

Home Builders & Remodelers Association of Connecticut, Inc.

Please SUPPORT HB 6461, Improving the Unemployment Compensation System (Passed Labor 12 – 0)

HB 6461 adopts UC benefit reforms enacted by other states to reduce waste and return the unemployment trust fund to solvency. It does the following:

- **Raises the minimum earnings threshold to qualify for unemployment benefits from \$600 to \$2,000.** CT's current \$600 earnings threshold is the 2nd lowest in the U.S. and has not changed since the statute went into effect 50 years ago. Thirty-two states and territories require between \$2,000 and \$5,000 in earnings. *This change is projected to save \$5.6 million annually.*
- **Prohibits all claimants from receiving UC benefits until they have exhausted their severance pay.** *According to CT DOL, this change saves up to \$57 million per year.*
- **Bases UC benefits on three quarters of an employee's earnings rather than the two highest quarters.** Current law inequitably rewards seasonal workers, e.g., a seasonal worker earning \$30K over two calendar quarters receives the same UC benefit as a full-time worker who earns \$60K over four quarters. *This will save approximately \$68 million per year.*
- **Freezes the maximum weekly UC benefit rate in any year CT has not attained 70% of the UC trust fund's solvency goal.** The maximum benefit rate under current law is allowed to increase by \$18 every year, and did increase throughout the recession. Foregoing increases in years when the fund is unhealthy prevents the problem from getting worse. *This change saves about \$1.6 million per year – without reducing anyone's benefits from current levels.*

Restoring the UC trust fund to solvency helps ensure stability and avoids exponentially increasing UC taxes in the future. Please Support HB 6461.

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HBRACCT's Vision: "Building CT's Economy, Communities & Better Lives One Home at a Time."

HBRACCT's Mission: "Using Effective Advocacy & New Knowledge to Solve our Member's Problems."