EMPLOYER'S GUIDE TO UNEMPLOYMENT COMPENSATION

CONNECTICUT DEPARTMENT OF LABOR
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Unemployment Insurance Tax

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INTRODUCTION

This guide is provided by the Connecticut Department of Labor, Employment Security Division (CTDOL), to help employers covered by Connecticut's Unemployment Compensation (UC) law better understand the system which they support through payroll taxes or on a reimbursing basis. It is for information purposes only and does not have the force of law. While the guide strives to address many employer questions regarding the Unemployment Insurance (UI) program and the employers' roles and obligations under the law, every issue cannot be addressed, and unfamiliarity with aspects of the law does not relieve an employer of their responsibilities. Therefore, we encourage you to explore our website at www.ct.gov/dol and feel free to contact us directly with questions.

The cooperation of the employer community is vital to effectively administer the UI Program and CTDOL's policies and procedures. Funds for the payment of unemployment benefits are provided by employers through a quarterly payroll tax (contributory employers), or by a quarterly billing reimbursement available to qualified non-profit organizations, the state, town, cities and their political or government sub-divisions, and federally recognized Indian tribes or tribal units (reimbursable employers). Liable employers are assigned an Employer Account Number (EAN).

CTDOL recently launched its new UI system, ReEmployCT. The system provides many self-help capabilities for employers as well as a greater capacity for electronic communication between CTDOL and the employers and, if applicable, their Third-Party Agents (TPAs). More information on ReEmployCT can be found here: Unemployment Insurance Tax.

INFORMATION ON OTHER PAYROLL-RELATED MATTERS IS AVAILABLE FROM THESE SOURCES:

Subject	Source
Federal Unemployment Tax Social Security Tax Federal Withholding Tax Federal Income Tax ……………………………………………………	Internal Revenue Services WWW.IRS.GOV
State Income Tax State Sales Tax State Corporation Tax ………………………………………………	Department of Revenue Services WWW.CT.GOV/DRS
CT Paid Leave …………………………………………………………	Connecticut Paid Leave Authority www.ctpaidleave.org
Workers' Compensation Coverage Disability Benefits Coverage ………………………………………	Workers' Compensation Commission WWW.CT.GOV/WCC

HOW TO REGISTER

Employers are required to register online at Welcome to ReEmployCT, Connecticut's Tax and Wage Reporting System

If you have any questions regarding registration, please contact the Employer Status Unit at (860) 263-6550 or dol.status@ct.gov.

WHO IS REQUIRED TO REGISTER

All employers with one or more employees (full or part-time) must register. Failure to register does not relieve the employer of the obligation to register.

A sole proprietor or a single member of an LLC operating as a sole proprietorship is not an employee nor is their spouse, parents, or children under 21 years of age an employee.

Generally, a partner in a partnership is not an employee nor is a member of an LLC-partnership an employee. Children under 21 years of age working for their mother/father partnership or for an LLC partnership comprised of their mother and father are not employees.

Officers of a corporation including sub-chapter S corporations or members of a LLC filing as a corporation who receive remuneration during the year, or whose personal accounts are credited, are counted as employees for each week of the calendar year.

The Department's position regarding such paid remuneration is that all remuneration for services performed, whether labeled salaries, wages, dividends, or a distribution of profits is taxable. However, undistributed income which remains in the business is not taxable to Connecticut Unemployment Compensation.

Limited Liability Companies (LLC) – LLCs are taxed for Connecticut Unemployment Compensation tax purposes according to their filing status with the IRS. Members of an LLC will be treated for Connecticut Unemployment Compensation Tax purposes as partners of a partnership if the LLC qualifies as and elects to be a partnership for federal income tax purposes. An LLC may elect if it qualifies to be taxed for federal income tax purposes as a corporation, and any remuneration to members will be reportable and taxable for Connecticut Unemployment Compensation. A single member, who is an individual, who elects to be taxed for federal income tax purposes as a sole proprietor will be treated as a sole proprietor for Connecticut Unemployment Tax purposes. If the single member of an LLC or the members of an LLC partnership are corporations, any remuneration to corporate officers will be reportable and taxable for Connecticut Unemployment Compensation.

CONDITIONS OF LIABILITY

Any employer who (a) in any calendar quarter in either the current or preceding calendar year paid wages for services in employment of $1,500 or more or (b) had in employment at least one individual for some portion of a day in each of twenty different weeks, not necessarily consecutive, in either the current or preceding calendar year becomes liable on the first day of the year or the first day of business, whichever is earlier. Other conditions of liability follow.

Federal Tax Liability – Employers who are liable under the Federal Unemployment Tax Act (FUTA) become liable under the Connecticut Unemployment Compensation Law from the beginning of the calendar year or the beginning of operations in Connecticut if at least one person is employed in this state.

Successor – An employer becomes liable immediately by acquiring substantially all of the assets, organization, trade or business of another employer who was liable at the time of acquisition. If the predecessor employer was not liable at the time of acquisition, the number of weeks he employed one or more persons in the calendar year of acquisition is counted along with the number of weeks the successor employer employed one or more persons in the calendar year to arrive at the twenty weeks of employment to determine liability.

Executors, administrators, successors, or assignees of any former employer acquire the experience of the predecessor employer with the following exception. The experience of a predecessor employer who leased the premises and equipment from a third party and who has not transferred any assets to the successor, shall not be transferred if there is no common controlling interest in the predecessor and successor entities.

Agricultural – An employer who has service performed by an individual in agricultural labor is liable if the service is performed for a person who (a) during any calendar quarter in either the current or preceding calendar year paid remuneration in cash of $20,000 or more to individuals employed in agricultural labor, or (b) employed for some portion of a day in each of twenty different calendar weeks, not necessarily consecutive, ten or more individuals regardless of whether they were employed at the same moment in time. Aliens admitted to the United States to perform agricultural services are considered employees.

Domestic Employment – Any person who employs an individual for domestic service in a private home, college club or chapter of a college fraternity or sorority and who paid cash renumeration of $1,000 or more, for any calendar quarter in the current or the preceding calendar year, to individuals employed in such service, is subject to the provisions of this law.

Only cash wages are taxable under Connecticut domestic service coverage. The cash value of other than cash payments is not taxable. This includes meals, lodging, rent, clothing, or merchandise.

Non-Profit Organizations – Most non-profit organizations, even if exempt from income taxes under the Internal Revenue Code, are subject to the Connecticut Unemployment Compensation Law. If an organization has an Internal Revenue Code Section 501 (c) (3) exemption and has one or more employees for some portion of a day in each of thirteen different calendar weeks, whether or not consecutive, within either the current or preceding calendar year, they become liable under the Connecticut Unemployment Compensation Law.

Non-profit organizations exempt from Federal income taxes as provided under Internal Revenue Code Section (501) (c) (3), are given the option of paying unemployment taxes on the wages of covered employees or reimbursing the Unemployment Compensation Fund for the amount of benefits paid to former employees.

Municipalities, State Government Agencies, and Federally Recognized Indian Tribes or Tribal Units – These employers are subject to the Connecticut Unemployment Compensation Law beginning with the first date of employment and shall pay contributions under the same terms and conditions as all other subject employers, unless they elect to pay into the Unemployment Compensation Fund amounts equal to the amounts of benefits paid to former employees.

Exempt Employment – Churches and Religious Organizations – Section 31-222(a)(1)(E)(I) and (ii) of the Connecticut Unemployment Compensation Law provides that the term employment does not apply to service performed for a church or convention or association of churches, nor does it apply to an organization which is operated, controlled, or principally supported by a church or convention or association of churches if that organization is operated primarily for religious purposes.

Voluntary Acceptance – An employer not liable under the law may volunteer to accept coverage for all the employees with one exception. The law prohibits the voluntary coverage of service performed by an individual in the employ of the employer's son, daughter or spouse and service performed by children under twenty-one years of age in the employ of either or both parents. Voluntary acceptance of liability may be revoked by the employer at the end of any calendar year following the calendar year of acceptance.

Discontinuous of Business – Employers who discontinue business are required to notify the Administrator electronically. Sign into your account, select Account Maintenance, and Request to Close Account. For more information, contact the Employer Status Unit at (860) 263-6550 or dol.status@ct.gov.

EMPLOYMENT DEFINITION

Employment subject to the provisions of the law means any service performed for remuneration under a contract of hire which creates the employer and employee relationship. It may be either an expressed or implied contract. Subject employment includes such service as:

(a)	Full-time employment
(b)	Part-time employment
(c)	Temporary employment for only a short period of time, such as for some special project.
(d)	Employment of paid officers whose personal accounts are credited.
(e)	Employment compensated by commissions or gratuities.
(f)	Employment compensated in any other medium other than cash except for Agricultural or Domestic Service.

SERVICE WITHIN AND WITHOUT THE STATE

The question of whether an employee who performs service for one employer in more than one state is covered in Connecticut is determined by one of the four tests in Section 31-222 of the law.

The objective of the tests is to cover, under one state law, all service performed for one employer by an individual. In determining the state to which wages are reportable, factors are to be considered in the following order:

(1)	Place where work is localized.
(2)	Site of base of operations.
(3)	Site from which operations are directed or controlled.
(4)	Site of employee's residence.

1. Place Where Work is Localized:

Service shall be deemed localized within a state if all the work is performed within one state and constitutes "employment" under the law.

If part of the work is performed outside the state, however, the entire work may still be said to be localized within the state if the services which are performed outside the state are incidental to the services performed within the state. The term "incidental" includes any service which is temporary or transitory or consists of isolated transactions.

Incidental services may or may not be similar to the worker's normal occupation if they are performed within the same employer-employee relationship. That is, an employee who normally performs all such employee's services in one state may be sent by the employer to another state to perform tasks which are totally different in nature from the employee's usual work, or the employee may be sent to do similar work. If such services are temporary or transitory or consist of isolated transactions, they will be considered incidental to the principal employment and the employee's entire services will be subject to the state law where the principal employment is performed.

The amount of time spent, or the amount of work performed outside the state should probably not be decisive, in itself, in determining that such work is "incidental." It is conceivable, for example, that an employee normally working in one state might be sent on a special assignment to another state for a period of many months. The service in the second state might nevertheless be held to be localized in the first state if such special assignment is classified as an isolated transaction. When the localization test applies, no other factors can be considered. In such a case, the place of the base of operations or the place from which work is directed or controlled, or the location of the employee's residence is entirely irrelevant.

2. Site of Base of Operations:

When services are normally or continually performed in two or more states, it cannot be determined that the employment in one is incidental to the employment of the other. In such case, the test of localization is not applicable, and the factor, “base of operations,” must be considered.

Under the test of “base of operations,” an employee’s services may still be entirely covered by the law of a single state even though they are not localized therein. If an employee’s services are not localized in any state and some portion of the services is performed in the state where the base of operations is located, such state would be the proper one to receive contributions on an individual’s entire employment. The term “base of operations” may be taken generally to mean the place or fixed center of permanent nature from which the employee works, that is, from which he starts work and to which he customarily returns. It may be the worker’s business office, or an office maintained in the worker’s home. The base of operations, in the absence of other and more controlling factors, may be the place to which the worker has the worker’s mail, supplies and equipment sent or the place where the worker maintains business records. If the “base of operations” test applies, the place from which work is directed or controlled, or the location of the employee’s residence is entirely irrelevant.

3. Site From Which Work is Directed or Controlled:

In some instances, it is impossible to say whether an employee’s services are “localized” in any state. It may also be impossible to find any definite “base of operations” for such services. For example, a salesman’s territory may be so indefinite and widespread that the salesman will not retain any fixed business office or address but will receive orders or instructions by mail or wire wherever the individual may be. In such a case, although the work is not localized in any state and although there is no fixed “base of operations,” the services may still come under the provisions of a single state law, the law of the state in which the place of direction or control is located if some of the work is also performed in that state. It is apparent that wherever an employer-employee relationship exists, the place from which direction and control is exercised typically may be determined, no matter how general the control or how infrequently the directions are given. If this test applies, the location of the employee’s residence is entirely irrelevant.

4. Place of Residence:

When coverage cannot be determined by the other tests, it is necessary to apply the test of residence. Residence is a factor in determining coverage only when the individual’s service is not localized in any state, and the individual performs no service in the state in which the individual has the individual’s base of operation (if the individual has such a base), and the individual

performs no service in the state from which such individual's service is directed and controlled. When none of the other tests apply, an individual's service in its entirety is covered in the state in which the individual lives if some of such individual's service is performed in that state.

MULTI-STATE WORKERS

To provide continuity of coverage for individuals ordinarily working in more than one state for the same employer, where the tests described under the "Service Within and Without the State" section cannot be applied, most states have adopted legislation enabling them to enter into agreement with other states, under which such services are covered in a single state by election of the employer. Connecticut is a participating state in this program. Employers requesting this coverage for multi-state workers should contact the Employer Status Unit at (860) 263-6550 or dol.status@ct.gov.

INDEPENDENT CONTRACTORS (ABC TEST)

The Unemployment Compensation Law defines employment as any service performed under any expressed or implied contract of hire creating the employer and employee relationship. To be considered an independent contractor, an individual must meet all three of the following tests.

(A)	The individual must be free from control and direction in connection with the performance of the service, both under the individual's contract of hire and in fact; and
(B)	The individual's service is performed either outside the usual course of business of the employer, or outside of all the employer's places of business; and
(C)	The individual must be customarily engaged in an independently established trade, occupation, profession, or business of the same nature as the service performed.

Irrespective of whether the common law relationship of master and servant exists, the law holds that service will be considered covered employment unless all three conditions are met.

Determination of an independent contractor status is both technical and complex and should not be decided by employers. For questions, please contact the Field Audit Unit at (860) 263-6360.

EXCLUDED EMPLOYMENT – NON-GOVERNMENTAL OR NON-PROFIT EMPLOYERS

The law excludes the following service or employment from coverage unless assumed by the employer on a voluntary basis:

(1)	Employment in Connecticut which is subject to the provision of the Unemployment Compensation laws of another state.
(2)	Service not in the regular course of the employer's trade or business performed in any calendar quarter by an employee unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such employer(s) to perform such service.
(3)	News carriers under the age of eighteen who deliver newspapers to customers.
(4)	Insurance agents, except industrial life insurance agents, and real estate salespersons if the remuneration for service performed is solely by way of commission.
(5)	Outside sales representatives of a travel agency, if substantially all of such services are performed outside of any travel agency premises and if the remuneration for service performed is solely by way of commission.
(6)	Service performed in any calendar quarter in the employ of a school, college or university by a student who is enrolled and is attending classes at such school on a regular basis, or by the spouse of such student if such spouse is advised there is no Unemployment Compensation coverage.
(7)	Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and regularly attending classes in such nurses' training school and service performed as an intern in the employ of a hospital by an individual who has completed a four-year course in a medical school.
(8)	Service performed in the employ of a hospital by a patient of such hospital.
(9)	Service performed by an individual in the employ of their son, daughter, or spouse and service performed by a child or stepchild under the age of twenty-one (21) in the employ of their father or mother. In the case of partnerships, an individual must bear an exempt relationship to each of the partners in order for the individual's wages to be exempt. These exclusions do not apply if the employing entity is a corporation, regardless of the ownership of the corporation because it is the corporation that is the employer. Voluntary acceptance of coverage for this service is prohibited.
(10)	Service by an individual who is enrolled at a school as a student in a qualified program which combines academic instruction with work experience.
(11)	Service performed in the employ of a church or convention or association of churches, or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled or principally supported by church or convention or association of churches, or by a duly ordained commissioned or licensed minister of a church in the exercise of their ministry, or by a member or a religious order in the exercise of duties required by such order.

EXCLUDED EMPLOYMENT – GOVERNMENTAL AND NON-PROFIT EMPLOYERS

The law excludes from coverage the following services when performed in the employ of a government or a Section 501 (c)(3) non-profit organization:

(1)	Service as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof or of an Indian tribe, by an individual receiving such work relief or work training.
(2)	Service in a qualified rehabilitation facility by an individual receiving such rehabilitation.
(3)	Service performed by an individual in the employ of any town, city, or other political subdivision, provided such service is performed in lieu of payment for any delinquent tax payable to such town, city, or other political subdivision.
(4)	Service performed by elected officials, members of legislative bodies, members of the judiciary, of a state or political subdivision or Indian tribe.
(5)	Service performed by members of the state national guard or air national guard and temporary employees performing service in case of fire, storm, snow, earthquake, flood, or similar emergencies.
(6)	Appointed officials in non-tenured policy making or advisory positions designated by state law or tribal law.
(7)	Service performed by an individual in a policy making position, the performance of which ordinarily does not require more than eight hours per week.

NOTE: Employers Who Are Not Liable to Pay Unemployment Insurance Taxes Must Notify Their Employees—Any employer that is not liable under the law to pay unemployment insurance taxes and has not accepted voluntary liability must notify, in writing, anyone it employs that is not subject to the provisions of this chapter.

RECORDS TO BE MAINTAINED BY EMPLOYERS

All employers are required to maintain accurate records of employment. These records must be available for inspection during normal working hours on normal working days by Field Auditors, Revenue Agents and other authorized representatives of the Department of Labor.

EMPHASIS ON UI PROGRAM INTEGRITY

CTDOL is taking a number of proactive steps to decrease unemployment benefit overpayments. Our focus includes recovery of overpayments, fraud detection, and fraud prevention. Employers can actively prevent improper UI benefit payments, reduce employer costs, and avoid legal consequences in three simple steps.

1. Report all new hires/rehires
2. Respond to requests for verification of employee earnings to the state UI program.

3. Provide separation information to the state UI program by the specified due date.

The following is a list of things employers should know in order to minimize their unemployment costs:

1. Unemployment Insurance Is Funded By Employers.
   In the majority of states (including CT) UI benefit funding is based solely on an employer tax.

2. Improper UI Payments Are A Growing Burden On American Employers**.**
   Timely and accurate responses would help to reduce improper payments.

3. Improper UI Payments Can Have A Direct Financial Impact On Employers.
   Improper payment of benefits, resulting in overpayments, can result when inaccurate information is provided by the claimant or employer, or when information is not received by state UI agencies in a timely manner. Unrecovered overpayments can affect the UI Trust Fund balance and could result in higher taxes for all employers.

4. Employers Are An Important Partner In Reducing Improper Payment Of UI Benefits.
   Employers can help the state reduce improper payment of UI benefits by reporting employee information timely and accurately.

5. Employers Should Report New and Rehired Employees to the State Directory of New Hires by the Due Date. https://www1.ctdol.state.ct.us/lmi/newhire2.asp
   Timely submission of this information allows employers to play an important role in reducing improper UI benefit payments.

6. Verification Of Employee Earnings Will Help Prevent Incorrect Payment Of UI Benefits.
   Accurate and timely verification of employee weekly earnings, when requested, ensures that the correct amount of UI benefits is paid. Late responses to a “Request for Verification of Weekly Earnings” can result in an improper payment of UI benefits.

7. Accurate and Timely Reporting of Separation Information Ensures That UI Benefits Are Only Paid to Qualified Claimants.
   Employers are required to provide employee separation information to the state UI program by the specified due date. This information is used, in part, to determine the claimant’s eligibility for UI benefits.

8. Payment of Unemployment Insurance Benefits Impacts Business Taxpayers.
   Employers Are Required, By State Law, To Report Timely and Accurate Information to The State UI Agency.
   Deliberately reporting false or incomplete information or failure to respond to a request for information is against the law.

9. There Are Serious Consequences For Failure To Comply With UI Requirements.
   Consequences could include inaccurate charging of employers' accounts and a possible increase in employers' experience ratings. Also, failure to participate by providing a timely and adequate response to the Administrator's notice of a fact-finding or request for information on a claim for unemployment compensation benefits will prevent relief of its proportionate share of charges in the event a claimant is paid due to such non-participation.

10. Know Your Responsibilities and Ask for Help**.**
    Employers are responsible for understanding the requirements to report employee quarterly wages, separation information, verification of weekly earnings, and new and rehired employees.

NEW HIRES REPORTING

Employers conducting business in Connecticut are required to report all hires to CTDOL within 14 days of the date of hire or within 20 days if reporting via fax or postal mail. This information will be used to assist the Connecticut Department of Social Services in the enforcement of child support obligations. CTDOL may also use this information in a manner consistent with its governmental powers and duties.

To report a new hire to CTDOL, choose one of the 4 options below:

(1)	Report via Online Data Entry at the Connecticut Department of Labor New Hire Reporting website at **www.ctnewhires.com**. (click on the Online Data Entry option).
(2)	Report via Secure FTP at the Connecticut Department of Labor New Hire Reporting website at **www.ctnewhires.com** (must first obtain a Secure FTP Server account by emailing us at: dol.ctnewhires@ct.gov to request an account).
(3)	Fax a copy of the first page of the CT-W4 (Employees Withholding or Exemption Certificate) with **all** employer and employee information clearly completed to: **Fax # 1-800-816-1108**.
(4)	Mail a copy of the first page of the CT-W4 (Employees Withholding or Exemption Certificate) with all employer and employee information clearly completed to: **Connecticut Department of Labor** **Office of Research, Attn: CT-W4** **200 Folly Brook Boulevard** **Wethersfield, CT 06109**

For questions concerning New Hire Reporting, please email **dol.CTNewHires@ct.gov** or call (860) 263-6310.

Note: Independent contractors whose services are valued at $5,000 or more over any twelve-month period and are not themselves registered with the Connecticut Department of Labor for unemployment insurance tax purposes or are not employees of a registered employer, are to be reported as a new hire by the company contracting their services.

SOCIAL SECURITY NUMBERS

Employers must keep records of the Social Security Numbers of employees. Since all wage and claimant records in this agency are maintained by Social Security Number, it is important that numbers are correct and listed on the "Quarterly Tax and Wage Report" and on other forms or correspondence relating to an employee or employees.

DISPLAY OF POSTERS

All liable employers must display a poster furnished by this agency to inform workers that their employer is covered by the Connecticut Unemployment Compensation Law. To obtain a poster please contact the Employer Status Unit at (860) 263-6550 or dol.status@ct.gov.

TAX LIABILITY

Taxable Wages—Employers must report their total gross payroll each quarter; however, earnings in excess of the taxable wage base per individual from the same employer in any one calendar year are not subject to tax.

The taxable wage base effective January 1, 2024 is $25,000.00. Effective January 1, 2025, the taxable wage base will be indexed annually due to inflation. Earnings by the employee from previous employers is not to be considered by the present employer in determining the taxable base of remuneration unless the present employer is a successor to a previously liable employer. If a worker has two jobs at the same time, each employer must report the wages paid to the worker to the maximum tax base in a calendar year.

In determining the maximum taxable wage base paid to a worker, the employer may include remuneration paid by him for services in other states if he paid taxes on the employee's wages to the other states.

Remuneration generally includes:

Salary	Vacation Pay
Cash Wages	Severance Pay
Cafeteria Plans	Bonuses
Value of Fringe Benefits Subject to FUTA	

(1)	Commissions are remuneration except to outside sales representatives of a travel agency, if all such services are performed outside of any travel agency premises, insurance agents (except industrial life insurance agents), and real estate salespersons, if paid solely by way of commission.
(2)	The cash value of all renumeration paid in any medium other than cash is remuneration. This includes meals, lodging, rent, clothing, and merchandise.
(3)	Employee deferred contributions is remuneration in the year deferred.
(4)	Tips and gratuities paid directly to employees by customers is remuneration if accounted for by the employee to the employer.
(5)	Sick pay paid within six months of the last day worked is considered remuneration.

Non-Taxable Remuneration—Renumeration does not include:

(1)	Payments an employer is not legally required to make to employees on leave of absence for military service or training.
(2)	Payments of the employee's share of the Social Security Tax by the employers for domestic and agricultural employees.
(3)	Pension payments to a retired employee for past service.
(4)	Unless subject to FUTA, payments made to, or on behalf of an employee under a plan or system established by an employer which makes provision for the employer's employees generally or for a class or classes of employees, including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment, on account of retirement, sickness, or accident disability or medical hospitalization expenses in connection with sickness or accident disability or death.

REPORTING OF TIPS RECEIVED

Whenever tips or gratuities are paid directly to an employee by a customer or an employer, the amount which is accounted for by the employee to the employer is considered wages. The amount reported quarterly by the employee for Social Security purposes is to be considered an accounting by the employee.

The amount of tips claimed by an employer as a credit against the minimum wage for any individual shall constitute wages unless the employee has certified a greater amount of tips received. Wages reported for any employee must not be less than the minimum provided by law.

The minimum wage law limits the amount of tips or gratuities that may be included as part of the hourly minimum wage. For further information contact the Wage and Workplace Standards Division, telephone # (860) 263-6790.

In determining wages of employees who receive tips and gratuities, the amounts charged to customers as a "service charge" and distributed by the employer to employees are wages.

REPORTING OF WAGES/CONTRIBUTIONS

Filing of UI Tax and Wage Reports – All employers are required to file and pay quarterly Tax and Wage Reports electronically. Employers who have had no employees or paid no wages during any calendar quarter are required to file a zero-wage report.

Here are the various filing methods:

(1)	Manually enter an individual Tax and Wage Report via ReEmployCT.
(2)	Electronically upload an individual Tax and Wage Report via ReEmployCT.
(3)	Hire a Third-Party Agent (TPA) to file on your behalf.
(4)	Utilize desktop payroll software from third party vendors that allows employers to file and pay quarterly unemployment taxes over the Web using the Federal/State Employment Tax (FSET) format.

Note: If you are an employer with a corporate payroll department wanting to bulk upload Tax and Wage Reports for all subsidiaries, you must register as a Third-Party Administrator (TPA). Please contact our Employer Tax Accounting Unit at (860) 263-6470 or dol.etau@ct.gov.

Due Dates for Tax and Wage Reports:

(1)	1st Quarter returns and payments due on or before 4/30.
(2)	2nd Quarter returns and payments due on or before 7/31.
(3)	3rd Quarter returns and payments due on or before 10/31.
(4)	4th Quarter returns and payments due on or before 1/31.
(5)	Please note: Reimbursing employer quarterly return due dates are extended 15 days beyond the dates noted above.

If a due date happens to fall on a Saturday, Sunday, or holiday, then the due date will be the next business day.

Amending Tax and Wage Reports – Previously filed returns may be corrected by filing an Adjusted Tax and/or Wage Reports online. Amendments to Tax and Wage Reports will not be accepted beyond three years from the due date of such reports.

STATUTORY FEES, INTEREST, PENALTIES AND FINES

The Connecticut Department of Labor is governed by state and federal laws that require fees, interest, penalties, and fines in certain circumstances applicable to Connecticut Unemployment Insurance Taxes. The following is a complete list of the type of late charge or fine, and the relevant Connecticut General Statute (CGS).

TYPE	CGS
Late Filing Fee	31-225a(j)(3)
Interest	31-265
Penalty	12-35
Untimely Registration Civil Penalty	31-223(h)
Non-Electronic Registration Civil Penalty	31-223(h)
Untimely Notice of Acquisition Civil Penalty	31-223(h)
Non-Electronic Notice of Acquisition Civil Penalty	31-223(h)
SUTA Dumping Penalty/Fine	31-223b(d)(1); 31-223b(e)
Wilful Failure to Declare Payment of Wages Penalty	31-273(e)

Interest and Penalty Charges for Late Payment

Taxable Employer:

(1)	There is an interest charge per month or fraction thereof on the amount of the contributions due and unpaid after the quarterly due date. Payments are considered timely if received by the Department by the due date.
(2)	A penalty of $50 or 10 percent of contributions due, whichever is greater, is charged on contributions not paid within 30 days of their quarterly due dates.

Reimbursable Employer:

(1)	There is an interest charge per month or fraction thereof on the amount of the charges due and unpaid after the quarterly due date. Payments are considered timely if received by the Department by the due date.
(2)	A penalty of $50 or 10 percent of charges due, whichever is greater, is charged on charges not paid within 30 days of their quarterly due dates.

Late File Fee—Any employer that fails to timely file a Tax and Wage Report shall be liable to the Administrator for a late filing fee of twenty-five dollars.

Collection of Amounts Past Due—The Administrator may use any legal means provided by Unemployment Insurance law for the collection of taxes as well as any means provided by Connecticut General Statutes Section 12-35. This includes, but is not limited to, Personal Property Liens, Real Estate Liens, and Garnishments.

Missing Tax Returns for Contributory Employers—Connecticut General Statutes Section 31-270 requires that the Administrator shall determine the amount of contribution due. This determination will become fixed after 30 days from the date of this Assessment Notice unless you file your Employer Tax and Wage Report or appeal to the Superior Court within those 30 days.

ASSESSMENT

Special Assessment (when applicable)—If it becomes necessary to borrow federal funds to pay Unemployment Compensation benefit claims because the Unemployment Trust Fund is insolvent, a special assessment may be levied. Section 31-225a of the Connecticut General Statutes provides that each contributing employer pay an assessment at a rate established by the Administrator sufficient to pay interest due on unemployment compensation loans received from the federal unemployment account. The amount of the assessment is determined by multiplying the employer's taxable payroll for the applicable experience period by the assessment ratio. Successor employers are liable for the special assessment based on their taxable wages and the taxable wages of any predecessor employer(s) for the applicable experience period. Interest is charged on special assessment amounts unpaid after thirty (30) days from the billing date. Penalty is charged on any special assessment amount unpaid after sixty (60) days from the billing date.

Bond Assessment (when applicable)—As an alternative to federal borrowing, the Connecticut General Assembly enacted legislation Section 31-264b of the Connecticut General Statutes allowing Unemployment Compensation loan financing through the issuance of bonds. The Department of Labor and the Office of the State Treasurer developed a bond program for the repayment of the UI Trust Fund debt.

Upon the issuance of any revenue bonds each contributing employer shall pay an assessment to the Administrator at a rate established by the Administrator sufficient to pay the interest due on advances from the Unemployment Compensation Advance Fund and reimbursements required for advances from the Unemployment Compensation Advance Fund. The Administrator shall establish the assessments as a percentage of the charged tax rate for each employer. Successor

employers are liable for the bond assessment based upon their taxable wages and the taxable wages of any predecessor employer(s) for the applicable experience year. Interest is charged on special assessment amounts unpaid after thirty (30) days from the billing date. Penalty is charged on any special assessment amount unpaid after sixty (60) days from the billing date.

ELECTION TO CHANGE PAYMENT OPTION

Employers may change the method of payment by filing a written notice to this effect with the Administrator, not later than thirty (30) days (December 1) prior to the beginning of the taxable year (January 1) for which such change will be effective. However, employers electing to change from the reimbursement method to the regular tax payment basis will continue to be liable for the reimbursement of benefit payments for the duration of the current benefit year established by a claimant prior to the date of change of payment method.

When a new claim is initiated after the change to the regular tax method, the employer will still be charged for any benefits attributable to wages in the claimant's base period which were paid prior to the change.

Employers may elect the reimbursement method of payment for a period of not less than one year, or for not less than 2 years if they change from the regular tax to the reimbursement method.

BONDS FROM FOREIGN CONTRACTORS

Any employer in contract construction activity in this state, who has its base of operations and incorporation in another state and who employs Connecticut labor, shall furnish the Administrator a surety bond prior to beginning any construction activity. Please contact the Delinquent Accounts Unit at (860) 263-6379.

RETROACTIVE WAGE PAYMENTS

Each employer who is required to make a retroactive wage payment under an arbitration or other award (including workers' compensation) must notify the Administrator of this fact. If the employer deducts from the settlement the amount of unemployment benefits paid for the same period of time covered by the award, the amount deducted must be repaid to the Administrator. Wages must be reported in the quarter actually paid to the claimant but may be reflected for the employee's benefit to the period in which they would have been paid if the claimant had not been separated from employment.

PROHIBITION ON DEDUCTION FROM WAGES

No portion of contributions paid by an employer to the Connecticut Unemployment Compensation Fund may be deducted from the wages of an employee.

FILING PROCEDURE IF NO EMPLOYEES

An employer, once determined liable under the contribution method of payment, must continue to file quarterly tax and wage reports even if they have no employees and the business is still operating in Connecticut. If no wages are paid in a quarter, or if no taxes are due, a tax and wage report must still be filed.

LIMITATION ON DETERMINATION OF LIABILITY

The Administrator may determine liability for contributions due not later than three years from the date the employer became liable for the payment of contributions. The determination of liability becomes final twenty-one (21) days after written notice to the employer unless an appeal is filed with the Administrator.

EMPLOYER AUDITS

The Federal Government requires the Connecticut Department of Labor to audit a percentage of Connecticut employers each year. Audits ensure that wages have been correctly reported and that employees have not been misclassified. Records must be available for sixteen quarters or three years plus the current year. All business records are subject to examination.

SUTA DUMPING

Connecticut has enacted legislation to ensure our state's compliance with federal mandates relating to SUTA (State Unemployment Tax Act) Dumping, which occurs when a registered employer transfers payroll to a new or different registered or unregistered organization, primarily for the purpose of reducing its UI experience tax rate.

PROFESSIONAL EMPLOYER ORGANIZATION (PEO)

Connecticut Department of Labor (CT DOL) does not recognize co-employment relationships between professional employer organizations (PEO's) and their clients for State Unemployment Tax reporting purposes. Connecticut is a client-reporting state in this regard, meaning that the wages of employees a PEO provides to its client under a Client Services Agreement must be reported under the client's company name, registration number, and contribution rate, and not under the PEO. Thus, Connecticut Department of Labor will not issue a State Unemployment Tax Account number to a PEO, except in instances where the PEO has one or more of its own internal employees working in Connecticut.

EXPERIENCE RATING

Rate for Newly Liable Employers—If the employer's account has not been chargeable with benefits for a sufficient period of time to be experience rated, the employer's rate is the higher of one (1) percent or the state's five-year benefit cost rate. The state's five-year benefit cost rate is computed annually by dividing the total benefits paid to all claimants during the five consecutive calendar years preceding the computation date by the total amount of taxable wages reported by all employers for the same period.

Contribution Rates and Eligibility Requirements for a Rate Based on Experience – Employer contribution rates are established on a calendar year basis. Qualification for a rate based on experience (the ratio of chargeable benefit payments to taxable payroll) requires that an employer's "experience amount" be chargeable with benefits for at least one full year ending June 30th of the year preceding the year during which the rate will be in effect.

Employers chargeable with benefits for two full "experience years" are rated on the basis of those two years, employers chargeable for three or more years are rated on the basis of the most recent three years.

Effective January 1, 2024, the following UI Tax changes affect the calculation of Contribution Rates:

(1)	Charged rates in calendar years 2024, 2025, 2026, and 2027 will be reduced by factors of 1.471, 1.269, 1.125, and 1.053 respectively.

(2)	10.0% • To minimize the short-term impact of the increase in the maximum charged rate, the factors listed above for calendar years 2024, 2025, 2026, and 2027 are applied to arrive at the maximum charged rate. As such, the maximum charged rates for calendar years 2024, 2025, 2026, and 2027 will be reduced to 6.8%, 7.9%, 8.9% and 9.5% respectively. • Beginning with calendar year 2028, the maximum charged rate will be 10.0%.
(3)	The state's maximum fund solvency tax rate is reduced from 1.4% to 1.0%. The maximum fund solvency tax rate is further reduced to 0.5% during years in which an economic recession has been declared.
(4)	Benefit ratio adjustment: If the average benefit ratio of all employers within a sector of the North American Industry Classification System (NAICS) increases by 1% or more over the average benefit ratio of that sector from the previous year, then the benefit ratio of each employer within such sector shall have their individual benefit ratio reduced by one-half of the increase.

CALCULATING EMPLOYER TAX RATES

Benefit Ratio – Employers' experience rates are computed by dividing the total benefits charged to an employer's experience account for the experience period (one to three years) ended the previous June 30th by the employer's taxable wages for the same period which have been reported by the employer on or before the following September 30th. This figure is the employer's "Benefit Ratio" which, rounded to the next highest one tenth of one percent, is the employer's "charged rate."

Benefit Ratio Adjustment – Pursuant to Public Act 21-200, beginning with rate year 2024, if the average benefit ratios calculated for all employers within a sector of the North American Industry Classification System increase over the prior calendar year's average by at least .01, the benefit ratio of each employer within such sector shall be reduced by an amount equal to one-half of the increase.

Charged Rate – The Final Benefit Ratio, rounded to the next higher one-tenth of one percent, shall constitute the employer's Charged Rate, subject to applicable statutory minimum and maximum rates. The state's minimum charged rate is 0.1% and the maximum charged rate is 10%. Pursuant to Public Act 21-200, for rate years 2024 through 2027, the Charged Rate shall be reduced by the following divisors: 2024, 1.471; 2025, 1.269; 2026 1.125 and 2027 1.053. After applying the divisor, the minimum charged rate cannot be less than 0.1%.

Fund Balance Tax Rate—This rate is added to the charged rate of all employers to obtain the new contribution rate. The Fund Balance Tax Rate is determined by the balance in the Unemployment Compensation Fund as of December 30th preceding the tax year. The Fund Balance Tax Rate ranges from 0.0% to 1.0% and it is the same for all employers.

Penalty Tax Rate – This rate is added when an employer knowingly violates Connecticut General Statutes section 31-223b.

A CLAIMANT'S UI BENEFIT ENTITLEMENT

CLAIMANT'S BENEFIT YEAR

A claimant's initial monetary determination establishes the amount of unemployment benefits available to the claimant during a specified period. This period, called the claimant's benefit year, begins with the calendar week of first filing and extends over the following 51 calendar weeks.

Under certain circumstances the benefit year may be increased to 53 weeks in order that the benefit year which follows will not include any part of the preceding year.

Each eligible claimant is entitled to receive regular benefits of twenty-six times the weekly benefit rate, chargeable to the employers who paid him wages during the base period. During periods of high unemployment, an additional thirteen to twenty weeks of extended benefits may be allowed. However, extended benefits are chargeable to the employer at only fifty percent, the balance being reimbursed by the Federal Government.

BASE PERIOD

The 12-month period from which wages are used to calculate a claimant's weekly benefit rate is called the base period. A claimant's wages during a specific 12-month period will determine the weekly benefit amount. The **Standard Base Period** is the first four of the last five completed calendar quarters. The **Alternate Base Period**, which is only used when a claimant does not qualify in the Standard Base Period, is the four calendar quarters immediately preceding the quarter in which the claim is filed. Finally, the **Special Base Period**, which only applies if a claimant does not qualify for unemployment benefits using the Standard Base Period or Alternate Base Period, can be used if the clamant had a break in employment because they were eligible for or were receiving workers' compensation or because they were properly absent from work under the terms of the employer's sick leave or disability leave policy.

This chart indicates the quarters illustrates the quarters for purposes of the Standard Base Period.

IF YOUR CLAIM IS EFFECTIVE ANY SUNDAY IN
January, February, or March,

THEN THE BASE PERIOD WILL BE...
The last 3 months (October - December) of the year before last,
and the first 9 months (January - September) of last year

IF YOUR CLAIM IS EFFECTIVE ANY SUNDAY IN
April, May, or June,

THEN THE BASE PERIOD WILL BE...
All 12 months (January - December) of last year.

IF YOUR CLAIM IS EFFECTIVE ANY SUNDAY IN
July, August, or September,

THEN THE BASE PERIOD WILL BE...
The last 9 months (April - December) of last year,
and the first 3 months (January - March) of the current year.

IF YOUR CLAIM IS EFFECTIVE ANY SUNDAY IN
October, November, or December,

THEN THE BASE PERIOD WILL BE...
The last 6 months (July - December) of last year,
and the first 6 months (January - June) of the current year.

DEPENDENCY ALLOWANCES

The Connecticut Unemployment Compensation Act provides for a dependency allowance of $15.00 for each dependent child under eighteen years of age, or for a full-time student under twenty-one years of age or for each incapacitated dependent child or for a non-working spouse to supplement any partial or total weekly benefit payment. The dependence allowance may not exceed 100% of the weekly benefit rate and may not exceed $75.00 per week. The dependency allowance is not charged to the employer's merit rating or experience account. Reimbursable employers are charged their proportionate share of the dependency allowance.

BENEFIT RATE AND DURATION

A claimant's weekly benefit rate is based upon one-twenty-sixth of the average of the claimant's total wages paid during the two highest quarters in the claimant's base period.

Individuals who have been identified as construction workers pursuant to CTDOL regulations are entitled to a weekly benefit rate based upon 1/26th of total wages paid during the highest quarter of wages in the claimant's base period. In order to qualify, the total base period wages must equal at least 40 times the weekly benefit rate.

Effective January 1, 2024, a claimant's minimum weekly benefit is indexed annually due to inflation. For 2025, the minimum weekly benefit rate is $42. Therefore, the minimum base period earnings requirement is $1680. However, the minimum benefit will revert to $15 and the minimum base period earnings requirement will revert to $600 when the federal government provides a fully federally funded supplement to the individual's weekly benefit amount.

The maximum weekly benefit rate is limited to 60% of the average production wage as determined by the Administrator in accordance with standards established by the United States Department of Labor, Bureau of Statistics, and is redetermined each year with the first Sunday in October. The annual increase in the maximum weekly benefit rate may not exceed $18.00 and is currently frozen at the maximum weekly benefit rate of $721 through October 2028.

REQUALIFICATION REQUIREMENT FOR A SUBSEQUENT BENEFIT YEAR

After having received benefits in a prior benefit year, no individual is eligible for benefits during a new benefit year unless the individual has again become employed and has been paid wages since the commencement of the prior benefit year in an amount equal to the greater of $300.00 or five times the individual's weekly benefit rate by an employer subject to the provisions of the Connecticut Unemployment Compensation Act or of any other State or Federal Unemployment Compensation Law.

A CLAIMANT'S RIGHT TO FILE FOR BENEFITS

All employees have the right to file for benefits. Any provision in an agreement between the employer and employee that indicates that a claimant may not file for benefits is null and void.

SEPARATION PACKET - UNEMPLOYMENT NOTICE, FORM UC-21

The employer is required by regulation to a provide a Separation Packet to all separating employees regardless of the reason for separation. The packet provides the individual with claims filing information. When it is either impossible or impracticable to give the packet and form to the separated employee, it must be mailed to the worker's last known address. Instructions for its preparation are shown on the form.

The employer should be careful in its preparation of the Form UC-21A, which is attached to a separation packet (UC-21/UC21A). **A critical element in filing an initial claim is the EAN, which is entered on the UC-21A Unemployment Notice.** Unless every item on the report, including the employer's correct Employer Account Number (EAN) and the employee's Social Security number, is accurately completed, the employer may be troubled later by inquiries from CTDOL because misinformation or lack of information can contribute to improper charges.

UI-21A – NOTICE TO EMPLOYER OF CLAIM FILED AND REQUEST FOR INFORMATION

The employer notification form UI-21A, "Notice to Employer of Claim Filed and Request for Information", is the notice that an individual has filed for unemployment benefits and shows the potential liability a company or organization may have. This form is automatically generated by the ReEmployCT system. The form allows an employer to protest depending on the reason for

separation. It also can help reduce fraud and non-fraud overpayments. CTDOL strongly believes that the UI- 21A notice is one of the first lines of defense in combatting unemployment fraud. The employer receives the notification by U.S. mail or email and, if they are signed up, through the SIDES system. If the employer is represented by a Third-Party Agent (TPA), the notice will go to the TPA.

The employer should respond to the notice and confirm or protest the claim application. If protesting, please provide details of the separation. Employers may respond to notifications:

- Through the SIDES system, if they are signed up with SIDES;
- Through ReEmployCT QuickAccess;
- Or by fax: (866) 754-1410

THE BENEFITS OF UTILIZING SIDES (State Information Data Exchange System)

SIDES is a software tool that is used in 50 U.S. jurisdictions to electronically exchange unemployment insurance information with employers. SIDES is sponsored by the U.S. Department of Labor (USDOL) and is a part of the National Association of State Workforce Agencies (NASWA). SIDES empowers users to electronically request and respond to UI information requests quickly, accurately, and securely. Learn more about SIDES here:

SIDES - State Information Data Exchange System.

UI BENEFIT CHARGING – TAXABLE EMPLOYERS

Each employer who paid a claimant wages in the base period of his claim is potentially chargeable for a portion of each benefit payment made to that claimant. The employer's charge is based on the percentage of base period wages that it paid to the claimant, relative to the total wages paid by all base period employers. For example, an employer who paid the claimant 23% of the base period wages will be chargeable for 23% of each benefit payment made during that benefit year.

The UI-21A, which is sent to employers upon the filing of a claim by an individual, will show the wages paid by the employer during each quarter of the base period. This form will also reflect the chargeable weekly amount and the maximum benefits chargeable to the employer during the benefit year. Employers may use this form to protest the separation and potential charges. The response must be received within ten (10) days of the date sent.

If the claimant is found to be eligible for unemployment benefits, the employer will be sent the UI-SEP_EMPLR form, and the employer must protest/appeal the determination within twenty-one (21) days of the determination.

The employer will not be charged if the claimant was separated under disqualifying conditions, provided the employer protests in a timely manner and otherwise participates in a timely and adequate manner to Administrator requests for information. The employer will also be granted relief from being charged based upon certain provisions in the Unemployment Compensation law.

The employer's appeal right is limited to the first notice given in connection with a claim which sets forth his appeal rights. No issue may be appealed if notice of the right to appeal such issue has previously been given. For example, if the employer has been issued a notification following an approval of a separation issue, an appeal on that same separation may not be taken on the basis of a subsequently issued Quarterly Statement of Experience Charges.

Every calendar quarter, the CTDOL sends employers a Statement of Benefit Charges notice that reflects any charges that have occurred since the employer's prior statement. The notice includes the claimant's information and the weeks for which benefits have been paid as well as the amount chargeable to the employer.

In ReEmployCT, employers will see all activity in their accounts. If an employer has filed an appeal against a claim, the employer continues to see that charge until a decision is rendered in appeals. If the appeal is decided in favor of the employer, CTDOL will issue a credit to the employer. That credit will be in future quarterly notices against the calculation of a future tax rate. It is not a retroactive credit.

Inquiries concerning benefit charges or Merit Rating may be directed to the Merit Rating Unit: email: dol.meritrating@ct.gov; mailing address: State of Connecticut Labor Department, Employment Security Division, 200 Folly Brook Boulevard, Wethersfield, Connecticut 06109-1114; telephone: (860) 263-6705.

UI BENEFIT CHARGING - REIMBURSING EMPLOYERS

Each employer selecting the Reimbursement method must pay to the Administrator the total amount of its proportionate share of unemployment benefits paid to a former employee. Employers using the Reimbursement option must reimburse the Unemployment Compensation Fund monthly for benefits attributable to wages paid by them plus the

dependency allowance. Each employer's charge is based on the percentage of base period wages it paid to the claimant. For example, an employer who paid the claimant 23% of the base period wages will be chargeable 23% of each benefit payment made during that benefit year.

Similar to taxable employers, reimbursing employers receive the UI-21A, which is sent upon the filing of a claim by a former employee and shows the wages paid by the employer during each quarter of the base period. This form will also reflect the chargeable weekly amount and the maximum benefits chargeable to the employer during the benefit year. Employers may use this form to protest the separation and potential charges. The response must be received within ten (10) days of the date sent.

If the claimant is found to be eligible for unemployment benefits, the employer will be sent the UI-SEP_EMPLR form, and the employer must protest/appeal the determination within twenty-one (21) days of the determination.

The employer will not be charged if the claimant was separated under disqualifying conditions, provided the employer protests in a timely manner and otherwise participates in a timely and adequate manner to Administrator requests for information. The employer will also be granted relief from being charged based upon certain provisions in the Unemployment Compensation law. This is not true for a reimbursable employer. The only reason they are not chargeable is because the claimant is not collecting benefits. If the claimant is eligible the reimbursable employer is liable (with three exceptions).

The employer's appeal right is limited to the first notice given in connection with a claim which sets forth his appeal rights. No issue may be appealed if notice of the right to appeal such issue has previously been given.

For example, if the employer has been issued a notification following an approval of a separation issue, an appeal on that same separation may not be taken on the basis of a subsequently issued Quarterly Statement of Experience Charges.

Every calendar quarter, the CTDOL sends employers a Statement of Benefit Charges notice that reflects any charges that have occurred since the employer's prior statement. The notice includes the claimant's information and the weeks for which benefits have been paid as well as the amount chargeable to the employer.

In ReEmployCT, employers will see all activity in their accounts. If an employer has filed an appeal against a claim, the employer continues to see that charge until a decision is rendered in appeals.

If the appeal is decided in favor of the employer, CTDOL will issue a charge credit to the contributory employer which will be used in the calculation of a future tax rate. Reimbursable employers will receive a charge credit against future billings.

Inquiries concerning benefit charges or Merit Rating may be directed to the Merit Rating Unit: Email: dol.meritrating@ct.gov; Mailing Address: State of Connecticut Labor Department, Employment Security Division, 200 Folly Brook Boulevard, Wethersfield, Connecticut 06109-1114; Telephone: (860) 263-6705.

In regard to Extended Benefits, nonprofit 501 (c)(3) employers pay one half of the extended benefits paid to claimants that are attributable to service in their employ. State government, municipal employers and Indian Tribes pay the total amount of extended benefits.

If benefits are based on base period wages from more than one employer, the amount to be paid into the Unemployment Compensation Fund is prorated among the employers in proportion to the base period wages paid by each employer to the individual.

DENYING THE USE OF WAGE CREDITS TO EMPLOYEES OF EDUCATIONAL INSTITUTIONS

Section 31-227(d) provides that a claimant who works in an educational institution for either the state, a municipality, or a non-profit organization may be denied the use of those wage credits earned in that employment if filing between regular terms or between academic years or during a school vacation or during a holiday recess and the claimant has a reasonable assurance of returning to work in the period immediately following such term break, vacation period or holiday recess in a capacity commensurate with or better than the most recent employment prior to the term break, vacation period or holiday recess. Educational employers should bear in mind that:

1. If a claimant works any part of a week at the beginning of a period between regular terms or between academic years for the educational employer, the week in question is not considered to be between terms and thus 31-227 (d) does not apply to that week.

2. If the employer does not have regular academic terms or semesters, the claimant when unemployed cannot be considered to be between academic terms or semesters.

3. In order for the claimant to be denied the use of **any** of his educational wages, the claimant must have a reasonable assurance of returning to a job as good as or better than the **most recent** educational employment. If so, the claimant will be denied the use of wage credits from any base period educational employers.

-and-

4. The between terms denial provisions of Section 31-227(d) are not applicable if the claimant crosses over from work in an instructional, research, or principal administrative capacity to work in some other capacity. For example, if an individual was employed as a teacher in one year and guidance counselor in the succeeding year the between terms denial would not apply during the summer.

ALLOCATION OF BENEFITS

Dismissal/Severance Payments – In all cases, a claimant's receipt of severance pay will now result in disqualification from receiving UI benefits for the period of time covered by the payment.

Dismissal/Vacation Pay - A claimant's receipt of accrued vacation pay at the time of dismissal will not disqualify the claimant from receiving UI benefits, if otherwise eligible. However, vacation pay issued to a claimant during a shutdown period will result in a disqualification or reduction in the UI benefits.

PENSION PAYMENTS

A claimant's weekly benefit rate is reduced by the proportion of the prorated weekly amount of the pension, retirement, annuity or other similar periodic payment which is equal to the proportion of the plan that was contributed to by any base period employer.

Union Pensions are not deductible if the base period employer did not contribute to the pension fund. If the base period employer did contribute, the deduction from the claimant's weekly benefit rate will be based on the proportion of the plan contributed by this employer during the base period.

Non-Contributory Pension are deductible dollar for dollar if paid by a base period employer.

Contributory Pensions are deductible based on the proportion of the cost of the plan that was contributed by the base period employer during the base period.

Although the amount payable weekly is reduced, the total amount payable does not undergo a corresponding reduction. The number of weeks the claimant may receive the reduced benefits is limited only by the 52-week duration of the benefit year.

NONCHARGING SEPARATION PROVISIONS – TAXABLE EMPLOYERS ONLY

Voluntary Quits

The employer's account can be relieved of charges if, in the opinion of the Administrator, the claimant left suitable work voluntarily and without "good cause attributable to the employer."

Discharges

The employer's account can be relieved of charges if, in the opinion of the Administrator, the claimant was discharged for wilful misconduct, conduct constituting larceny of property or service whose value exceeds $25.00 or larceny of currency regardless of the value of such currency, felonious conduct, or participation in a strike, as determined by states or federal laws or regulations.

The term "wilful misconduct" means deliberate misconduct in wilful disregard of the employer's interest, or a single knowing violation of a reasonable and uniformly enforced rule or policy of the employer, when reasonably applied, provided such violation is not a result of the employee's incompetence. In the case of absence from work, "wilful misconduct" means an employee must be absent without either good cause for the absence or notice to the employer, which the employee could reasonably have provided under the circumstances for three separate instances within a twelve month period.

Drug Testing

If it is found by the Administrator that a claimant has been discharged or suspended because the claimant has been disqualified under state or federal law from performing the work for which he was hired as a result of a drug or alcohol testing program mandated by and conducted in accordance with such law, the claimant is disqualified until the claimant has earned at least 10 times the claimant's weekly benefit rate.

Refusal by a Claimant of an Offer of Rehire by the Charged Employer

The employer's account can be relieved of charges if the claimant refuses to accept reemployment and is disqualified for so refusing. It is the employer's responsibility to inform

this department by means of the appeal form attached to the charge notification, by a letter providing essential details, including the date of the offer, or by emailing the department at dol.meritrating@ct.gov. Should the claimant be disqualified after investigation of the circumstances, no further benefits will be chargeable; however, benefits preceding the week in which the refusal took place will remain charged to the employer's account. If the claimant refuses to accept reemployment with sufficient cause (he might have found another job, for example), no disqualification would attach to the refusal and the employer's account would remain chargeable.

Reinstatement of Employee Returning from Bona Fide Leave Under FMLA/PFML Laws

A taxable employer is not charged if an employee's separation from employment is attributable to the return of an individual who was absent from work due to a bona fide leave taken pursuant to sections 31-49f to 31-49t, inclusive, or 31-51kk to 31-51qq, inclusive.

OTHER NONCHARGING PROVISIONS – TAXABLE EMPLOYERS

The employer will also be granted relief from charges if timely appealed and it is determined by the Administrator that the claimant:

1. While on layoff from the claimant's regular work, accepted other employment and then leave such employment when recalled by the claimant's former employer,

-OR-

2. Left work with the employer which is outside the claimant's regular apprenticeable trade to return to work in the claimant's regular apprenticeable trade,

-OR-

3. Left work solely by reason of government regulation or statute,

-OR-

4. Left part-time work with the employer to accept other full-time work,

-OR-

5. Left the employer to care for a seriously ill spouse, parent or child,

-OR-

6. Left the employer due to the discontinuance of transportation other than the claimant's personally owned vehicle, provided no reasonable alternative transportation is available,

-OR-

7. Continued to be employed by the employer at the time the claimant established the claim to the same extent as the claimant had been during the claimant's base period,

-OR-

8. Had earnings of $500.00 or less from such employer during the claimant's base period,

-OR-

9. Left the employer to protect the individual or a child domiciled with the individual from becoming or remaining a victim of domestic violence,

-OR-

10. Was discharged for violating an employer's drug testing policy, provided the policy is consistent with state and federal law,

-OR-

11. Was unemployed due to a natural disaster declared by the President of the United States,

-OR-

12. Left the employer to accompany a spouse who is on active duty with the Armed Forces of the U.S. and is required to relocate by the Armed Force,

-OR-

13. Quit to accompany a spouse to a place from which it is impractical for the individual to commute due to a change in location of the spouse's employment,

-OR-

14. The individual lost their occupationally-required operator license due to an off-duty drug or alcohol test conducted in accordance with certain state motor vehicle laws,

-OR-

15. After purging a disqualification by reason of CGS §§ 31-236(a) (2), (6), or (9), a claimant is paid unemployment benefits in a week that is based upon wages paid by such employer with respect to employment prior to such separation.

NONCHARGE PROVISIONS – REIMBURSING EMPLOYERS

There are three non-charge provisions in Connecticut Unemployment Compensation Law that pertain to reimbursable employers.

1. The individual continued to be employed by the employer at the time the claimant established the claim to the same extent as the claimant had been during the claimant's base period;

2. The individual was unemployed due to a natural disaster declared by the President of the United States; and

3. The individual's separation from employment is attributable to the return of an individual who was absent from work due to a bona fide leave taken pursuant to sections 31-49f to 31-49t, inclusive, or 31-51kk to 31-51qq, inclusive.

This protest must be filed within a twenty-one-day time limit.

In all other instances, however, the rule is that if the claimant is payable, the reimbursable employer is chargeable its proportionate share of the payment. Thus, almost all appeals by a reimbursable employer deal with the question of the claimant's eligibility following the separation from the employer.

PREDETERMINATION FACT-FINDING

If the reason for the claimant's unemployment at the time the claimant is filing for benefits is a voluntary quit or a discharge for misconduct, or another issue where information is required from the employer to reach a decision on the claimant's eligibility, a fact finding will be conducted. An employer identified in the employer's claim for unemployment benefits will be sent the UI-21A and will be required to respond to all information on the form, as well as additional questionnaires that pertain to the issues at hand and other requests for information posed by the Administrator. For integrity purposes as well as to preserve the relief of charges in the event a claimant is paid due to lack of participation by the employer, the employer should fully participate in the fact-finding process and respond thoroughly to all requests for information. The employer should furnish all pertinent details, including dates and other similar information, relating to a separation or work refusal.

The validity of the Adjudications Specialist's decision is necessarily determined by the timeliness and adequacy of the facts provided by the employer and the claimant.

It will prove to the employer's advantage to provide full and accurate information at the outset, thereby minimizing the likelihood of further inquiries and the necessity of appealing from a decision, which may have been based on inaccurate or incomplete information.

EMPLOYER PARTICIPATION

State and federal law prescribe that an employer may not be relieved of charges when an overpayment occurs because the employer, or an agent of the employer, failed to respond timely or adequately to the request of CTDOL for information relating to an individual's claim for benefits. Sections 31-241 (a) and 31-273 (k) of the Connecticut General Statutes provide that where an employer failed to appear at the administrator's predetermination eligibility hearing or failed to submit a timely and adequate response, **the employer is liable for its proportionate share of any benefits paid to the claimant from the first payable week of benefits through the date the decision is ultimately reversed.**

The issue of an employer's nonparticipation in a fact-finding or in response to a request for information by the Administrator may not be the subject of an appeal until notification of the nonparticipation and the right to appeal is noticed in a decision by the Appeals Division.

NOTIFICATION TO EMPLOYERS OF APPROVAL OF CLAIM FOR BENEFITS, APPEAL PROVISIONS,AND THE EMPLOYMENT SECURITY APPEALS DIVISION

If benefits are approved, the employer whose account is to be charged will be issued a notification, which includes information concerning the employer's right to appeal the benefit award and the charging of benefits to the employer's account.

An employer may appeal the benefit award to the Employment Security Appeals Division by mail, fax, email, online, or self-service in ReEmployCT and the appeal must be in the CTDOL's possession within twenty-one (21) days from the date the notification was sent to the employer or bear a legible United States postal service postmark which indicates the appeal was in the hands of the postal service within the twenty-one-day appeal period.

Here is a link to the Appeals Division: Employment Security Appeals.

Appeals Referees and the Board of Review.

If the employer decides to appeal the Administrator's decision to pay benefits, the appeal will be heard by the Appeals Division Referee located in Waterbury or Middletown, CT. The appeal must be filed within twenty-one (21) days of the Administrator's determination, unless good cause can be shown for the late appeal. Similarly, an appeal of the Referee's decision may be taken to the Board of Review by the employer, the claimant, or the Administrator of the Unemployment Compensation Law – and also must be filed within twenty-one (21) days of the decision. An appeal of the decision of the Board of Review may be taken, in turn, to the Superior Court, and must be filed within thirty (30) days of the decision. If the benefit claim is not payable, no charge will occur, unless it is determined that the employer failed to participate in accordance with the law.

GLOSSARY

Following are definitions of terms frequently used in this booklet:

ADMINISTRATOR		The Commissioner of Labor
APPEAL	1.	An employer's right to appeal a determination of the Department on the premise that the determination is not legally correct or was based on incorrect or incomplete facts.
	2.	A former employee of a covered employer also has the right of appeal of the denial of or disqualification for benefits. All appeals must be in writing, specify reasons, and must be filed within the time limits prescribed.
BASE PERIOD		A 12-month period which is the first four of the last five completed quarters preceding the quarter in which the claim is filed.
ALTERNATE BASE PERIOD		A 12-month period which is four calendar quarters immediately preceding the quarter in which the claim is filed.
SPECIAL BASE PERIOD		
BENEFIT CHARGES		Amount of benefit payments charged to an employer's experience account.
BENEFIT YEAR		A period of 52 consecutive calendar weeks beginning with the week in which the individual first files a valid initial claim.
CALENDAR QUARTER		The three months ending on the last day of March, June, September, and December.
CLAIM		An application for benefits.
CLAIM-INITIAL		The application which establishes an unemployment compensation benefit year.
CLAIM-CONTINUED		Periodic (generally weekly) certifications for benefits during the benefit year.
CLAIM-ADDITIONAL		The renewal of a claim when payment of a claim is interrupted during the benefit year because the claimant has returned to work.
CLAIM-REOPENED		The renewal of a claim if the interruption is caused by a withdrawal from the labor force for a time.
COMPUTATION DATE		June thirtieth of the year preceding the tax year for which the tax rate was computed.
CONTRIBUTIONS		The Law refers to taxes as "contributions."

DETERMINATION		A decision by the Department that a claimant is or is not eligible to receive unemployment benefits.
DEPARTMENT		Connecticut Department of Labor.
EMPLOYMENT		Service performed for remuneration under a contract of hire which creates the relationship of employer and employee. It may either be an expressed or implied contract. Employment subject to the provision of the Law includes but is not limited to the following:
	1.	Regular or full-time employees.
	2.	Part-time employees who are employed on certain weekends.
	3.	Temporary employees hired for only a short period of time, such as for some special project.
	4.	Paid officers of a corporation and officers whose personal accounts are credited.
	5.	Employees generally compensated, in whole or in part, by commissions or gratuities.
EMPLOYER ACCOUNT NUMBER		Every employer subject to the law is assigned an employer account number (EAN) for identification purposes.
EMPLOYER NOTICES		Forms mailed or emailed to employers by the Department to notify them of matters affecting their interest.
EXPERIENCE PERIOD		The thirty-six consecutive months ending on June 30th.
EXPERIENCE YEAR		The twelve consecutive months ending on June 30th.

For a listing of CTDOL units, please visit our website at www.ct.gov/dol and select the "Contact Us" tab.