

STATE OF CONNECTICUT UNEMPLOYMENT
COMPENSATION DEPARTMENT EXPERIENCE

(MERIT) RATING

and

BENEFIT PAYMENT PROCEDURES

2018

Prepared by:
Merit Rating Unit

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TABLE OF CONTENTS

CONTRIBUTION RATES AND ELIGIBILITY REQUIREMENTS FOR A RATE BASED ON EXPERIENCE	PAGE 1
Contribution Rates for Newly Liable Employers -----	PAGE 1
Transfers of Experience Ratings -----	PAGE 2
Contribution Rates for Qualified Employers -----	PAGE 2
The Charged Tax Rate-----	PAGE 2
Fund Balance Tax Rate-----	PAGE 3
Computing the Contribution Rate for 2018 -----	PAGE 3, 4
A CLAIMANT’S BENEFIT ENTITLEMENT -----	PAGE 5
Base Period -----	PAGE 5
Claimant’s Benefit Year -----	PAGE 5, 6
Benefit Rate and Duration -----	PAGE 6, 7
Dependency Allowances -----	PAGE 7
Pension Payments -----	PAGE 7
METHOD OF BENEFIT CHARGING -----	PAGE 8
EXAMPLE OF NOTICE OF POTENTIAL LIABILITY -----	PAGE 9a, 9b
Emphasis on UI Program -----	PAGE 10, 11
Integrity Report New and Rehired -----	PAGE 11
NON-CHARGING SEPARATION PROVISIONS -----	PAGE 12
Voluntary Quits -----	PAGE 12
Discharges -----	PAGE 12
Drug Testing -----	PAGE 12
Refusal by a Claimant of an Offer of Rehire by the Charged Employer -----	PAGE 12
Other Non-Charging Provisions -----	PAGE 13, 14
REQUALIFICATION REQUIREMENT FOR A SUBSEQUENT BENEFIT YEAR -----	PAGE 14
LOCAL OFFICE PREDETERMINATION HEARING -----	PAGE 14, 15
PART-TIME IMPAIRMENT LEGISLATION -----	PAGE 15, 16
NOTIFICATIONS TO EMPLOYERS OF APPROVAL OF CLAIM FOR BENEFITS AND APPEAL PROVISIONS -----	PAGE 16
Appeals Referees and Board of Review -----	PAGE 17
UNEMPLOYMENT NOTICE, FORM UC-61 -----	PAGE 17
EMPLOYER CHARGE NOTICES TO BE MAILED TO ADDRESS OF RECORD WITH THIS DEPT -----	PAGE 15
Only One Mailing Address Permitted -----	PAGE 18
QUARTERLY STATEMENT OF CHARGES -----	PAGE 19

CONTRIBUTION RATES AND ELIGIBILITY REQUIREMENTS FOR A RATE BASED ON EXPERIENCE

Employer contribution rates are established on a calendar year basis. A qualified employer’s rate is based on its unemployment-benefit experience. Qualification for a rate based on experience requires that an employer’s account be chargeable with benefits under the Connecticut Unemployment Compensation Law for at least one full fiscal year ending the preceding June 30th. (Employers chargeable with benefits for two full experience years are rated on the experience of those two years; employers chargeable with three or more years are rated on the basis of the most recent three years only.)

Contribution Rates for Newly Liable Employers

When an employer’s liability commences on or before March 25th of a given year, that employer does not qualify for a rate based on experience for that calendar year nor the calendar year which follows. If liability commences after March 25th, the employer will not qualify for that calendar year nor the following two calendar years.

An employer’s account that has not been chargeable with benefits for a sufficient period of time to experience rated is assigned a rate that is the higher of 1% or the State’s five-year benefit cost rate. The rate is computed annually by dividing the total benefits paid to claimants during the five consecutive years preceding the computation date by the taxable wages for the same period.

New Employer Rate 2017 = $\frac{\text{Benefit paid 2012 - 2016 inclusive}}{\text{Aggregate taxable wages 2012- 2016}} = 3.6\%$

The rate for 2018 is 3.6%; for 2017 the rate was 3.9%

Contribution Rate Statement, Form UC-54A, is issued in the following format to employers with insufficient experience to the merit rated.

CONNECTICUT DEPT OF LABOR UNEMPLOYMENT COMPENSATION STATEMENT OF EXPERIENCE ACCOUNT AND NEW CONTRIBUTION RATE FOR CALENDAR YEAR 2018 UC-54A (Rev. 5/00)			(860) 263-6705 MERIT RATING UNIT EMPLOYMENT SECURITY DIV. 200 Folly Brook Blvd. Wethersfield, CT 06109-1114	
1. Exp Yr. Ended	2. Benefit Charges	3. Taxable Payroll	Mailing Date December 29, 2017	
			See Information Below On Other Side	
			Benefit Rate	Charged Rate
Totals	#0	\$0	= 0.000	0.00%
			Fund Tax Rate New	0.0% 3.6%
Contribution rate				
YOU HAVE BEEN CHARGEABLE FOR LESS THAN ONE YEAR. YOU ARE ASSIGNED THE FIVE-YEAR BENEFIT COST RATE SPECIFIED BY LAW.				

Exp. Code 81

JOHN DOE
 1520 MAIN ST.
 YORKVILLE, CT

Transfers of Experience Ratings

The Connecticut Unemployment Compensation Law provides that “an employer who acquires substantially all of the assets, organization, trade or business of another employer who at the time of such acquisition was subject to this chapter shall immediately become subject to this chapter as a successor employer.” It further provides for the mandatory transfer of the experience of the predecessor employer(s) to the successor employer. All successor employers shall acquire the experience rating records of their predecessor(s), immediately upon acquisition. (If the successor employer is newly liable, it will be ratable only if its predecessor was.) If the successor was already liable, the successor employer’s contribution rate shall be determined by the combined experience of the predecessor and successor employers effective as of the date of acquisition and for each year thereafter.

An employer who acquires a portion, but less than substantially all of the assets, organization, trade or business of a predecessor employer, which portion had been operated as a segregated unit, may succeed to the experience of the predecessor employer with respect to such segregated unit provided that the rights to such experience are waived by the predecessor.

Contribution Rates for Qualified Employers

Each qualified employer’s contribution rate consists of a percentage which is the sum of:

1) the individual employer’s charged (experience) rate

AND

2) the Fund Balance (solvency) Tax Rate

The Charged Tax Rate

The Charged Tax Rate for 2018 is derived from the employer’s experience during the three-year period beginning July 1, 2014 and ending June 30, 2017 (If the employer’s account has been chargeable with benefits for at least one year as of June 30, 2015 but less than three years, the greater of one or two fiscal years that the employer’s account has been chargeable with benefits will comprise the experience period). In order to establish the employer’s charged rate, a benefit ratio is calculated by dividing the total benefit payments charged to the employer’s account during the experience period by the total taxable wages paid by the employer during the same period which were reported by the employer to the administrator by the following September 30th. If the resultant quotient is not an exact multiple of .1%, the figure is raised to the next higher .1%. If the quotient (the employer’s benefit ratio) is less than .5%, the charged rate will be .5%, the minimum permitted by law. If the benefit ratio exceeds 5.4%, the charged rate will be 5.4%, the maximum under the law.

Fund Balance Tax Rate

(f) (1) For each calendar year commencing with the calendar year 1994 but prior to calendar year 2013, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund equal to eight -tenths of one per cent of the total wages paid to workers covered under this chapter by contributing employers during the year ending the last preceding June thirtieth. If the fund balance tax rate established by the administrator results in a fund balance in excess of said percent as a December thirtieth of any year, the administrator shall, in the year next following, establish a fund balance tax rate sufficient to eliminate the fund balance in excess of said per cent. For each calendar year commencing with calendar year 2013, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund that results in an average high cost multiple equal to 0.5 commencing with calendar year 2014 and ending with calendar year 2018, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund that results in an average high cost multiple that is increased by 0.1 from the preceding calendar year. Commencing with calendar year 2019, the administrator shall establish a fund balance tax rate sufficient to maintain a balance in the Unemployment Compensation Trust Fund that results in an average high cost multiple equal to 1.0. If the fund balance tax rate established by the administrator results in a fund balance in excess of the amount prescribed in this subdivision as of December thirtieth of any year, the administrator shall, in the year next following, establish a fund balance rate sufficient to eliminate the fund balance in excess of said amount. The assessment levied by the administrator at any time (A) during a calendar year commencing on or after January 1, 1994, but prior to January 1, 1999, shall not exceed one and five-tenths per cent, (B) during a calendar year commencing on or after January 1, 1999, shall not exceed one and four-tenths per cent, and shall not be calculated to result in a fund balance in excess of eight-tenths of one per cent of such total wages, and (C) during a calendar year commencing on or after January 1, 2013, shall not exceed one and four-tenths per cent and shall not be calculated to result in a fund balance in excess of the amounts prescribed in this subdivision.

(2) The average high cost of multiple shall be computed as follows: The result of the balance of the Unemployment Compensation Trust Fund on December thirtieth immediately preceding the new rate year divided by the total wages paid to workers covered under this chapter by contributing employers for the twelve months ending on the December thirtieth immediately preceding the new rate year shall be the numerator and the average of the three highest calendar benefit cost rates in (A) the twenty years, or (B) a period including the last three recessions, whichever is longer, shall be the denominator. Benefit cost rates are computed as benefits paid including the state's share of extended benefits but excluding reimbursable benefits as a percent of total wages in covered employment. The results rounded to the next lower one decimal place will be the average high cost multiple.

Computing the Contribution Rate for 2018

With respect to Tax Year 2018, the employer's tax rate is computed as follows:

Benefit Charges for Exp. Period (1-3 years) ended June 30, 2017 = Benefit Ratio Taxable Payroll for same experience period

If not an exact tenth, round to higher tenth = Charged Rate Add Fund Tax Rate of 1.4% = Contribution Rate for 2018

Computing the Contribution Rate for 2018 (cont.)

EXAMPLE

Benefit Charges During the 3-year Experience Period Ended 6/30/17	3-yr. Txbl. Payroll (Period ended 6-30-17)	Benefit Ratio	Converted to Percentage	Rounded up For Charged Rate	Add Fund Balance Tax	Contribution Rate for 2018
\$16,300	\$1,000,000	= .016+	= 1.6+%	= 1.7%	+ 1.4%	= 3.1%

Since the minimum charged rate under the law is .5%, the minimum contribution rate for 2018 is 1.9% (.5% Charged Rate + 1.4% Fund Balance Tax Rate), the maximum Contribution Rate (5.4% Charged Rate + 1.4% Fund Balance Tax Rate) is 6.8%.

The Contribution Rate Statement, Form UC-54A, which will be issued to each eligible employer as shown below:

CONNECTICUT DEPT OF LABOR UNEMPLOYMENT COMPENSATION STATEMENT OF EXPERIENCE ACCOUNT AND NEW CONTRIBUTION RATE FOR CALENDAR YEAR 2018 UC-54A (Rev. 5/00)			(860) 263-6705 MERIT RATING UNIT EMPLOYMENT SECURITY DIV. 200 Folly Brook Blvd. Wethersfield, CT 06109-1114		
1. Exp Yr. Ended	2. Benefit Charges	3. Taxable Payroll			
June 30, 2015	\$4,500.00	\$350,000.00			
June 30, 2016	5,800.00	350,000.00			
June 30, 2017	6,000.00	300,000.00			
Totals	\$16,300.00	= \$1,000,000.00 =	Benefit Rate	Charged Rate	
			0.016+	1.7%	
			Fund Tax Rate	1.4%	
			New Contribution Rate	3.1%	
			<u>17</u> Exp Code		
JOHN DOE 1520 MAIN ST. YORKVILLE, CT					

A CLAIMANT'S BENEFIT ENTITLEMENT

Base Period

The agency determines the claimant's monetary entitlement to unemployment compensation benefits using the wages the claimant earned during a one year period, called the "Base Period." The base period consists of the first four of the five completed calendar quarters immediately preceding the quarter in which the claimant first filed for benefits. The quarter immediately preceding the quarter in which a claim is filed is referred to as the "Lag Quarter." The four quarters preceding the lag quarter constitute the base period. (See the chart at the top of page 6.) However, for any individual who is eligible to receive or is receiving workers' compensation, or who is properly absent from work under the terms of the employer's sick leave or disability leave policy, the base period shall be the first four of the five most recently worked quarters prior to such benefit year, provided the last most recently worked calendar quarter is no more than twelve calendar quarters prior to the date such individual makes the initiating claim.

Alternate Base Period

Commencing with benefit years effective on or after January 5, 2003, individuals who cannot establish monetary eligibility using wages in the base period described above will utilize an alternate base period. The alternate base period consists of the calendar quarter immediately preceding the quarter in which the claim is filed (the 'Lag Quarter') and the three quarters proceeding the lag quarter.

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 AND BENEFIT YEAR

**New Claim Effective Benefit Year established)

BASE	PERIOD	QUARTERS
-------------	---------------	-----------------

--Benefit year – 52 calendar weeks from New Claim date--

Oct. '16 Nov. Dec.	Jan. '17 Feb. March	April '17 May June	July '17 Aug. Sept.	LAG QUARTER	Jan. '18 Feb. ** March
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Jan. '17 Feb. March.	April '17 May June	July '17 Aug. Sept.	Oct. '17 Nov. Dec.	LAG QUARTER	April '18 May ** June
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April '17 May June	July '17 Aug. Sept.	Oct. '17 Nov. Dec.	Jan. '18 Feb. March	LAG QUARTER	July '18 Aug. ** Sept.
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July '17 Aug. Sept.	Oct. '17 Nov. Dec.	Jan. '18 Feb. March	April '18 May June	LAG QUARTER	Oct. '18 Nov. ** Dec.
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BENEFIT RATE AND DURATION

Effective July 1, 1994 –

Instead of one-twenty-sixth of the total wages paid in the claimant’s highest quarter in the base period, the new monetary formula will call for calculating the weekly benefit rate based upon one-twenty-sixth of the average of his total wages paid during the two highest quarter in his base period.

Effective with benefit year commencing on or after April 1, 1996 -

Individuals who have been identified as construction workers pursuant to regulations to be adopted by the Administrator will be entitled to a weekly benefit rate based upon 1/26th of total wages paid during the highest quarter of wages in his base period. (This is the formula under which all claimants’ weekly benefit rates were calculated prior to July 1, 1994. Public Act 93-243 changed the formula to 1/26 of average total wages during the two quarters in the base period when wages were highest. The two-quarter average formula, which generally results in lower weekly benefit rates, will remain in effect for all claimants other than construction workers.)

Benefit Rate and Duration (cont.) -

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. The current weekly benefit rate ranges from a minimum of \$15.00 to a maximum of \$613.00 (October, 2017). In October of 2018, the weekly rate may rise to \$631.00 per week.

Mandatory Electronic Filing & Payment of UI Taxes

Public Act No. 13-141 mandated that all employers file UI tax and wage reports and make UI payments electronically effective with the 1st calendar quarter 2014.

The link is as follows: www.ct.gov/doltax.

Dependency Allowances

Effective October 3, 1999, dependency allowance increased from \$10.00 to \$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 allowance cap, in whole dollars, will increase from 50% of the claimant's weekly benefit rate to 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.

Pension Payment

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.

METHOD OF BENEFIT CHARGING

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

The first benefit payment to a claimant initiates the issuance to each base period employer with Form UC-280, Notice of Potential Liability. The form shows the wages paid by the employer during each quarter of the base period, as well as the weekly amount and the maximum benefit amount chargeable to the employer during the benefit year. The UC-280 also affords the employer the opportunity to protest the charging of benefits to its account. An employer can be relieved of charges if the claimant separated from work under disqualifying conditions provided the employer protests in a timely manner. An employer can also be granted relief from charges if a claimant is disqualified for refusing its offer of rehire, or if it continues to employ the claimant during his filing series to the same extent it had during the claimant's base period.

The employer's appeal right is limited to the first notice it is given in connection with a claim which sets forth its appeal rights. No issue may be appealed if notice of the right to appeal such issue had previously been given. For example, if the employer had 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 Form UC-280.

Inquiries concerning benefit charges or merit rating may be directed to the Merit Rating Unit, State of Connecticut - Labor Department, Employment Security Division, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114.

NOTICE OF POTENTIAL LIABILITY
 MERIT RATING UNIT CONNECTICUT
 DEPARTMENT OF LABOR
 WETHERSFIELD CT 06109-1114
 TEL. (860) 263-6705 FAX: (860) 263-6723
 www.ctdol.state.ct.us

1. DATE MAILED	
3. CLIENT'S SOCIAL SECURITY NUMBER	
4. JOB CENTER	5. WEEK ENDING DATE
7. EMPLOYER'S NAME AND ADDRESS	

2. PERIOD PROTEST EXPIRES
6. CLIENT'S NAME AND ADDRESS
8. EMPLOYER'S REGISTRATION NO.

UNEMPLOYMENT COMPENSATION PAYABLE						
9. BENEFIT YEAR		10. SUB DATE	11. WEEKLY BENEFIT AMOUNT	12. WEEKLY BENEFIT RATE	MAXIMUM WEEKS	13. MAXIMUM ENTITLEMENT
EFFECTIVE DATE	ENDING DATE				26	

14. BASE PERIOD WAGES PAID IN YOUR EMPLOY	QUARTER	YEAR	QUARTER	YEAR	QUARTER	YEAR	QUARTER	YEAR
15. TOTAL WAGES PAID BY YOU	16. YOUR WEEKLY CHARGE		17. YOUR MAXIMUM POTENTIAL CHARGE					

THIS ENTIRE SIDE MUST BE SENT WHEN RESPONDING BY FAX. DO NOT RETURN BY MAIL IF PROTEST IS FAXED.

IF PROTESTING CHARGES:

- * Read the information on the back of this form.
- * Complete the section below by checking the appropriate box and filling in the appropriate information.
- * Separate this form at the perforated line and return this portion to the above address. Keep the top portion for your records.

OUR REASON FOR PROTESTING IS THAT THE EMPLOYER NAMED ABOVE:

- | | |
|---|---|
| <p>A. <input type="checkbox"/> voluntarily quit on / / ____</p> <p>B. <input type="checkbox"/> was discharged on / / for:
 _____ Wilful misconduct
 _____ Felony</p> <p>C. <input type="checkbox"/> refused bonafide offer of rehire on / / ____</p> <p>D. <input type="checkbox"/> client still employed part-time to the same extent as in the base period.</p> | <p>E. <input type="checkbox"/> received disqualifying income
 Type: _____ Vacation
 _____ Severence
 _____ Wages in Lieu of Notice
 Amount: _____ For the period from _____ to _____</p> <p>F. <input type="checkbox"/> Is an Educational Institution employee with reasonable assurance of rehire for the next term.</p> <p>G. <input type="checkbox"/> never worked for me.</p> |
|---|---|

EMPLOYER COMMENTS: _____

I certify that the information contained herein is true and correct:

SIGNATURE: _____ TITLE: _____ DATE: _____ TELEPHONE: _____

- Item 2** Your protest requesting relief from charges cannot be considered unless you file it within twenty-one (21) calendar days from the date this notice was mailed. To be timely filed, your protest must be received by this Department or legibly postmarked by the U.S. Postal Service no later than the 21st day. If the Unemployment Compensation offices are closed, on the last date for filing your protest, the period for filing extended to the next business day.
- Item 5** The Week Ending Date is the first payable week.
- Item 9** The Benefit year is one full year from the date the client initiated a claim for benefits.
- Item 10** The Sub Date is the date that the client's Monetary Determination was created.
- Item 11** The Weekly Benefit Amount (WBA) includes dependency allowances (chargeable to reimbursable employers only).
- Item 12** The Weekly Benefit Rate is the amount to which the client is entitled excluding dependency allowances.
- Item 13** Maximum Benefits (26 x WBR) is the maximum amount of regular benefits to which the client is entitled during the Benefit Year.
- Item 14 and 15** The total amount of wages you paid the client during the four quarters of the base period. The base period is the first four of the last five completed calendar quarters based upon the claim effective date.
- Item 16** The Weekly Charge is the amount chargeable to your account for a total week of unemployment. Your weekly charge could be less. Employer pensions or partial earnings are deductible from a client's payment. Actual amounts charged will appear on the UC-540, Statement of Charges, or Monthly Statement of Reimbursable Charges. For reimbursable employers, dependency amount is included in the weekly charge.
- Item 17** The Maximum Potential Charge is 26 x Weekly Charge. During periods of high unemployment, the client may be entitled to additional benefits. NOTE: Items 16 and 17 – the amount charged to your account is dependent upon the amount of benefits collected by the client during his Benefit Year. Taxable employers do not pay these charges dollar for dollar. For taxable employers, charges are used in computing their unemployment tax rates.

EXPLANATION OF NOTICE AND RIGHT TO PROTEST

The client named on the front of this form has initiated a claim for unemployment benefits. Benefits will be paid promptly upon determination by the administrator that the client is eligible. At that time, the amount of benefits paid will become benefit charges to the accounts of all chargeable base period employers. Your account will be charged unless you successfully protest. **YOU HAVE A RIGHT TO PROTEST** these charges IF certain conditions exist. These conditions are listed on the front of this sheet (Boxes A through G). **THE RIGHT OF PROTEST DOES NOT APPLY IF YOU WERE PREVIOUSLY NOTIFIED REGARDING THIS ISSUE AND EITHER YOU DID NOT PROTEST THE CHARGES AT THAT TIME OR YOUR PREVIOUS PROTEST WAS UNSUCCESSFUL.** If you file a timely protest, the Administrator will review it and determine if you can be relieved of charges under the law. If, based on your protest your account is relieved of charges, you will be so notified. If your account remains chargeable, the Administrator will issue a written determination of chargeability which can be appealed to the Appeals Division.

EXCEPTION: If, in Item 8 of this form, there is an NM plus 2 digits, this is a notice that a Job Center has held a hearing of which you were notified and to which you were invited to participate. At this hearing, the Job Center determined the client eligible for benefits following his separation from your employ. Your return of this form will be forwarded directly to the Appeals Division and will constitute your appeals to that Job Center decision.

If you do not file a timely protest, benefit charges will appear on your UC-54Q, Quarterly Statement of Experience Charges, if you are a taxable employer or on your Monthly Statement of Reimbursable Charges if you are a reimbursable employer.

***SPECIAL NOTE TO NON-PROFIT REIMBURSERS:** If the client has received 10 x the Weekly Benefit Rate following separation from employment, the reimbursable employer is charged by law. Partial claims increase the number of weeks of entitlement. The client is entitled to a full dependency allowance for each valid week, whether partial or total benefits are claimed. Therefore, the maximum amount chargeable can be greater than Item #17.

IF PROTESTING CHARGES, FAX OTHER SIDE OR RETURN THIS PORTION TO:

UC-280 (Rev. 3/11/02)

NOTICE OF POTENTIAL LIABILITY
 MERIT RATING UNIT CONNECTICUT
 DEPARTMENT OF LABOR
 WETHERSFIELD CT 06109-1114
 TEL. (860) 263-6705 FAX: (860) 263-6723
 www.ctdol.state.ct.us

1. DATE MAILED	
3. CLIENT'S SOCIAL SECURITY NUMBER	
4. JOB CENTER	5. WEEK ENDING DATE
7. EMPLOYER'S NAME AND ADDRESS	

2. PERIOD PROTEST EXPIRES
6. CLIENT'S NAME AND ADDRESS
8. EMPLOYER'S REGISTRATION NO.

UNEMPLOYMENT COMPENSATION PAYABLE									
9. BENEFIT YEAR		10. SUB DATE		11. WEEKLY BENEFIT AMOUNT	12. WEEKLY BENEFIT RATE	MAXIMUM WEEKS	13. MAXIMUM ENTITLEMENT		
EFFECTIVE DATE	ENDING DATE			AMOUNT	RATE	26			
14. BASE PERIOD WAGES PAID IN YOUR EMPLOY		QUARTER	YEAR	QUARTER	YEAR	QUARTER	YEAR	QUARTER	YEAR
15. TOTAL WAGES PAID BY YOU		16. YOUR WEEKLY CHARGE		17. YOUR MAXIMUM POTENTIAL CHARGE					

Emphasis on UI Program Integrity

The Labor Department 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.**
In 2010 employers faced the potential for higher taxes due to an estimated \$6.86 billion of improper UI benefits paid. Much of this could have been prevented with timely and accurate information from claimants and employers.
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.**
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 of employers' experience ratings.
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.

Report New and Rehired Employees

In Connecticut, almost half of all overpayments are paid to claimants who continue to claim benefits after returning to work and are not timely in reporting their return to work status and current earnings.

Employers can play a significant role in helping the agency to reduce benefit fraud by filing a new hire report as soon as possible after hiring a worker. Unfortunately, research indicates that not all employers comply with this new hire reporting requirement.

The agency has worked to make the process of reporting new hires fairly simple for employers. A copy of the CT-W4, with all employee and employer information completed, can be faxed to: 1-800-816-1108 or mailed to:

Connecticut Department of Labor
Office of Research, ATTN: CT-W4
200 Folly Brook Blvd.
Wethersfield, CT 06109

You may also call the Department of Labor at (860) 263-6310 for information on providing a bulk listing of new hires. More information about new hire reporting may be found on the Labor Department's website by following this link:

<http://www1.ctdol.state.ct.us/lmi/faqs.asp#nhire>

NON-CHARGING SEPARATION PROVISIONS

Voluntary Quits

The employer's account can be relieved of charges if, in the opinion of the Administrator, the claimant quit suitable work voluntarily and without 'good cause attributable to the employer.' (See page 13 for other non-charge provisions following a quit.)

Discharges

The employer's account can be relieved of charges if, in the opinion of the Administrator, the claimant was discharged for willful 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 an illegal strike, as determined by states or federal laws or regulations.

The term 'willful misconduct' means deliberate misconduct in willful 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, 'willful 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 he 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 he has earned at least 10 times his 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, or by a letter providing essential details, including the date of the offer. 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.

Other Non-charging Provisions

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 his regular work, accepted other employment and then leave such employment when recalled by his former employer,

-OR-

2. Left work with the employer which is outside his regular apprenticeable trade to return to work in his 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 his personally-owned vehicle, provided no reasonable alternative transportation is available,

-OR-

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

-OR-

8. Had earnings of \$500.00 or less from such employer during his 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 his/her occupationally-required operator license due to an off-duty drug or alcohol test conducted in accordance with certain state motor vehicle laws.

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 he has again become employed and been paid wages since the commencement of the prior benefit year in an amount equal to the greater of \$300.00 or five times his weekly benefit rate by an employer subject to the provisions of this act or of any other State of Federal Unemployment Compensation Law.

ADJUDICATION OFFICE PREDETERMINATION HEARING

If the reason for the claimant's unemployment at the time he is filing for benefits is a voluntary quit or a discharge for misconduct a hearing will be held to determine the claimant's eligibility. The affected employer will be mailed our Form UC-840, Notice of Hearing and Unemployment Compensation Claim. The employer should attend the predetermination hearing by telephone or submit the separation information in writing on our Form UC-840.

The employer should furnish all pertinent details, including dates, relating to a separation or work refusal.

The validity of the Adjudications Specialist's decision is necessarily determined by the 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.

Effective October 1, 2014

Federal law prescribes that state law may not relieve an employer 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 the State Labor Department for information relating to an individual's claim for benefits. Section 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.**

PART-TIME IMPAIRMENT LEGISLATION: Public Act 06-171

Effective October 1, 2006, new legislation may allow unemployment benefits for individuals limited to part-time employment due to a physical or mental impairment that is chronic or expected to be long-term or permanent in nature. *

Individuals who restrict their work search to part-time may qualify for unemployment benefits if:

1. Applicants provide documentation from a physician certifying that:
 - The individual is unable to work full-time,
 - The part-time limitation is due to a physical or mental impairment,
 - The impairment is:
 - chronic, or
 - expected to be long term, or
 - permanent in nature

2. Applicants establish that the part-time limitation does not remove them from the labor force. Individual must:

- be available for suitable work within the individual's medical restrictions.
- be available for suitable work during hours the individual is medically permitted to work.
- make reasonable efforts to find suitable work.
- satisfy other applicable availability requirements.

** Temporary impairments are excluded.*

NOTIFICATION TO EMPLOYERS OF APPROVAL OF CLAIM FOR BENEFITS AND APPEAL PROVISIONS

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

An appeal from the benefit award may be made on the form provided with the notification or by a letter furnishing data, and must be in our possession within twenty-one (21) days from the date the notification was mailed 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. You may use one of the private delivery services approved by the IRS: Airborne Express, DHL Worldwide Express, Federal Express, or United Parcel Service. (Posting dates attributable to private postage meters cannot be considered in determining the timeliness of appeals filed by mail.) You may also file an appeal by faxing the Merit Rating Unit at (860) 263-6723 or by internet at <http://www.ctdol.state.ct.us/apfrmint.ntm>. Fax and internet appeals must also be in our possession within twenty-one (21) days from the notification mailing date. Such an appeal would normally be based on the circumstances surrounding the claimant's termination from employment.

In the case of a discharge, the employer must be able to substantiate that the claimant was fired for felonious misconduct, conduct constituting larceny of property or service whose value exceeds twenty-five dollars, or larceny of currency regardless of the value of such currency, participation in an illegal strike, or willful misconduct in the course of employment in order to be relieved of charges. Benefits will be approved if the claimant was terminated because of inability to perform work properly, unless the claimant persisted in an attitude demonstrating willful disregard of, or willful indifference to, the employer's interests. If the claimant's separation was voluntary, in the majority of cases it must be determined that the quit was with 'good cause attributable to the employer' in order for the employer to be relieved of charges. There are, however, some circumstances under which a claimant may be paid subsequent to a voluntary separation and the employer relieved of charges. (See page 13-14)

Appeals Referees and Board of Review

If the employer decides to appeal our decision to pay benefits, the appeal will be heard by the Appeals Division Referee located in the district in which the benefit claim was filed. An appeal of the Referee may be taken to the Board of Review by the employer, the claimant, or the Administrator of the Unemployment Compensation Law. An appeal of the decision of the Board of Review may be taken, in turn, to the Superior Court. If the benefit claim is not payable, no charge will occur.

UNEMPLOYMENT NOTICE, FORM UC-61

The employer should be careful in its preparation of the [Unemployment Notice](#), Form UC-61 which is attached to a separation packet (UC-62T/UC61). The packet provides the individual with telephone claims filing information. This is the form and packet furnished to the employee at the time of separation. The employer is required by regulation to supply this to all separating employees regardless of the reason for separation. Unless every item on the report, including the employer's correct registration number and the employee's Social Security number is accurately completed, the employer may be troubled later by inquiries from the department because misinformation or lack of information can contribute to improper charges.

If the employer provides the claimant with an unemployment notice having the employer's certification that the claimant's unemployment is due to lack of work or to any reason with respect to which benefits are normally allowed, no investigation of the claimant's separation from that employment is usually made by the Job Center.

ONLY CAREFULLY CHOSEN PERSONNEL SHOULD BE SELECTED TO ISSUE UNEMPLOYMENT NOTICES. THE EMPLOYER WHO PERMITS THE USE OF A 'LACK OF WORK' UNEMPLOYMENT NOTICE WHICH ALLOWS BENEFITS TO BE PAID TO AN INDIVIDUAL WHO MIGHT OTHERWISE BE INELIGIBLE TO RECEIVE BENEFITS MAY PAY FOR IT IN THE FORM OF A HIGHER CONTRIBUTION RATE.

EMPLOYER CHARGE NOTICES TO BE MAILED TO ADDRESS OF RECORD WITH THIS DEPARTMENT

The Employer Charge Notices, Form UC-56KC, Notice to Employer of Approval of Claim for Benefits, or Form UC-280, Notice of Potential Liability, will be mailed to the employer's address of record on file in our Employer Status Unit.

The employer should bear in mind that appeals must be received by this department within twenty-one (21) days of the mailing date of the Charge Notice or bear a legible United States Postal Service postmark which indicates the appeal was mailed within the appeal period. It will be the employer's responsibility, if these notices are to be processed at a location other than the address of record, to forward the forms, without delay, to permit appeals to be filed within the prescribed time limitation.

Only One Mailing Address Permitted

There will be only one mailing address permitted, the address of record, for each of the following forms:

- UC-56KC - Notice to Employer of Approval of Claim for Benefits
- UC-54Q - Quarterly Statement of Charges
- UC-54A - Statement of Experience Account and New Contribution Rate
- UC-2/5A - Employer Contribution Return (Quarterly)
- UC-280 - Notice of Potential Liability

Notification of any change of address should be sent promptly to the Labor Department, Employment Security Division, Unemployment Compensation Department, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114, Attention: Employer Status Unit.

The Employer Status Unit can also be reached by telephone: (860) 263-6550, or via the internet at <https://wage.ctdol.state.ct.us/index.asp>

QUARTERLY STATEMENT OF CHARGES

For every calendar quarter, a Statement of Charges will be mailed to each employer if charges have occurred since the last previous such statement. This statement will show the name and Social Security account number of the claimant, the week or weeks for which benefits have been paid and the amount chargeable to the employer. Most benefit payments are currently being made on a single-week basis. The statement will indicate whether the Saturday ending date is for a single week or a bi-weekly period. The Charge Statements should be held by the employer for comparison with the experience year totals appearing on the Form UC-54A, Statement of Experience Account.

When the employer receives the Charge Statement for the final quarter of the experience period, the quarter ending June 30th, he may obtain an early indication of his contribution rate for the following tax year by employing the computation formula appearing on Pages 3 and 4 of this pamphlet, provided his records of charges and payrolls have been carefully maintained.

The employer should bring to the attention of this department, in writing, evidence of improper benefit filing, or errors appearing on the statement. Any protest reflecting on the propriety of benefit payments will be investigated.