioner wanted to disqualify the people, and the Commissioner indicated the people accepted would be people retired from the labor market. To me that's just nonsense. At the present time they would not be eligible for any benefits if they retired from the market. They can't get benefits under our law if they are not actively seeking work. He can disqualify them when he believes that some of these people have retired. It seems to me this is another instance of trying to make a rule to make him make administration decisions. Decisions he perhaps doesn't like to make. But at the same time it will harm those who are eligible but, if you will consider it, are the people who are most in need of it because they are out of work the longest. You don't get second year benefits unless you have been out of work the first year. If they could get a job do you think they would be out of work after having been out of work six months. That's incredible. Even if they would stay out of work they are ineligible in both of these provisions the Commissioner has plenty of power and no reason for disqualifying more people when he's already disqualified over 16,000. His office

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is not chary about disqualifying. On the pensions two years ago the Supreme Court decided the people who got pensions were not eligible on the theory that pensions were compensations for loss of wages. We believed at the time and still believe that is an erroneous decision and people who get pensions ought to be able to get compensation if they have the wage credits and are actively seeking work. That is, people who get pensions are not necessarily retired from the labor market. Either they reach the certain age or have a certain number of years of service and sometimes because they want to change their jobs have been on a job thirty years knowing they could get pensions and at the end of the time want to go to another job. If they leave voluntarily they would be disqualified for the period of time anybody is. After that it seems to me they ought to be in the same category as anybody else. What about the group that has been retired involuntarily who have to leave the job at sixty-five whether or not they are able to work are doing a good job whatever their situation. For that group you toss them out give them a pension but the fact they are actively seeking work means under the present decision the fact that they have a pension they cannot get unemployment. This section is better than the present provision we have in the bill here which would eliminate completely the disqualification for the receipt of compensation for loss of wages.

MR. ZANOBI: Do you think a person receiving a pension of twenty dollars a week should be entitled to full unemployment compensation on top of pension?

MRS. DRISCOLL: Yes, I do.

MR. ZANOBI: In other words, he would have a great advantage over the fellow unemployed without a pension.

MRS. DRISCOLL: In the first place you get pensions after a certain number of years of service. That's usually twenty-five to thirty years. You get it for age sixty-five or seventy. If you get it after so many years, what do you run into when you try to get employment? You run into trouble, don't you, because of your age.

MR. ZANOBI: It seems to me these fellows who are getting pensions have had a job, have been looking forward to the pension and have a big advantage over the ordinary labor man. They are drawing an amount the ordinary working man isn't getting.

MRS. DRISCOLL: But that's all they have to live on.

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MR. ZANOBI: What's the other fellow got to live on?

MRS. DRISCOLL: He's in a worst position that's true. What do you want to do, bring the other one down to the worst possible?

MR. ZANOBI: I don't see that he's entitled to more benefits than the other fellow.

MRS. DRISCOLL: It seems to me what you should do is make a determination on the basis of whether a man is available and actively seeking work. If he got this pension from an insurance company to whom he paid the money he would be in a better position than the man who got no pension but he would be eligible for unemployment compensation.

MR. ZANOBI: I don't see that he should be eligible to the full amount.

MRS. DRISCOLL: But he would at the present time if the money came from any other source but a fund contributed to by the employer. Right now under the present law if a man gets a hundred dollars a month compensation from the insurance company he can get up to twenty-six dollars a week. The man who instead of deducting the money he got in the form of a pension in the form of a wage increase if he took the wage increase and bought the pension himself he would be alright because the employer pays for it directly instead of indirectly.

MR. ZANOBI: It don't make sense to me.

MRS. DRISCOLL: You're right, it don't make sense to us neither.

MR. ZANOBI: It don't make sense that a man drawing a pension should be entitled to compensation benefits.

MRS. DRISCOLL: Take at the present time any of the executives who get pensions in your big companies if they are unemployed they can get compensation benefits because usually they are paid out of a profit fund.

SEN. SADEN: The question that I see is a definition between the provision of this bill proposed and your provision which would give them pension and full unemployment compensation and the question of the type of fund involved. Of course, if a man buys his own personal annuity out of his own pocket there is nothing to stop him collecting that annuity and also collecting unemployment compensation. Where, however, he has a pension where the company has contributed along with him as an employee he would not under this proposed bill be able to collect.

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There is this much difference in the factual situation. On the one hand you talk about annuity where the employee pays everything out of his own pocket and on the other hand the pension where both employee and employer are contributing and in unemployment compensation the employer is contributing through his taxes.

MRS. DRISCOLL: Yes, but the money the employee pays out of his own pocket comes from the employer out of wages.

SEN. WARD: The money comes from the same source. The employee gets the money out of his profit from the money he earns from the employer. Unions bargain with pension plans as part of a wage package. If they didn't get it in pensions they would pay it in wages.

SEN. SADEN: Would the unions be satisfied to get that amount in wages and not a pension?

SEN. WARD: Probably not but at the time they bargained for the pensions there was no disqualifications for pensions. It surprised everybody because for ten years the administrator had ruled that people who got pensions could collect.

MR. SZIRDOSS: Don't you think the employee has paid for it anyway no matter who is paying it whether he earned it through a private plan the employer still makes a profit I don't see why it should be a boon to him. He has already made his profit on it.

SEN. SADEN: Of course that is not really an analysis of the situation, profit from the employee-employer relationship. Both sides make a profit. The employee gets a wage for his work, something for what he has done. The employer, on the other hand, is also interested in getting a profit and entitled to for the fact that he has put up his capital and provided a job.

MR. SZIRDOSS: I will just fill in on this one point. I am president of the State Industrial Union Council, CIO. I think what has to be understood in relation to this question of pensions is a little bit about the history of the development of pensions for industrial workers. To start with, pensions for industrial workers are a relatively new thing. It wasn't until 1949 that industrial unions set out to win pension benefits and until 1950 that pensions were established in the major basic industries in this country. It wasn't until 1951 that they gained a foothold here in the State of Connecticut and even today there are a tremendous number of workers still uncovered by pension plans.

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Now, when the major unions proclaimed their original programs for their original attempts for pension programs they made one thing very clear and that was this. They were prepared to bargain for pensions in lieu of wage increases with the whole set of bargaining for economic improvements. It was actually a case of bargaining for wage increases but the union had the right under Supreme Court rules defining their scope of bargaining powers to ask that wage increases either be in direct wages, in insurance benefits, in vacation benefits, in holiday benefits, in a variety of fringe benefits and in pension benefits. It was painfully apparent that the Federal Social Security benefits were grossly inadequate and the only way they could be improved that they could be made to approach a standard of adequacy was to develop the private negotiated pension plan. The union said and this was finally accepted by industry after some struggle we will pay four or five or ten cents an hour which we would otherwise receive in direct wages into pensions. Some unions said like the International Association of Machinists we don't want it in pensions we want direct wages. Some unions rejected the paid holidays and took a raise instead of holidays. What you are doing in a pension plan paid for out of money which would otherwise be paid to a man as wages is discrimination because he chose to have six cents an hour or ten cents an hour invested in the pension instead of direct wages. That is grossly unfair.

SEN. SADEN: Let me understand this much now. You talk about the amount the employee has contributed in the form of this concession he makes. Does the employer give anything?

MR. SZIRDOSS: The employer is paying all of it.

SEN. SADEN: He matches what the employee pays?

MR. SZIRDOSS: In most no, most of these plans are entirely non-contributory and the average cost will range today between five and seven cents an hour depending on the actuarially situation but money being paid in, is money the worker would otherwise be receiving in some other form.

SEN. SADEN: Your position is, it is all the employee's money and for that reason there is no contribution from the employer.

MR. SZIRDOSS: No, it's money he negotiated. He said instead of giving it to me in wages, pay it in a pension fund because I can't buy my own pension benefit. It would

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cost me \$16,000. I can't afford it. The only way I can have it is if combined with the other workers you take the money and pay it in a pension fund. If he said we don't want that pension we want the money, we want it in direct wages, the worker that takes it in direct wages will collect unemployment compensation but the wise worker and the wise union looking to the future who says take this money and put it into pensions for me for my old age is denied unemployment compensation and ninety per cent of the cases of pensioners today the pensioner is retired against his will and not because he isn't capable of doing the work. Commissioner Egan is of an age to receive a pension if he were in an industrial plant and he is physically able to do a good days work. He would be actively seeking employment. Ninety per cent of these people are compelled to retire against their wishes and are not denied unemployment compensation. For an example the Royal Typewriter Co. just retired eighteen employees over age. The cases before an arbitrator and fourteen of the eighteen were returned to work. I cite that only as an example of the pressure of industry to force older people to retire against their will. They weren't able to get other employment because of their age. They were seeking employment. That makes up a minimum of ninety per cent of retired employees who are receiving meager pensions forced to retire actively in the labor market willing to work, workers who choose to have seven cents an hour or four dollars a week set aside for old age and they are penalized because they weren't so short-sighted as to take it in weekly pay. One other point, this double standard business is what really riles the pensioner. John D. Ruckerfellar said no matter what your wealth you should take advantage of the Social Security of the unemployment compensation. You are entitled to it. I think he filed for Social Security. He is entitled to unemployment compensation. Why, because he had enough money to buy his own pension, to set aside \$30,000.00 a year to buy his own pension and he is not denied unemployment compensation. If he's in the labor market actively seeking employment, why deny the laborer in the group plan?

SEN. SADEN: If what you say is factually correct and undisputed that these pension plans are based upon contributions of the employee, I think there is a lot of sense to what you say. I wonder if management has the same point of view on pensions as you do.

MR. SZIRDOSS: I don't know what they call it, how you could characterize it differently. Management says we have ten cents an hour we are willing to pay and the union says put five cents into pensions. Call it what you will, it is still a wage increase applied to pensions.

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SEN. SADEN: Why doesn't the union take the group pension plan themselves?

MR. SZIRDOSS: That is illegal under the present Taft-Hartley Act. The union cannot run its own pension plan. It must be jointly administrated.

SEN. SADEN: How about the employees in the union?

MR. SZIRDOSS: We know from bitter experience you cannot conduct successful welfare programs on that basis. The worker must take out of his pay so many dollars a week and put it into a fund. The best way to run a successful plan is either to take it from the pay or pay it out to the fund or the insurance company as the case may be instead of paying it in direct wages.

MR. DOUGLAS: The employees get their pension, their Social Security, and unemployment insurance, all three of them. What is the difference?

MR. SZIRDOSS: What is wrong with that?

MR. DOUGLAS: He is unemployed.

MR. SZIRDOSS: He is unemployed in most cases through no fault of his own. If he retires voluntarily, he would be subject to this penalty. Just as any voluntary worker would be treated but what he has done is take the three or four or five dollars a week and save it.

MR. DOUGLAS: And under Social Security he is really entitled to all three.

MR. SZIRDOSS: The point is, why shouldn't he be. If you set aside twenty dollars a week out of your income and buy a private annuity you are entitled to it. Why shouldn't he be because the employer sets it aside because he is part of a group plan, why is he any different then you, who as an individual has sufficient wealth to buy an annuity?

MR. DOUGLAS: Perhaps you would like to have the Social Security laws also amended so that a man could draw his pension, set up on the theory of private security for old age. If you would like to have that also amended, he could get pension, Social Security, and unemployment compensation.

MR. SZIRDOSS: That has nothing to do with the Social Security Law. We are not seeking a change of that kind in the Social Security Law. If he is earning a sufficient sum of money, he should not be paid Social Security. Unemployment insurance was set up to provide him with a certain amount of income during a period of employment providing he was willing to work and capable of working.

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He meets those qualifications. The only difference between him and some other individual is that he has had the money saved for him and they are accrued savings, it is the same as paying the money into a bank or some other form of savings. He withdraws it in weekly payments of ten or fifteen dollars a week.

MR. ZANOBI: You see, you have gone all around the question I tried to ask. The basic purpose of the unemployment laws is to help the worker out when he is out of a job, when he needs it.

MR. SZIRDOSS: Do you know what the average pension is today? The maximum today is at \$125.00 a month with Social Security, that is the maximum. Most of them are running in the neighborhood of \$110.00 a month with Social Security and, in some industries, it is a maximum of \$100.00 with Social Security. You tell me how an aged worker with responsibilities lives on \$22.00 to \$25.00 a week.

MR. ZANOBI: Suppose the same aged worker hasn't got a pension of some kind?

MR. SZIRDOSS: That is a sadder case yet, but why penalize the pensioner who had sufficient foresight to set aside money which otherwise he would have received in wages.

MR. ZANOBI: It seems to me that you are changing the basic principles of the compensation laws.

MR. SZIRDOSS: Why not deny unemployment compensation to anyone individually able to support himself? What if he saved fifteen or twenty thousand dollars? Then unemployment compensation becomes an act of charity and that is precisely what it is not supposed to be.

SEN. WARD: I think the whole question here, to get it straightened out once and for all, is that the pension the guy is getting is something contributed by him out of his wage increases. That is the problem.

MR. HERMAN SNOKE, Executive Vice-President, Manufacturer's Association of Bridgeport: I want to concur in the remarks made by Mr. Waterhouse so we won't stay until after six as we did a week ago. I want to concur also in the excellent administration and strengthening improvements offered by the Commissioner with whom Mr. Waterhouse agreed on behalf of the manufacturers of the state, but to concur in the exceptions cited by Mr. Waterhouse. Thank you.

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SEN. WARD: One moment. Speaking for the Manufacturer's Association, are you taking the position the pensions laid aside by the unions are not taken out of increases for the workers? You ought to know practically all of the plans in this state were in the form of package plans. Here's ten cents; lets put three into wages, five into pensions, two into insurance or something of the kind. Are you going to take the position now there was no negotiations and it is not a separate part of the package?

MR. SNOKE: You are talking about those negotiated very recently, since 1947. There are some companies in Bridgeport that have had as many as three pension plans. Jenkins goes back to one inherited from the Green Company. There are all kinds of pension plans. That there are some that go back to where ten and fifteen dollars was considered quite a fair pension and those people are being paid this today. I know that because there was no provision made to improve pensions. I can't quarrel with this. That there have been a lot negotiated since 1947 where they were considered to be wages, the Supreme Court said they were wages. Isn't that right, Mr. Waterhouse. In lieu of wages at one time by law. On the other hand, there are many such plans in which both employees and employers are considered separate.

SEN. SADEN: To my mind it is very important that we get the statistics if any are available on the types of plans in effect in the state if these pensions are what Mr. Szirdoss says they are something the employee has earned out of his own earnings, bargained for--

MR. SNOKE: I think in some cases they are, some are set up jointly, some are unite--lateral.

MRS. DRISCOLL: You will notice sometimes companies will advertise pensions as one of the benefits you get working for that employer. It may not be bargained for but that's what you are going to work for.

MR. HENRY KING: Naugatuck Valley Industrial Council: I am going to talk at length on another bill but I would like to make it a matter of record in this committee that in those cases in our area, I represent some 755 manufacturers, where pensions were granted they usually were accompanied by a wage increase in addition. It is very difficult to determine what was in the minds of the parties, what was bargained for in the way of pensions in lieu of wage increases actually and practically all cases many of them UAW cases where pensions were put into effect also accompanied by wage increases as much as sixteen cents an hour.

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SEN. SADEN: What difference would that make if the pensions were part of the bargain for increase? How would that distinguish the situation? As I understood it Mr. Szirdoss, they were granted in lieu of any wage increase. In many cases they had already been paying the pension. For instance, many of our companies had informal plans in effect previously who had transferred them in form of plan. In many instances, no concession on the part of the employer himself.

MR. GRIFFITH: Wouldn't you say if the company were not paying the pension plan they could afford to pay it in the form of wages?

MR. KING: I don't know I think it would depend on the length of service of the individual employees of the company if you had a company with many employees employed thirty or forty years than in that case maybe it would be transferred in lieu of wages but in many of the cases I am familiar with they already had an informal plan.

MR. GRIFFITH: If the company was spending 10,000 dollars on an insurance plan and discontinued that couldn't they give it to the employees in wages?

MR. KING: I don't know of any cases where they did I don't think that is a correct hypostasis if you could call to my attention some cases where they did that, I will be glad to answer your question.

SEN. WARD: I must be living in some other state because prior to these negotiations of pensions--Mr. Commissioner do you have figures for pension plans in this state? I think you will be surprised as well as I.

COMM. EGAN: I think perhaps we might be able to break down the survey on sickness and disability because some of the information was contained in that report. I can say generally speaking pensions have been in existence for a great number of years but not as far as workers are concerned generally until the last few years when Social Security first started. It was because of the fact workers were without pensions and suddenly the employers started to grant the pensions to the employees and great emphasis was put upon that. At the time Philip Murray agrued that particular question. So even today, take for instance Travelers Insurance Co., Aetna Insurance Co. none of those insurance companies have been carrying pensions a number of years to include employees working for the insurance companies other than executives. We have had the policy not to deny compensation to people who are receiving pensions

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because as a rule a person getting the pension wasn't unemployed and seeking compensation until they started getting into the working class and giving them pensions and I brought that to the attention of our department that it was contrary to the law. One of the things that has been cited in this particular case, I know Margarets' got a bill to take care of the situation in the future, that people who collect pensions can also collect compensation and people who collect vacation pay can also collect compensation and that's intended.

SEN. SADEN: Assuming that a man has a pension of the type Mr. Szirdoss describes where he has obtained it through bargaining as an concession instead of an increase in cash taking it in the form of a pension assuming he is entitled to those payments on retirement, do you think he should be barred from the full unemployment compensation?

COMM. EGAN: Yes, because I don't think you can take and break it down if the employer did not grant the pension what pension he would have granted in wages, because there are some establishments that don't believe in pensions. And what are their wages? Are they higher per hour than in the same city in the same type of work where they are paying pensions?

MR. DOUGLAS: Isn't it true in the last analysis the cost of pensions is being paid by the taxes and if corporation taxes fall below a certain level do you think many of them would continue it?

COMM. EGAN: They may or may not increase it, but the ultimate thing is all of this comes out of the consumer. The consumer pays for everything whether it is a machine or hat or a pair of shoes but the intention of unemployment compensation was that people receiving pensions were ineligible to receive compensation same as people receiving vacation pay ineligible to receive compensation. We have stretched that until now we come to this situation and the Supreme Court interpreted the law and said the law originally in 1930 said you were not entitled if you received pensions, to receive compensation even though the pension was only three dollars a year.

MRS. DRISCOLL: If that was the intention your administrator administrated it quite differently.

COMM. EGAN: I happened to write the law in 1936 Margaret, and you wasn't around.

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MRS. DRISCOLL: That was the trouble with it.

NEIL COURTNEY, Secretary, Connecticut Retail Grocers and Marketmans' Association: The only thing we find objectionable is the removal in the minimum requirement. I think previous legislators have taken into consideration there are many small establishments. There are many small establishments that are either new business or are having an awful lot of trouble trying to stay in existence, and while our membership is about 1000 stores and at least 600 are covered under this, there are several hundred who are definitely struggling to stay alive and this would loom larger as part of their overhead in comparison with sales because they are small. Many have contacted me. I was asked to point these facts out to the committee. Certainly it isn't fair to ask a man to make an investment of savings of ten or fifteen thousand dollars to open a small business with one employee and guarantee to that employee a continuing income. He has no idea of whether he is going to make a go of it or not. We feel retention of that minimum requirement is very important to small business particularly at the retail level.

MR. NORMAN ZOLOTT, Connecticut AF of L: In view of the fact several matters already covered in House Bill 675 are encompassed by AF of L bills also before the committee, I should like to speak generally on all of them and simplify your task. In view of Mr. Waterhouse's position, I am assuming that state employees are assured of coverage on unemployment. I hope that is true. Likewise I hope it is true because there is no opposition that local and county employees at the options of the persons concerned will have unemployment compensation. There has been a lot of talk about retired workers and while it is important, I think its been blown up beyond the important issues before your committee. In the first place, take the question of the amount of compensation. The proposal here is \$30.00 as a maximum. Mr. Waterhouse says we are getting far too generous. We should cut down to \$28.00. The point I want to make before the committee is this. Even though our normal is \$36.00, the average benefit paid to the unemployed worker in this state is only \$21.00. It is not \$24.00; it is \$36.00. It is \$21.00 against that. I want to offer you the latest figures that the Commissioner put out for the average production workers earnings. In January of 1953, \$74.32 for non-metallic workers, manufacturing \$67.41, construction workers \$85.00. Gentlemen, our law doesn't even get close to 50% and even after the \$30.00 it will

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not be close to 50%. The problem is a two-fold one. The maximum \$30.00 comes nowhere near providing 50% for the average worker in just the lower earnings. The second point, of course, is on the 50% level. The lower earning wage earner does not benefit considerably by raising the maximum. It is no good, for example, to say the man making more money should be able to get more money without doing something for the guy on the bottom of the heap. In a way, the Commissioner's proposal that the increase of total earnings from 25 to 33 1/3 would aid in that direction. It is true it will add on four weeks and will help but a better solution is to change the ratio to something that would provide about one twentieth or 60% or 65% of the average earnings in the highest quarter. That doesn't mean that the unemployed worker will get 65% of his earnings for this reason. If he has one week of unemployment in the thirteen highest weeks, the amount he gets is reduced two weeks. The amount is further reduced so the amount he can get per week multiplied by the highest figure instead of coming up to an average of 65, the average may be in the vicinity of 52. That's what's happening here. We are down to an average of about 33 1/3%. Now the question about pregnant women in the second benefit year are really part of the same problem.. In the first place, I should like to point out, and the Commissioner doesn't point this out in his budget for the coming year, he has a provision for an increase in his Employment Security Division and Unemployment Security Division for over 200 people. What's he going to do with the 200 people? I presume he will do what he is supposed to: 1) To find jobs for the unemployed; 2) To see that people who are entitled to benefits should get it; 3) That people not entitled should be disqualified. He says the problem on pregnant women is that people are abusing the act, that they are in effect getting benefits where no benefits are intended. If that is the purpose, his increased force takes care of the problem. The thing that worries us is this. You require that a person make \$150.00. That is an innocuous sum on the surface, but go back to 1949, not too far away. People in certain areas in this state couldn't get a day's work, not a dollar's worth. You require a man in a period of unemployment to earn a \$150.00 in getting low wages instead of the present high wages and you are going to find yourself in a position where the unemployed worker exhausts his benefits and is unable to get even a pittance out of this thing. That's the principle objection as far as we are concerned. It isn't so much the fact there are abuses. The abuses can be corrected we think by proper administration. It is a fact in a period of severe

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unemployment, this provision can wreak havoc with the unemployed worker and that's a serious problem which cannot be lightly thrown in and say it won't happen.

SEN. SADEN: Let me ask this. Doesn't he have at least six months actually? Actually he has a full year before the second benefit year within which to earn \$150.00.

MR. ZOLOT: He has more than that he has over nine months, he will have over six no about thirteen months.

SEN. SADEN: Do you consider that burdensome?

MR. ZOLOT: In unemployment periods yes, because he may not be able to earn a buck. We are not talking about today. Today it would be easy he should pick it up fast. But go back to 1939 when this law came first on the books the average wage then was twenty-four to thirty dollars. A guys got to get a lot of work in order to qualify under this. There's quite a difference. He's got to be able to get about six full time weeks of work and he must earn it in two different quarters six to reestablish his eligibility and if he doesn't have earnings in the second quarter he's out. If he earns it all in one quarter he's out.

SEN. WARD: Wasn't the situation bad in Bridgeport in 1948 and 1949, thousands of people walking the streets for over a year?

SEN. SADEN: They weren't quite selling apples down there.

SEN. WARD: It was a bad situation. No sense kidding about it.

MR. ZOLOT: I think there is only one other point on this particular bill which should be emphasized and that is the question of the pension. I think the law has been misinterpreted and misapplied. Let me tell you about the Kneeland Case. It involved an insurance clerk retired by the insurance company at a pension of approximately twenty-four dollars per week. He received Social Security around the same amount of money. He was ready, willing and able to work and went down to the Employment Commissioners' Office and said I am here find me a job and they said we don't have any job for you but since you are receiving a pension from the insurance company you are not eligible to receive a benefit from us. The law said that if an applicant received any remuneration by way of compensation for loss of wages that he will be disqualified. Now the only question before the court then was the receipt of pension, loss of wages and the court so ruled and said that the pension is a type of wage and it is to compensate a person for loss of wages. The point of our opposition to this particular bill is not that we feel

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that the Commissioner's proposal is not acceptable. Let's get that clear. It is acceptable. It is not as far as we are concerned going far enough. We feel that by permitting a deduction in this particular case that you are discriminating against the pensioner as against the person who either looked to receive the increase in wages in cash who is entitled to buy annuity out of his own salary or who is receiving money from a union or a private pension fund. Now the law says you get Social Security benefits and you may still get unemployment compensation and it doesn't matter whether you earn \$70.00 or more. It still doesn't disqualify you. The only question is, whether of not, you are receiving a benefit by way of loss of wages. We feel the court's ruling is wrong and we ask you to correct it, to make everybody stand equally as far as unemployment compensation is concerned.

SEN. SADEN: I hope we can shorten this discussion. We have heard the various points presented here. I hope you will try not to be repetitious.

DANIEL HANNON, Republican Labor League: I agree with the Chairman that the opposition of this House Bill 875 is pretty well covered. I would like to say a word briefly in relation to the part of the bill dealing with pregnancy. I disagree with my friend, Commissioner Egan, in relation to the statement made by him that 90% of these people, covered by labor-management agreements, would abuse the fund of the unemployment compensation by using it as such. We are opposed to using this fund as a hospitalization fund and I am speaking now for the Republican Labor League. We are in complete agreement with Senator Ward's sentiments that those abusing the bill should be penalized. We don't believe that the way to correct abuse is to penalize everyone. We think those people doing this should be penalized to the extent they should not receive the fund but we don't believe all the people should be penalized. We are opposed to this bill.

SEN. SADEN: Anyone else want to speak on this bill?

MR. DUDLEY JEWELL, Bridgeport Chamber of Commerce: We would like to register our general approval of House Bill 875 with the exception we believe under Section 8 the increase from twenty-four to thirty dollars should be carefully considered. We believe some increase is warranted but we question the need of increasing that to thirty dollars particularly in view of the dependency benefits which we have. The other point of disagreement is Section 9 which concerns the change of the percentage rate from 233.3 per cent. We believe the law is sufficient on that point.

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MR. DUDLEY JEWELL: Simply to emphasize on the point of the eligibility of pensioners to receive unemployment compensation we believe that perhaps we are beginning to overlook one important point. It is not the intent of the unemployment compensation law to replace wages. The original intent was to provide an emergency fund to help tide an individual unemployed through no fault of his own over a difficult period when he is unemployed. It has been pointed out that pensions include Social Security. They run \$100.00 to \$125.00 a month. The man who is eligible for pension benefits certainly should not be considered eligible for unemployment compensation unless his pension benefits do fall below what he would normally be entitled to under the unemployment compensation law.

SEN. WARD: Would you say that the married man supporting a wife and five children, if he got up as high as \$40.00 with dependents, would you say that was enough to live on today?

MR. DUDLEY JEWELL: I say it is not the intent of the unemployment compensation to replace salary. It is an attempt to furnish a fund to tide this individual over a period of time through unemployment.

SEN. WARD: You think the \$30.00 is tiding him over too much?

MR. JEWELL: I would not want to pass judgement on that except to say once again it is not the intent of this fund to replace salary.

SEN. WARD: You could not live on \$30.00 today regardless.

SEN. SADEN: Senator, I think we could all agree on that. There would be little argument about it. We are just wasting time. Nobody could live well today on \$30.00 a week.

SEN. WARD: I don't like those people appearing here on this basis. As long as I am on this committee I will voice my opinion, if you don't mind.

COMM. EGAN: This is a matter of record. I would like to read a paragraph of the statement of one of our outstanding citizens in Connecticut, a retired president of the Connecticut Manufacturers' Association: "Connecticut has always been a progressive state from the standpoint of labor-management relationships. Our laws with respect to workmen's compensation and unemployment insurance, minimum wages, etc., have been among the best in the Union. I am confident that management of our member companies shares my views that Connecticut should continue to be a progressive state in labor-management

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## LABOR COMMITTEE

TUESDAY

APRIL 7, 1953

Chairman Saden Presiding

Members present: Senators Saden and Ward

Representatives Hamilton, Tyler, Zanobi,  
Griffith, Tyler, Douglass, Hamilton,  
Liberty, Kesaris, Carlson, Novaco

SEN. SADEN: Are there any Legislators present who want to be heard first?

REP. SCANLON, New Britain: I would like to speak in favor of H.B. 1430. This would amend Unemployment Compensation Act to the extent that if the employee is laid off due to lack of work and his claim is adjudged to be valid under the act he would not be denied continuance of benefits if during the existence of his claim he becomes ill. It seems that if a man that has a claim that is adjudged to be a valid claim, continues in good health throughout the existence of his claim, he can draw benefits to the full extent under the bill. I don't see why a man who once having had his claim adjudged a valid claim should be denied under this if he becomes ill, because certainly the man who is ill needs the benefit as much as if not more than a perfectly healthy man. Thank you.

MRS. HUTTON: There are three gentlemen here who weren't able to be at the meeting last week who would like to speak on H.B. 675. ✓

MR. LEWIS A. DIBBLE, JR., Manager of the Inkograph Division of The Risdon Manufacturing Company in Naugatuck. I represent the Naugatuck Valley Industrial Council, which is an organization of industrial firms in Litchfield County and the Naugatuck Valley. It is my purpose to testify concerning Sections 9 and 14 of H.B. 675. Section 9 of this bill proposes an increase in the maximum unemployment benefits from 25% to 33 1/3% of earnings during the base period. The present average weekly earnings of Connecticut workers is reported to be about \$75. Based on this figure an individual earning an average week's pay could, with the proposed change, work for only four weeks and then receive benefits of \$9 per week for 13 weeks. The benefits in this extreme case would be a fifty percent higher rate than under the present law. This is an example of the type of case

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which would benefit most from the proposed change in limits. A regular member of the labor force will receive maximum benefits without changing the present limitations. In fact, a worker earning the average weekly pay of \$75 can be idle for two and one-half months during his base period and still receive maximum benefits proposed in this bill. Such an individual borders on being an inconsistent worker. No employee who has worked steadily during his base period would normally be limited by the present 25% limitation unless his weekly rate had been inflated by unusually high wages during part of his base period. Since the unemployment compensation law is not designed to give extra funds to irregular workers but rather to regular workers who are out of work through no fault of their own, it doesn't appear logical to liberalize this section which already permits considerable benefits to intermittent workers. The welfare of our state depends on the healthy growth of its various businesses. The expense of unemployment compensation is a factor affecting the progress of every contributing employer in the state. Each additional burden modifies the competitive position of those employers. It is not wise to penalize the businesses of Connecticut with added expense unless it has been found, by careful analysis, that the best purposes of our laws can only be accomplished by increasing the cost of administering the law. We do not believe that the labor force can be considered one of the best purposes of the law. Because the practical effect of raising the benefit limits from 25% to 33 1/3% of the base period earnings is to increase the compensation of the intermittent workers, and the need for such an increase is questionable, and because the added expense would have a negative effect on the vital progress of Connecticut businesses, we recommend the rejection of Section 9 of H.B. 675. Section 14 of H.B. 675 has the support of our organization since it is a constructive step toward eliminating a loophole in the present law whereby an individual can circumvent the purpose of the law and draw unemployment compensation in two successive benefit years without returning to work at all. The net result of the present definition of the base period of a benefit year and the present eligibility conditions is that an individual can complete one year of full benefits and as soon as his first benefit year expires he can reapply for additional benefits. The second round of benefits could be just as remunerative as the first year's compensation if the recipient had substantial earnings during the months just prior to his unemployment. The provision that the claimant

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must have earned at least \$150 before he may again receive compensation is a direct approach to the elimination of this unintended extension of benefits. With the average weekly wages running about \$75 per week this \$150 requirement doesn't seem to be a prohibitive barrier to a person who sincerely wants to work. In fact, there may be some question as to whether the earning of \$150 nowadays definitely establishes one's return to the labor force, but the provision as proposed will certainly strengthen the law and permit better administration. If a law such as this is to have the full confidence and support of the general public, it is highly important that it be written so that violation of the intention of the law will not be possible. We feel that the law should be designed to encourage people to undertake productive work. The liberalization of benefits to irregular workers is not likely to have this effect but the requirement that a claimant work productively before his second year of benefits is authorized would have this desirable effect. This is one of the primary reasons why we support Section 14 but oppose Section 9 of House Bill 675.✓

MR. ELLIS R. AKINS, Assistant Treasurer of The American Brass Co., Waterbury, Conn., and today represents the Naugatuck Valley Industrial Council: With reference to the above Bill, the purpose of which is to increase weekly benefits to a maximum of \$30.00 per week, I believe it pertinent to point out this increase will place Connecticut benefits on top of the list when our maximum is compared to all other States. Then, too, we must remember our Conn. law provides for benefits of \$3.00 for each dependent other than husband and wife up to a total of fifty percent of the regular benefit rate. In other words the benefits paid to an individual may be as much as \$45.00 per week under this Bill. Not many states provide for dependency allowances. We must be careful in placing the amount of weekly benefits payable in order that unemployment be discouraged, and not encouraged. We must bear in mind the idea has been to provide benefits not exceeding one-half normal pay, but with high income taxes we should compare the total weekly benefit with the actual take-home pay after taxes, FICA deduction, travel expenses, etc., whereas Unemployment benefits are non-taxable and gross to the recipient. A comparison with the present state wage average is rather misleading because quite a lot of overtime is included. If work should drop to a point where unemployment is increased, then our state wage average will drop. I respectfully urge this Committee recommend an increase to a maximum of not over \$28.00 per week, with additional dependency allowance as at present, not to ex-

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ceed fifty percent, or \$14.00. It is true we should increase our benefit rate, but we must be careful to maintain our good Fund balance for a time when it may be needed, and guard against paying of benefits in excess of an individual's needs, thus promoting unemployment. It is important that our unemployment benefit rates should not exceed the rates paid by neighboring States, or states having competitive industries.

MR. GRIFFITH: I would like to ask a question. You said you weren't in favor of raising compensation to \$30.00 but you were in favor of raising it to \$28.00. Don't you think that the law that we write in this session should be just as adequate as the law we passed when it was originally passed. I mean the amount of total it gives the employee which would be set by unemployment. In other words, the law was passed not to take the place of wages but to give the man something to tide him over until he was employed again. I think that \$24.00 when the law was passed, I don't think \$30.00 is comparable today to what \$24.00 meant then. If you only increase it to \$28.00 the increase is negligible when you compare it to the rise in the cost of living and the rise of all the other economies of the company.

MR. AKINS: I think I might answer that by saying I think everybody should be agreed an increase should be made in the unemployment rate. It was urged two years ago and is now today. It is a question of how far. Our net wages for take home pay is very much less than the state average. It runs \$62.00 to \$64.00 a week for say a family of three. If we are going to pay \$30.00 plus \$3.00 for the dependents you are getting above that half level so I feel we have to be careful not to make that too much.

MR. GRIFFITH: If it was going to compare with the law originally passed, \$24.00 which was 50% of which you spoke.

MR. AKINS: It was supposed to be based on \$48.00 if I remember.

MR. GRIFFITH: Now we are basing it on a \$75.00 average.

MR. AKINS: That is correct, but now these taxes and other items are using up a great part of that \$75.00 so your actual gain to the worker isn't as great today. I feel it should be kept at the \$28.00 level.

MR. WENDELL BARR: Personnel Manager of Seth Thomas Clocks, Division of General Time Corporation, Thomaston, Connecticut: I am speaking as a representative of the Naugatuck Valley Industrial Council, an organization made up

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of practically all of the industries, both large and small, in the area which comprises the Fifth Congressional District and, in addition, the town of Shelton. With reference to Section 13 of the House Bill #675, I wish to testify in favor of this Section. The present law provides that no woman shall be eligible to receive unemployment benefits within two months before childbirth and within two months after the date of childbirth. This is certainly a minimum length of time for a woman to be unemployable if we are to protect the health and welfare of both the mother and the child. In many cases, the mother, after childbirth, is unemployable for several months because of physical reasons or time required to provide for the proper welfare of the child. In the great majority of the cases, the woman has no intention of returning to the labor market at all or at least not for some months to come. For these reasons, ineligibility for unemployment benefits should continue after childbirth until she has again been employed like any other new employee in the labor market and been paid wages at least equal to \$150.00. Such a requirement will demonstrate the true intention and physical ability of a woman to return to work before again becoming eligible for unemployment benefits. I, therefore, respectfully request the members of this Committee to report favorably on the passage of Section 13 of House Bill #675.

SEN. SADEN: We will take up three bills together. I might say that if there should be any provisions of a given bill that you are in favor of and others that you are opposed to you may speak on both sides of the question. We would like to get however, all those in favor to speak first and all those opposed on any phase to speak second.

S. B. 327 ✓ AN ACT TO PERMIT THE EXTENSION OF UNEMPLOYMENT COMPENSATION BENEFITS IN PERIODS OF EXTENSIVE UNEMPLOYMENT (Tedesco)

S. B. 353 ✓ AN ACT TO PERMIT THE EXTENSION OF UNEMPLOYMENT BENEFITS IN PERIODS OF EXTENSIVE EMPLOYMENT (Saden)

H. B. 678 ✓ AN ACT TO PERMIT THE EXTENSION OF UNEMPLOYMENT BENEFITS IN PERIODS OF EXTENSIVE EMPLOYMENT (Liberty)

SEN. SADEN: It isn't necessary for you to speak on a given bill, if you want to register in favor or in opposition, there is a pad here for your signature.

MR. GEORGE CUNNINGHAM, Local 1251, Waterbury, Conn.: I am speaking in favor of these three bills particularly pertaining to unlimited unemployment compensation because we feel the law now makes it almost mandatory. A person now unemployed must accept any type of employment due to that there will be very few people who will have prolonged periods of unemployment unless there is a major recession.