Legislative History for Connecticut Act

HB7947 Fat (PA 835) 1971

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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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HOUSE

PROCEEDINGS
1971

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PETER W. GILLIES:

Mr. Speaker, I will withdraw my motion to recommit at this time and ask that the matter be passed retaining.

MR. SPEAKER:

Is there objection to the matter being retained? Hearing none, the matter's retained. Will the Clerk please return to the call of the Calendar. Will the Clerk please return.

THE CLERK:

Calendar No. 1132, in your files, File No. 1255, Substitute for H.B. No. 7947, an Act amending the Unemployment Compensation Act to conform with Federal law.

DOMINIC J. BADOLATO:

Mr. Speaker, I move for the acceptance of the Committee's favorable report and passage of the Bill.

MR. SPEAKER:

Question's on acceptance and passage. Will you remark.

DOMINIC J. BADOLATO:

Mr. Speaker, the Clerk has an Amendment.

MR. SPEAKER:

Gentleman care to have the Clerk read House Amendment "A", or would the gentleman care for an opportunity to summarize?

DOMINIC J. BADOLATO:

I believe I could summarize it, so that the membership in the House could understand it clearer than hearing the Amendment.

MR. SPEAKER:

Without objection, the gentleman from the 30th for the

purpose of summarization of House "A". EFH

DOMINIC J. BADOLATO:

Mr. Speaker, the Amendment deals with Section 15 and is as a result of the discussion held with the employer representatives lobbying for the Manufacturers' Association, and it provides a change that it makes it clear that employees' safety and health is being protected for work shifts that begin or end during those hours which might possibly expose the employee to abnormal hazards between the hours of 1 A.M. and 6 A.M., and also deletes the words "public transportation" and substitutes the words "suitable transportation". It's recognized that many companies dealing with other transportation are going out of existance and suitable transportation would take care of this situation. Another change, through some inadvertance to file as it now reads, would eliminate wilful misconduct as a disqualification, and it was never intended and the brackets are being removed so that the wilful misconduct will remain in the law. Section 16 is being changed to provide a correction at law in that there are certain Sections being repealed. Part of it is in this Section, and we feel that by providing this Amendment we would clear up that problem and make a more orderly procedure for the drafting of this Bill, and it eliminates a Section that was normally being deleted by a provision of another section of this Act. One of the other provisions of this Amendment refers to a problem that is created as a result of the redraft of the original Bill. It dealt with Section 11-C, and as a result of a redraft, it should have been 10-C. These are technical changes ...changes that are made by agreement of all parties concerned,

and I urge its adoption. EFH

MR. SPEAKER:

You have the motion adoption of House Amendment Schedule "A". Will you remark further on the Amendment. Will you remark further on House Amendment "A". If not, all those in favor will indicate by saying "aye". All those opposed. The Amendment is adopted. The Chair rules it is technical. Question's on the main motion...acceptance and passage as amended. Will you speak to this.

DOMINIC J. BADOLATO:

Mr. Speaker, this Bill comes about as a result of anaction taken in Congress on August 10th, 1970, enacted into law and President Nixon signing XXXXXXX into law Public Law 91-373, a law called the Unemployment Security Amendments of 1970. This enactment encompasses many significant Amendments and the greatest and most substantial reform affecting Unemployment Compensation coverage since the original Act in 1936. All state's Unemployment Compensation laws are required to conform to the Federal law. What we are attempting to do hereis provide conformity and place our law in a position of complying with the requirement under Public Law 91-373. Where Federal law permits, the language in certain parts has been altered with Federal approval in order to coincide this legislation with various substantive and procedural requirements in Connecticut law. Some parts of the Bill contain a modernization of procedures at the State level. Some of the changes proposed by Bill No. 7947 result from Court decisions and others from experience gained over the years in the administration of this social program. Many parts of this legislation extend

rights to unemployed persons that have not been extended previously and other parts of the Bill spell out clearly certain requirements and procedures that were previously covered by implication and practice as exposed to legislative fiat. This Bill, I want to point out to the Members of the House, has...was drafted by the Assistant Attorney General assigned to the Labor Department, Attorney Carl Eisenman, who, since the drafting of this Bill, was promoted to the position of Administrator of account of the Fund. In the final draft as it appears in the file with the Amendments was with the cooperation of Attorney Eisenman and has, I'm happy to say, has the complete support of both the industrial-business community and the labor organizations, and I urge its adoption.

EFH

MR. SPEAKER:

Will you remark further on the Bill as amended.

GERALD F. STEVENS:

Mr. Speaker, just to say that it's a pleasure to rise in support on the behalf of this side of the aisle these Amendments to the Unemployment Law, which came about as the result of Federal legislation under the Nixon Administration. We join with the Chairman of the Labor Committee and urge passage of this Bill.

MR. SPEAKER:

Will you remark further on the Bill as amended. If not, the question's on acceptance of the Joint Committee's favorable report and passage of the Bill as amended by House Amendment Schedule "A". All those in favor will indicate by saying "aye". Opposed. The Bill is passed.

THE CLERK:

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those in favor indicate by saying aye. Opposed? All those in favor indicate by saying aye. Opposed? Amendment "A" is ADOPTED. The question now is on acceptance and passage as amended by House Amendment Schedule "A" and Senate Amendment Schedule "A".

MR. BADOLATO (30th):

Mr. Speaker, this bill was aired very well in the past and the remarks made when the bill first came up stand and I would move for the adoption.

THE SPEAKER:

Further remarks on the bill as amended? If not, all those in favor indicate by saying aye. Opposed? The bill is PASSED.

MR. PRETE (114th):

Mr. Speaker, may we now move to page 39, Calendar No. 1132?

THE SPEAKER:

I find it at the bottom of page 39, Rep. Prete. Is that the item you wish called?

MR. PRETE (114th):

That's correct.

THE SPEAKER:

Staying on page 39, the next to the last calendar item, 1132. Will the Clerk call that item?

THE CLERK:

Calendar No. 1132, substitute for H.B. No. 7947, An Act Amending the Unemployment Compensation Act to Conform with Federal Law, as amended by Senate Amendment Schedule "A".

MR. BADOLATO (30th):

Mr. Speaker, I move for the acceptance of the Joint Committee's

favorable report and passage of the bill in concurrence with the Senate. djh

THE SPEAKER:

Will you remark?

MR. BADOLATO (30th):

Mr. Speaker, the Clerk has the amendment and I could summarize it.

THE SPEAKER:

Question is on adoption of Senate Amendment Schedule "A". The gentleman from the 30th will outline.

MR. BADOLATO (30th):

Mr. Speaker, this amendment came about as a request by Mr. Izman, the executive director of the Employment Security Division. In reviewing the bill as it passed the House, he found that there were several inconsistencies and to avoid ambiguities and also to clarify several sections, the amendment was submitted. It clears up the question of the, it's intended, sir, to clear up the area of disqualification during summer months for certain employees and also the question of coverage and eligibility on termination of employment. It's an amendment that is certainly acceptable to us and I would urge its adoption.

THE SPEAKER:

Question is on adoption of Senate Amendment Schedule "A". Will you remark further? If not, all those in favor indicate by saying aye. Opposed? Senate "A" is ADOPTED. The House will stand at ease.

The Calendar should indicate but because of a printer's mistake, does not, that the House and Senate both also adopted House Amendment Schedule "A". So in moving for adoption of the bill, the proper motion would be for adoption as amended by House Amendment Schedule "A" and Senate Amendment Schedule "A".

MR. BADOLATO (30th):

Mr. Speaker, I would move for the acceptance of the committee's favorable report and passage of the bill as amended by House Amendment Schedule "A" and Senate Amendment Schedule "A".

THE SPEAKER:

Further remarks on the bill as twice amended?

MR. BADOLATO (30th):

Mr. Speaker, this bill was aired also about a week ago and the remarks made at that time stand.

THE SPEAKER:

Further remarks on the bill as amended? If not, all those in favor indicate by saying aye. Opposed? The bill is PASSED

MR. PRETE (114th):

Mr. Speaker, may we go now to page 13 of the Calendar.

THE SPEAKER:

The Clerk has requested in going back through the Calendar or in attempting to work it out with staff, that we go page by page and items, taking them numerically if possible. Any earlier pages?

MR. PRETE (114th):

Yes, Mr. Speaker, on page 6 of the Calendar, Calendar No. 894, H.B. No. 8796, that's page 6 of the calendar, Calendar No. 894.

THE SPEAKER:

The Clerk will call that item.

THE CLERK:

Page 6, Calendar No. 894, substitute for H.B. No. 8796, An Act Creating a Commission to Study the Feasibility of a Pilot Program of Improved Rail Transportation on the Berkshire Line.

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in favor of passage signify by saying, "aye". Opposed, "nay". The ayes have it. The bill is passed.

THE CLERK:

CAL. NO. 1102. File No. 1255. Favorable report of the joint committee on Labor and Industrial Relations. Substitute House Bill 7947. An Act Amending the Unemployment Compensation Act To Conform with Federal Law.

SENATOR SMITH:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. The Clerk has an amendment. I move the adoption of the amendment. Mr. President, I would like to waive the reading of the amendment. A simple explanation.

THE CHAIR:

If there is no objection, the reading of the amendment will be waived.

SENATOR SMITH:

As I received it from the Employment Security Division, the amendment to the Unemployment Compensation Law, which has to conform with the changes in the Federal Law. The amendment, three technical amendments to this file, and the deletions are simply changes in the heading, the Roman Numeral Headings and the alphabetical sub-sections in it because, of the insertion of a larger section, which had been inadvertently left out when the House acted on the measure.

The larger section, puts back into the law, a certificated teachers, and academics and superintendents and assistant superintendents who are under contract with or employed by Boards of Education or public Schools system.

And as I said, earlier, it is my understanding that this is the recommendation from the Employment Security Division to go along with the overall

bill. I move for passage of the amendment.

THE CHAIR:

Will you remark further on the amendment? If not, all those in favor signify by saying, "aye". Opposed, "nay". The amendment is adopted.

SENATOR SMITH:

Mr. President, I move for the passage of the bill as amended by Senate Amendment Schedule A. The general statement of purpose, Mr. President, on the bill itself. The Congress of the United States enacted into law, Public Law 91-373, which is called the Employment Security Amendment of 1970. Now this enactment, encompasses the most significant amendments and the greatest and most substantial reform affecting unemployment compensation coverage since the original back in 1936.

All State Unemployment Compensation clause enacted pursuant to Federal Enabling Statutes, and the Federal Government through the Congress has maintained general jurisdiction over the unemployment compensation field in the past 35 years. Passage of P.L. 91-373 requires all states to affect substantial changes in their laws in order to conform with the new Federal Statutes.

House Bill 7947, is the Connecticut implementation of the Congressional Act, but in most part, the bill contains mandatory language required under the Federal Law. Now, some of the changes, proposed by this bill also results from Court decisions from exxperience gained over the years in administration of this program. I move for adoption of the bill, as amended.

SENATOR DOWD:

Mr. President, through you, sir, a question to the distinguished Senator from the Second. For the record, sir, I invite your attention to lines 1557

and through 1559, on page 34. As printed in our files, the brackets after the word, work.

SENATOR SMITH:

Excuse me, Senator Dowd, would you refer me to those lines again?

SENATOR DOWD:

Page 34, lines 1557, 1558 and 1559. The brackets around the following word, or sub-section B. being discharged or suspended for wilfull misconduct in the course of his employement, close bracket.

If those brackets remain, and are enacted into law, this would eliminate the disqualification from unemployment compensation for those who have been so discharged or suspended. Is the bill in our files, correct on that point?

SENATOR SMITH:

To my understanding, Senator Dowd, it is.

SENATOR DOWD:

THat this deletion was (interrupted by Senator Smith)

SENATOR SMITH:

In our file, is the one which passed the House, except for the amendment which has been offered here. And as a matter of fact, the bill which passed the House, is also my understanding, that it was in line with the conforming acts.

SENATOR DOWD:

Well, if, in fact the, it is the intent of this bill to remove the disqualification for those who are discharged or suspended for wilfull misconduct. I would move that this bill be passed temporarily, while amendments be drawn to re-instate that division.

THE CHAIR:

I was going to suggest that, Senator Smith. It seems to be general agreement on this bill. And if, there is a major objection, as to whether or not a certain matter that is contained therein, it may be desireable that it be passed retaining its place until Monday. Would you object to that?

SENATOR SMITH:

I yield to Senator Power.

SENATOR POWER:

Mr. President, it is my understanding, that the language that Senator Dowd is referring to, has been put back in, so to speak, by House Amendments. There have been at least one or two House Amendments and it's my understanding that the language you're objecting too, has been removed and the file new file, hasn't been entered. It is in the House Journal to the information I have. Any objections that might have been held against the language, have been removed. So, it is my understanding that there is no problem.

SENATOR DOWD:

Mr. President, withthe permission of the Circle, may we lay this aside for just a moment?

THE CHAIR:

That's what I was going to suggest. That we pass it temporarily, Senator Smith, so that we can ascertain the fact.

SENATOR SMITH:

I would suggest that, Mr. President, but this is the only file, that I have and I have no knowledge of, no prior knowledge that there is another file.

THE CHAIR:

Senator Dowd will attempt to ascertain the facts and we will take up the matter before recess.

SENATOR CALDWELL:

Mr. President, with the consent of the Minority Leader, may we skip ahead to a matter on page 19? May we take that up at the present time?

THE CHAIR:

Any objection, Senator Ives? So ordered.

THE CLERK:

CAL. NO. 1218. File No. 488. Favorable report of the joint committee on General Law. Substitute House Bill 7938. An Act Concerning the Maximum Interest Rate On Open End Credit Plans.

SENATOR STRADA:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. The Clerk has an amendment.

THE CLERK:

SENATE AMENDMENT A, offered by Senator Strada:

In line 1, before the text, insert Section 1.

In line 7, after the word goods, insert the words, or services.

In line 7, delete the word be and insert in lieu thereof the words not exceed.

In line 7, after the word one, insert the words and thirty-four one-hundredths.

In line 7, after the word on, insert the words the average daily balance of the account or that part of.

In line 13, after the word such, insert the following: average daily

Those absent and not voting 11

The resolution is adopted. The nomination is confirmed.

THE CLERK:

CAL. NO. 1102. File No. 1255. Favorable report of the joint committee on Labor and Industrial Relations. Substitute House Bill 7947. An Act Amending the Unemployment Compensation Act to Conform With Federal Law. As amended by House Amendment Schedule A.

SENATOR SMITH:

Mr. President, I believe that I had moved adoption of the bill, as amended by House Amendment Schedule A.

THE CHAIR:

That is correct. The bill is before us, as amended.

SENATOR SMITH:

I'd like to withdraw that motion. I was unaware of the fact that there were House Amendments. There was House Amendment Schedule A, which did not appear in the file. I'd like to move for the adoption of House Amendment Schedule A.

THE CHAIR:

It is not necessary to move for adoption of House Amendment Schedule A. Normally, when a bill is amended by a House Amendment it's part of the bill, part of the file. We don't have to vote on it.

SENATOR SMITH:

What I meant was, the bill, as amended by House Amendment Schedule A.

THE CHAIR:

Will the Senate come to order, please, we have a rather technical matter in which we are trying to proceed. Senator Smith, you do not wish to revoke

the passage of Senate Amendment Schedule A? That was passed and you wish it to be part of the bill? House Amendment Schedule A, is not in the file. So in order to make certain, that this body has adopted, you are now moving the adoption of House Amendment Schedule A. Will you remark on House Amendment Schedule A?

SENATOR SMITH:

Mr. President, House Amendment Schedule A, really takes care of the objection that Senator Dowd had raised, except that, we have to understand that the reference to the lines, coincide with file but they do not coincide with the substitute bill. So, for the record, on adoption of the House Amendment Schedule A, to coincide with the lines in the file, we really need for it to be adopted in line with the substitute bill which would take care of Senator Dowd's objection.

THE CHAIR:

I understand, exactly and I hope the Clerk's office does.

SENATOR DOWD:

Mr. President, I rise to support the adoption of House Amendment Schedule A. The major one involved here(mike failed) A major point in House Amendment Schedule A, is the deletion of brackets, which would have removed the disqualification of those who are discharged for willful misconduct. That disqualification should remain in the final bill, as passed. I move adoption.

THE CHAIR:

Question is on adoption, in this Chamber, of House Amendment Schedule A. Will you remark further? If not, all those in favor signify by saying, "aye" Opposed, "nay". The ayes have it. The bill is now before us as amended by House Amendment Schedule A, and Senate Amendment Schedule A.

SENATOR SMITH:

Mr. President, I move adoption of the bill, as amended by House Amendment Schedule and Senate Amendment Schedule A. There are no, in my opinion, Mr. President, further remarks necessary. I move for passage of the bill.

THE CHAIR:

Question is on passage of the bill, as so amended. If no further remarks, all those in favor signify by saying, "aye". Opposed

SENATOR CRAFTS:

Mr. President, I'm just a little bit confused, here. I don't recall the Senate passing Senate Amendment Schedule A?

THE CHAIR:

It was done before it was passed, temporarily.

SENATOR CRAFTS:

That was done today?

THE CHAIR:

Yes sir. Our records so indicate.

THE CHAIR:

Question is on passage of the bill, as so amended. All thosein favor signify by saying, "aye". Opposed, "nay"/ The bill is passed.

The Chair would like to thank Senator Dowd and Senator Smith for assistance in a rather involved technical matter.

THE CLERK:

Clerk would note, just for the record, to alay any fears, that he is aware of missnumbering of the amendment of the lines in the amendment of House Amendment Schedule A and will cause it to be corrected, in the final drafting of the bill.

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LABOR AND INDUSTRIAL RELATIONS

Albert Sacarey:
where a wildcat strike is in existance would be entitled to unemployment compensation benefits. I certainly hope that your committee will not subsidize a bill which would permit somebody to take advantage of the whole system of unemployment compensation. For that reason I would like to go on record, for the Connecticut Daily Newspaper Association in complete opposition to H.B. 8444, and opposition to H.B. 6018. Thank you.

Sen. Smith:
Now we will move to H.B. 7425(AN ACT CONCERNING PAYMENT OF UNEMPLOYMENT COMPENSATION LIABILITIES BY NONPROFIT ORGANIZATIONS)

William H. Short:
My name is William H. Short, and I represent the YMCA's of Connecticut through the YMCA of Connecticut Inc. I would like to speak in favor of H.B. 7425(AN ACT CONCERNING PAYMENTOF UNEMPLOYMENT COMPENSATION LIABILITIES BY NONPROFIT ORGANIZATIONS.) and read three or four sentences from a letter that shows why a transition period should be provided, that is the payment of unemployment compensation and place in the record this letter which tipliflies the problem that all YMCA's in the State has.The quote from the letter"We were unable to include the unemployment compensation item in our 1971 budget, for our budgets were prepared and submitted to our United Fund in May of 1970. Because of our inability to include this as a budget item in our 1971 budgets, we in this assiciation chose to go on the reimbursable basis, rather than the quarter tax basis. While we feel that this was not the best decision for this assiciation, we at the same time felt that we had no other choice but to use the reimbursable base for we had no place to secure the necessary funds. Any relief that can be secured on the unemployment compensation problem would mean the difference between operating with a balanced budget or going into deficit during this fiscal year. Thank you.

Sen. Smith:
Any other persons wishing to speak in favor? H.B. 7425? Is there any opposition? If there is no opposition to H.B. 7425, those in favor of H.B. 7947(AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO CONFORM TO PL 91-373.)

John Q. Tulsen
I am John Q. Tulsen, Council for the Connecticut Hospital Association and also today I've been asked to speak for the Connecticut Conference of Independent Colleges, between the hospitals and independent colleges, they of course represent a large portion of the non-profit employers in the State of Connecticut. This bill marks something of a land-mark in this state, as you notice its a long bill, which is necessitated by the enactment last year by the Congress of a bill which put non-profit organizations under the unemployment compensation law. When Connecticut passed its stand-by law in 1967, I remember that time that hospitals

John Q. Tulsen:
and the universities would not object to an unemployment compensation law which would permit those institutions to pay unemployment compensation benefits on the basis of their actual experience. The State in 1967 passed a standby law along those lines and the Federal Government at the last session of Congress made the law a reality. Bill 7947 was drafted by the Unemployment Compensation division of our own State Department of Labor, its a long complicated bill and obviously requires considerable study. I have gone over it in considerable detail and I've discussed it with representatives from the Department of Labor, and I simply want to say that on behalf of the institutions I represent, we strongly support it. We think it takes care of many of the complications that face non-profit institutions in the implementation of this law.

There are a couple of items that I think that you should consider. On Page 22 of the bill, there is a lengthly provision with respect to the rights of the commissioner to ask a non-profit institution to furnish a bond and as its written, this is entirely in the descretion of the commission. I've discussed this with the Commissioner and the memorandum which he handed to the committee, earlier today on the subject, he takes care of the situation. An unlimited right to simply ask any non-profit institution to suddenly come up with a bond consisting of 3% of their payroll, might in the situation involving one of our largest non-profits be over a million dollars and it's alright if he wants a bond because he has doubt as to the financial stability of the institution, we wouldn't have any objection to putting such a provision in and he has so changed it or recommended such a change, in the membrandum that was handed to you later.

On Page 27 of the bill, you will note that a corporation first coming under the act is to be permitted to pay if it elects the taxable method of payment on the basis of the state-wide average other then on the basis of the ordinary new concern comes under which would be 2.7%. The Federal law permits a rate to be established for a company first coming into the act as low as 1%. The bill as prepared by the Labor Department says 1% or the state-wide average, whichever is higher, this means that the rate will be somewhat in excess of 1%. We have some regret that the labor department did not come up with the minimum rate and we urge the committee to consider it, this matter, but despite that one defect in it, we would be in support of the bill.

I notice on Page 6 of the memorandum submitted by the labor committee, commissioner, there is the suggestion that the increase in the tax base to $4,200 be postponed until January 1, 1972. We would be in favor of that change, but with the exception of the changes that I just mentioned, we are strongly in favor of the bill, there are a number of complicated provisions in it, they deal with problems about students and about faculty in the summer vacation period and other problems that are of acute interest in this field, and we think that a good job has been done to make a

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John Q. Tulsen:
realistic bill. Thank you!

Sen. Smith:
Thank you, Is there anyone else to speak on H.B. 7947(AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO CONFORM TO PL-91-373.

Leonard Marcus:
Mr. Chairmen, members of theccommittee, my name is Leonard Marcus, Director of Employee relations for Yale University and I am speaking for the University. I'm here to support H.B. 7947(AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO CONFORM TO PL-91-373.) The bill will bring long-needed protection to the employees of non-profit organizations, like Yale. Unlike bills introduced in prior years, H.B. 7947 provides a financing method which really recognizes the special character of employment in our industry better, that is higher education.

The bill properly addressed the problem of the faculty and the student and student-spouse employee. We have been assured by Rep. of the State Department of Labor that the original provision of the bill concerning the filing of assurity bonds have been appropriately adjusted so as not to place an unnecessary financial burden on organizations like Yale. In light of these assurances, Yale University recommends the passage of H.B. 7947.

Sen. Smith:
Is there anyone else.

Dick Peterson:
Mr. Chairmen, Dick Peterson, Director of Employer Relations, Connecticut Hospital Association. To make it real short, I'll concur with the comments made by Mr. Tulsen, and we support H.B. 7947(AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO CONFORM TO PL-91-373.

Leon LeMaire:
I will be very brief also, Leon LeMaire, speaking for the Connecticut Business and Industry Association, of course our law must conform to the Federal in all respects, and this is the time to do it, we do have some reservations about changes in the language however, and rather then belabor, I think this committee suffered enough today, I'll give you a memorandum on those particular sections, that cause us some concern, im particular the word in employment, I'm not sure really what it does, in some cases, it removes work and puts in employment, and in other places, it removes the word employment and puts in work, and I'm not sure of the total effect of that kind of language. And there are some sections relating to suitable work but I'm not so certain are required uhder the Federal Law for conformity purposes, but we will give you a memo on it.

Sen. Smith:
Thank you is there anyone else?

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Norm Zollot:

Mr. Chairmen, members of the committee, my name is Norm Zollot, speaking in behalf of Connecticut State Labor Council AFL-CIO. I must join with my brother that the bill here is complex and that we of course must comply with the requirements of the Federal Government to achieve conformity. I must say however, in reading the bill, its clear to me drafters have beyond the basic requirements to conformity and have added their own convolutions to a difficult problem. Some of which we agree and indications of liberalization and some of which we disagree.

I do not propose to belabor the comment beyond that, except to not that we all are in favor of coverage base for the non-profit organizations. We think(inaudible) has gone and we think that the forty-two hundred dollar base is inadequate. We have proposed a billwhich is to be heard later for a $7,800 base, we are opposed to some of the other changes being made, one of which I must call to this committee's attention because I think it asks that for the labor department to have your authority, that appears on page 47, it said no part of this chapter shall be deemed and repealed by subsequent legislation, if such construction can reasonable be avoided. I think that this is solely within the General Assembly's authority. We will send you a memo the details. Thank you.

Sen. Smith:

Anyone else:

Robert Krause:

Mr. Chairmen, Robert Krause, Personnel Director City of Hartford, and I'm speaking for the Hartford City Manager and the Connecticut Town and City Managers Association. As you know the statement of purpose of this bill indicates that it is intended to bring the state law into conformity with Federal law. With respect to municipalities however it does considerably more than that, and would increase municipal costs by probably a significant amount. At the present time for example, the employees of Boards of Education are not covered by the Unemployment Compensation Program. This bill would provide that certain employees of Boards of Education are not covered then it specifically notes such employees as teachers, instructional and academic supervisory personnel. By specifically including those we presume that it then includes under the law such employees such as secretaries, clerks and custodians and other personnel, many of whom who work the same ten months year as the teacher. We think that the bill that was passed 1969 made sense in excluding Board of Education employees because of the fact that they are on a ten month year.

LABOR AND INDUSTRIAL RELATIONS

Robert Krause:
One other thing this would do would be to impose a interest charge if a municipality pays its bill late and the cost we have we expect our bills will be paid late. We oppose the provisions of this billthat would add additional costs to municipal governments.

David Bower:
Mr. Chairmen, members of the committee my name is David Bower, I'm the Town Manager in Wethersfield representing the Connecticut Conference of Mayors. We are concerned not with the admirable intent of the law but with the prospective cost involved and the cities of the state and town of the state feel the monatary pinch is much to date. If the State is to impose additional burdens which will result in higher costs of municipalities we would ask that that be accompanied by a corresponding increase in drafts to cover the additional costs.

Chr. Badolato:
Is there anyone else? If there is no-one else, there are a group of bills that we haven't reached yet, and I'll list them and we'll have a field day and you can all get up at anytime you want and speak on any of them. I think it might be the most rapid way to do it at this point? It appears that maybe three people left to speak. The bills that I have listed that haven't come up yet are 5722- 5871- 7427-7897-8029-8487-5881-6286-6778-7498-7499-5177 and S.B. 347. Now as my record shows, all of the other bills were heard and these are the remaining ones. Now if there is anyone that wants to address themselves to any of these bills, please feel free to do so.

Norman Zolot:
Mr. Chairmen members of the committee my name is Norman Zolot, speaking with respect to some of the bills, listed, with respect to H.B. 5722(AN ACT CONCERNING THE DEFINITION OF WAGES.) that's the bill to which I previously referred to, that would increase the wage base upon which employers be required to make contributions from the present$3,600 to$7,800. If we had done this as the State Labor Council had urged,the General Assembly for the last ten years, the present state of our fund would be far in excess of what it is now. And we could amply have supported a continuation of benefits for the unemployed in this period of extreme unemployment. It is unfortunate that the way the merit rating system works that employers are called upon to make contributions. Usually the time they can least afford it, after experiencing severe unemployment. While the rate is high, the base upon which the rate is applied of course is substantially less. If we were much happier if if the converse had been true, that the rate would be high and employment was high and the rate would be low when unemployment is low. With respect to H.B. 5871(AN ACT CONCERNING RETIRED EMPLOYEES) we support this bill which would remove the present rule concerning payment of unemployment compensation benefitsto retirees and goes back and put substitute aid require a fair fact that you receive a retirement benefit, will not disqualify you if you are otherwise eligible to receive benefits. H.B. 5881(AN ACT CONCERNING REPEALINGMERIT RATING.)

LABOR AND INDUSTRIAL RELATIONS

David Bower:

unemployment compensation which is paid by the municipality, as mentioned before the municipalities are in a severe financial bind and to put these kind of costs upon them seems unreasonable and unhealthy. We would along the same line oppose Bill No 5871(AN ACT CONCERNING RETIRED EMPLOYEES.) 7427(AN ACT CONCERNING UNEMPLOYMENT BENEFIT ELIGIBILITY CONDITIONS FOR INVOLUNTARILY RETIRED EMPLOYEES) and 7499(AN ACT PROVIDING FOR ADDITIONAL BENEFITS DURING PERIODS OF SUBSTANTIAL UNEMPLOYMENT AFTER EXHAUSTING REGULAR BENEFITS AND FEDERAL-STATE EXTENDED BENEFITS AND REDEFINING RATE OF INSURED UNEMPLOYMENT FOR PURPOSES OF COMPUTING PERIODS OF SUBSTANTIAL UNEMPLOYMENT.) which tends to modify the retirement person situation but not as desirably as H.B. 8029(AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO EXEMPT FROM COVERAGE THOSE INDIVIDUALS RECEIVING RETIREMENT BENEFITS FROM A MUNICIPALITY.) Thankyou.

Leon LeMaire:

Leon LeMaire speaking for the Connecticut Business and Industry Association . The conforming bill 7947(AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO CONFORM TO PL-91-373) increases a taxable wage base to 4,200 which we believe is the limit that our law should also go. This is again no time to be increasing the taxes on business in the State of Connecticut, yet as a matter of fact we're hoping that the employers of the State will be relieved of some of their burdens and finance committee of bills that we've entered , introduced there by tax credits. We oppose H.B. 7499(AN ACT PROVIDING FOR ADDITIONAL BENEFITS DURING RERIODS OF SUBSTANTIAL UNEMPLOYMENT AFTER EXHAUSTING REGULAR BENEFITS AND FEDERAL-STATE EXTENDED BENEFITS, AND REDEFINING RATE OF INSURED UNEMPLOYMENT FOR PURPOSES OF COMPUTING PERIODS OF SUBSTANTIAL UNEMPLOYMENT.) which would in effect if I read the bill correctly, would provide unemployment benefits for two years, I just can't believe that the people are really serious in considering that kind of a situation. The extended benefit program of course, would figure in without any additional earnings at the end of the fifty-two weeks and you would go right into the second year benefits. The longer a person stays out of work, the less likelihood that he'll have the desire or the capacity to ever find work again. I think its a dis-service to the individual. With respect to H.B. 8487(AN ACT CONCERNING ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION.) I don't know that bill again which is stated by purpose only and provides much to go on but the bill itself seems to provide for a matter of which I think is some concern and that is retirees who are drawing benefits at the same time after they have voluntarily retired. And if the purpose of that bill is to reduce or disqualify such recepients then I would be in favor of it. We would oppose H.B. 7427(AN ACT CONCERNING UNEMPLOYMENT BENEFIT ELIGIBILITY CONDITIONS FOR INVOLUNTARILY RETIRED EMPLOYEES.) This again is a, as I read it would exempt employees who are

Bill No. 7947.

AN ACT AMENDING THE UNEMPLOYMENT COMPENSATION ACT TO CONFORM TO PL 91-373.

I

GENERAL STATEMENT OF PURPOSE: On August 10, 1970 the Congress of the United States enacted into law, and President Nixon signed PL 91-373, a law called the "Employment Security Amendments of 1970". This enactment encompasses the most significant amendments and the greatest and most substantial reform affecting unemployment compensation coverage since the original act in 1936. All state unemployment compensation law is enacted pursuant to federal enabling statutes and the federal government through the Congress has maintained general jurisdiction over the unemployment compensation field for the past thirty-five years. The passage of PL 91-373 requires all states to effect substantial changes in their laws in order to conform to the new federal statutes.

The reforms enacted are employee oriented, affording more coverage to a greater number of persons than has ever been attained previously in the history of this law. As an example of the extension of coverage, employees of certain nonprofit organizations, institutions of higher learning and certain

governmental entities now must be mandatorily covered. Bill No. 7947 is the Connecticut implementation of PL 91-373 and for the most part the bill contains mandatory language required under the federal law. Where federal law permits, the language in certain parts has been altered, with federal approval, in order to coincide this legislation with various substantive and procedural requirements in Connecticut law. Some parts of the bill contain a modernization of procedures at the State level.

Some of the changes proposed by Bill No. 7947 result from court decisions and others from experience gained over the years in the administration of this social program. Many parts of this legislation extend rights to unemployed persons that have not been extended previously and other parts of the bill spell out clearly certain requirements and procedures that were previously covered by implication and practice as opposed to legislative fiat.

Following this general statement are some comments on certain details of the bill for your information which may answer some questions. Those of you with extremely heavy schedules may prefer to stop right here. For those who may be concerned with certain details, the following line by line

analysis may help. If anyone has further questions, please call Labor Commissioner Jack A. Fusari or Executive Director, Carl D. Eisenman, at any time and we will be glad to answer any questions.

Thank you for your courtesy.

Respectfully submitted,

II

SPECIFIC PROVISIONS OF BILL NO. 7947. Other than the lines numbered as hereinafter indicated, all of Bill No. 7947 contains the mandatory provisions under PL 91-373 of the United States Congress. The following line by line commentary covers all those provisions which are not in the mandatory category.

1. Lines 34 through 55. This language crystallizes by definition, the employer-employee relationship. This is language suggested by the United States Department of Labor and puts into the statute the deliniation between the employer-employee relationship, as opposed to the relationship of

independent contractor, which up until now had to be decided by the courts. Frankly, we have very little law on this in Connecticut and this statutory definition clarifies existing areas of doubt.

2. Line 78. THE WORD "ONLY" should be deleted. Thank you.

3. Lines 90 through 96. These provisions extend coverage to political subdivisions below the town, city or borough level which appears to be the present limitation. There is federal mandatory coverage of all hospital and institutional employees anyway.

4. Lines 128 and 129. The $1500. wage requirement is not mandatory but it equalizes the nonprofit employer with other employers, and equalization is a desirable goal wherever possible.

5. Line 191. We respectfully suggest that the following be added: "V. FOR PURPOSES OF THIS PARAGRAPH 'UNITED STATES' INCLUDES THE STATES, THE DISTRICT OF COLUMBIA AND PUERTO RICO".

6. Lines 241 through 300. These provisions make some inroads toward agricultural workers coverage and is strongly

suggested by the federal government. It is not mandatory but I think we all believe that the more coverage we can extend the better for all of our people.

7. Line 318. PLEASE CHANGE THE NUMBER "1603", to "3304". Thank you.

8. Lines 325 through 330. The slight change in the language affecting state employee coverage is a clarification.

9. Lines 335 through 339. This is the teacher and academic personnel exclusion from coverage, clearly spelled out as an exclusion.

10. Lines 360 through 402. All of (h) except (7) could be deleted because it is somewhat redundant but it does no harm staying in.

11. Lines 411 through 413. The (i) may be deleted in line 411, and starting with "or" in line 413 to and including "insurance" in line 419. This exclusion of a student spouse may be omitted at the discretion of the Legislature. It is not mandatory.

12. Lines 430 through 445. These provisions are not mandatory but strongly suggested by the federal government.

13. Line 454. PLEASE CHANGE "(H)" TO "(h)". Thank you.

14. Lines 462, 468 and 470. You may wish to change "1970" to "1971" for the following reason: As it now reads, the unemployment compensation tax would be raised to the $4200 base retroactive to January 1, 1971. If this year is changed to read 1971 the increased base upon which the tax is collected will be deferred until January 1, 1972. The 1972 date is mandatory but it is permissible under the federal law to raise the base during this year.

15. Line 509. The $1500 wage requirement is discretionary but it provides uniform and equitable coverage. It is federally suggested but we do not need it in Connecticut because we have other provisions to take care of this anyway.

16. Lines 561 through 568. Alternate language for this proposal is as follows:

> "Any public employer or nonprofit organization (or group of such organizations), described in Section 501(c)(3) of the Internal Revenue Code and exempt from income tax under Section 501 (a) of such Code, which is defined in Sections (1)(D) or (E) of Section 1 of this act or (a)(5)(H) or

(N) of said section may elect either to pay the contributions on wages for services or to finance benefits on a reimbursable basis, by paying into the unemployment compensation fund an amount equivalent to the amount of benefits paid which were attributable to the base period wages paid by the employer concerned, and which were paid out to the claimants who during the applicable period were paid wages by the employer concerned said election to be made in writing to the administrator in accordance with the provisions of subsection (h) of Section 10 of this act".

The suggested changes were recommended by the United States Department of Labor because:

(1) Nonprofit organizations that elect coverage under this section may be offered the reimbursement option only if they are organizations described in section 501(c)(3) and exempt from income tax under 301(a) of the Internal Revenue Code, and

(2) The option to reimburse contains language

which implies that the reimbursing employer reimburses all the benefits paid out without regard to the amount of base period wages paid by the reimbursing employer.

17. Lines 601 through 609. This language may be deleted but it does no harm. These provisions are covered elsewhere. If the tax base is to be increased in 1972 then the date in line 601 should be changed to read "1972".

18. Lines 613, 614, 634 and 635. Recommended for clarity.

19. Lines 639 through 644. The present law lacks definitive repayment requirements and these provisions should be in the law.

20. Lines 658, 664, 671 and 681. This effects charitable coverage effective January 1, 1972 but this coverage is in effect going back to January 1, 1971 by virtue of Section 31-274a through Section 31-274f General Statutes. There is merit, if you wish, to changing the 1972 date to 1971 which will bring our charitable coverage provisions into complete federal conformity and avoid a second transition at the end of this year.

21. Lines 709 and 710. This grants rights of appeal in

respect to billings for unemployment coverage of nonprofit organizations.

22. Line 735. Some limitation on the administrator's discretion may be imposed by adding the following provisions between the words "administrator" and "any nonprofit" in line 735: "if he deems it necessary, based on the financial ability or financial condition of the organization".

23. Lines 742 and 743. The three percent bond herein proposed has been criticized, rightfully, as excessive. The following language may be substituted for line 742, 743 and the unnumbered line below 743: "subdivision shall be determined by the administrator but shall not exceed two and seven tenths percent of the organization's total wages paid for employment as defined in section 31-222(a)". (Please note statute change).

24. Lines 877 through 886. This is discretionary but it permits a new employer to have a reduced tax rate for his first year. Our sister states are going to do this and we will be at a competitive disadvantage if the others afford this and we do not.

25. Lines 912 through 918, 956 and 957. This change in the method of allocating large payrolls was made necessary by a

so-called spillover for which the present statute does not provide. Large employers with many employees may have payrolls which occupy more than one part of the table which appears on page 29 of the bill. For the last thirty-three years no employer has occupied more than two parts but last year one employer occupied three and the statute just doesn't provide for this contingency. There is no way to administer the law unless it is changed and the method suggested here has been agreed upon by those concerned as the best method of handling the problem.

26. Lines 982 through 994, and 1008 through 1016. These provisions grant rehire credits in instances where the employee is ineligible for benefits by reason of being totally or fully employed by the employer. This has been a gap in our law up until now which we respectfully submit should be filled. The provisions further permit an appeal from a denial of rehire credits so that the decision of granting or denying credits can be subject to judicial review. The federal law requires judicial review of all types of administrative decisions and thus this right of appeal appears in several sections of the bill.

27. Lines 1015 and 1016. Portion between ** is not part of the bill.

28. Lines 1061 and 1062. The following language may be substituted: "organization which is subject to this chapter and which has elected reimbursement in lieu of contributions".

29. Lines 1117 and 1118. This removes a provision favorable to women only made necessary by the Civil Rights Acts of 1964 and 1967.

30. Lines 1121, 1122, 1125 and 1130. This slight change aligns the word "employment" with the new federal definition and aligns the word "work" with other provisions of the State labor laws. Further, the self-employment requirement is suggested because of a recent Superior Court decision but this is not an absolute requirement.

31. Lines 1144 through 1146. This is a substitute for the provisions in lines 1117 and 1118 concerning work between the hours of one and six A.M. In lieu of permitting only women to refuse such employment without disqualification this change would permit a person of either sex to refuse such work if it would constitute a high degree of risk or would be beyond a person's physical capabilities or fitness. This is in harmony with the federal Civil Rights laws.

32. Lines 1162 through 1172. After this bill was

drafted federal authorities suggested certain changes in order to conform to section 108 of PL 91-373 requiring equal treatment of nonprofit employers with other employers. For that reason it has been recommended that the following changes be made:

Line 1162. Substitute "benefit" for "wage".

Lines 1163 and 1164. Delete from "earned" to "week" and substitute "based on such employment".

Line 1166. Change to read "embezzlement, misuse of funds".

Line 1167. Delete "organization, or" and "public".

Line 1168. Delete "public" and ", or property".

Line 1170. Delete "belonging to a charitable or nonprofit organization".

Line 1170 1/2. Change "wage" to "benefit".

Line 1172. Delete "wage".

33. Lines 1180 through 1187. This wage credit cancellation should be deleted. Our law contains penalty provisions for fraud which covers the situation.

34. Lines 1210 through 1213. This deletes the wage requalification requirement after childbirth. This is in harmony with the federal Civil Rights law.

35. Line 1254. Modernization.

36. Lines 1263 through 1274. This change is recommended on the basis of a Superior Court decision and it crystallizes the right of appeal following a redetermination. We suggest that the following language be added at the end of section 23, line 1278 1/2: "where the claimant has been free from fault, a redetermination or new decision shall not affect benefits paid under the prior order".

37. Lines 1332 through 1342. This puts into the statute a practice which has been in effect for many years. It is in line with the provisions of the Connecticut Practice Book.

38. Lines 1475 through 1494. These aids to statutory construction are recommended as means of assisting everyone in interpreting and administering the law.

39. Line 1497. The effective date (January 1, 1972) is the latest permissible date under federal law but law per-

mits an earlier effective date.

Thank you for permitting us to share our thoughts with you.

Respectfully submitted,

JACK A. FUSARI
State Labor Commissioner and
Administrator of the Unemployment
Compensation Law

CARL D. EISENMAN
Executive Director

JAC:CDE:vk