

Opportunity ★ Guidance ★ Support



# **AN EMPLOYER'S GUIDE TO UNEMPLOYMENT COMPENSATION**

**CONNECTICUT DEPARTMENT OF LABOR  
200 Folly Brook Boulevard  
Wethersfield, CT 06109-1114**

[www.ct.gov/dol](http://www.ct.gov/dol)

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## PREFACE

This booklet is provided by the Employment Security Division to enable employers covered by Connecticut's Unemployment Compensation Law to better understand the unemployment insurance system which they support through payroll taxes. It is intended to assist employers in becoming acquainted with their responsibilities as well as with the responsibilities of the Department under the Connecticut Law. It is for information purposes only, and does not have the force of law or regulation. Many employer questions regarding Department functions and procedures are covered in the booklet, but because it is impossible to cover all circumstances, employers are urged to consult the Department for additional details.

The cooperation of the employer community is vital in order to effectively administer the Unemployment Compensation Law and the Department's policies and procedures.

The Connecticut Unemployment Compensation Law and Official Regulations should be consulted if there are legal questions. Copies of these are available through Business Management, Unemployment Compensation Department, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114 (Telephone (860) 263-6048).

When amendments to the law affect employers' rights or responsibilities, this information will be made available. Failure to be informed on provisions of the law does not relieve an employer of his responsibilities.

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

Federal Unemployment Tax	
Social Security Tax	
Federal Withholding Tax	
Federal Income Tax.....	Internal Revenue Service
.....	<a href="http://WWW.IRS.GOV">WWW.IRS.GOV</a>
State Income Tax	
State Sales Tax	
State Corporation Tax.....	Dept. of Revenue Services
.....	<a href="http://WWW.CT.GOV/DRS">WWW.CT.GOV/DRS</a>
Workers' Compensation Coverage	
Disability Benefits Coverage.....	Workers' Compensation Commission
.....	.....or the insurance carrier
.....	<a href="http://WWW.WCC.STATE.CT.US">http:// WWW.WCC.STATE.CT.US</a>

## THE UNEMPLOYMENT COMPENSATION LAW

The Connecticut Unemployment Compensation Law provides workers with benefits during periods of total or partial unemployment. A booklet entitled “A Guide to Unemployment Benefits in Connecticut-Your Rights and Responsibilities” explains to the unemployed worker the various steps necessary to file a claim, requirements of eligibility and how benefits are computed.

Funds for the payment of unemployment benefits are provided by employers through a quarterly payroll tax, or by a monthly billing reimbursement available to qualified non-profit organizations, the state, towns, cities and their political or government sub-divisions, and federally recognized Indian tribes or tribal units.

Liable employers are assigned a registration number. Those on the contribution (tax) method who file their tax return by mail receive a pre-addressed Employer Contribution Return by mail each quarter. Those who file electronically or via magnetic media, or who use an agent receive a contribution voucher by mail each quarter. This return, together with the correct payment, must be sent to the “Administrator, Unemployment Compensation” on or before the last day of the month following the close of the calendar quarter.

The Connecticut Labor Department would prefer employers file their quarterly unemployment compensation contribution returns via the internet at [www.ct.gov/dol](http://www.ct.gov/dol). Click on “File your Tax Return Right on the Internet”.

All non-profit “reimbursable employers” are required to file a Quarterly Wage Report also on a pre-addressed form issued by this agency. The due date for this is the fifteenth day of the second month following the close of the calendar quarter. Thus, the due dates are the 15th of February, May, August and November.

### **How to Register**

Employer’s can register their business via the internet, which we strongly encourage, or they can register by completing the appropriate forms which can be obtained by calling the Employer Status Unit at (860) 263-6550 or drawing the forms down from the Connecticut Department of Labor Website. These forms as well as others including Quarterly Unemployment Compensation Tax forms, Correction Returns, and Separation Packets, and this Employer’s Guide can also be accessed at the Labor Department Website at [www.ct.gov/dol](http://www.ct.gov/dol).

### **WHO IS REQUIRED TO REGISTER**

All employers of one or more persons (full or part-time) must register by filing an Employer Status Report. Failure to receive a copy of the form does not relieve the employer of the obligation to register.

Form Connecticut UC-1-NP is used to register qualified non-profit organizations, Form Connecticut UC-1-MUN for municipalities and other government entities, including Federally recognized Indian Tribes and Form UC-1A for all other employers.

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

“Sub-chapter S” Corporations differ from other Connecticut corporations in that they can elect not to be subject to a federal corporation income tax. They are subject to the Connecticut Unemployment Compensation Law, as are other corporations.

An officer(s) of this type of corporation who performs services for the corporation is an employee of the corporation. He is considered a “partner” or “proprietor” only with respect to federal income tax returns (Form 1120 S) if the corporation elects to report income in this manner. Remuneration for their services is subject to the Connecticut Unemployment taxes.

The Department’s position regarding such paid remuneration is that all remuneration for services actually performed, whether labeled salaries, wages, dividends or a distribution of profits is taxable. However, undistributed income which remains in the business, although taxable as income to the principals of 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**

In general, 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.

An employer becomes federally liable if, during either the current or preceding calendar year, he (a) paid wages of \$1,500 or more in any calendar quarter or (b) had one or more employees at any time in each of twenty calendar weeks.

Government sub-divisions and certain qualified non-profit organizations are not subject to the Federal Unemployment Tax Act.

### **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**

Effective January 1, 1978, 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.



Agricultural coverage under FUTA is also created by the conditions described above in (a) and (b). Liability to FUTA creates liability to the Connecticut Law from the beginning of operations in Connecticut if at least one person is employed in this state.

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 remuneration 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 “is exempt from Federal income tax as provided under Section 501(c)(3) of the Internal Revenue Code,” 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, liability commences at the end of the thirteenth week.

Section 501(c)(3) includes any corporation and any Community Chest fund or foundation organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, or for the prevention of cruelty to children or animals, no part of net earnings of which inures to the benefit of any private stockholder or individual, no substantial part of the activities of which is carrying out propaganda or otherwise attempting to influence legislation and which does not attempt to participate or intervene in (including the publishing or distributing of statements) any political campaign.

Such organizations 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.

Any non-profit organization electing the reimbursable method will be required to post a surety bond.

All other non-profit organizations are considered to be regular employers. Refer to section entitled “Conditions of Liability.”

## **Municipalities, State Government Agencies, and Federally Recognized Indian Tribes or Tribal Units**

These employers are subject to 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 attributable to service in the employ of the municipality, State Government agency or Indian tribe.

Such organizations 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.

### **Voluntary Acceptance**

An employer not liable under the law may volunteer to accept coverage for all his employees with one exception. The law prohibits the voluntary coverage of service performed by an individual in the employ of his son, daughter or spouse and service performed by children under eighteen years of age in the employ of either or both parents. A voluntary acceptance form must be submitted in writing and must include all employees who are eligible for coverage.

Voluntary acceptance of liability may be revoked by the employer at the end of any calendar year following the calendar year of acceptance.

### **Discontinuance of Business**

Employers who discontinue business are required to notify the Administrator via the internet at <https://wage.ctdol.state.ct.us> or in writing, giving the employer number, date of discontinuance, trade name and address of successor, if any. Please include a telephone number.

## **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

### **Localization**

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 as long as they are performed within the same employer-employee relationship. That is, an employee who normally performs all of his services in one state may be sent by his employer to another state to perform tasks which are totally different in nature from his usual work, or he may be sent to do similar work. As long as 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.

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.

## **Base of Operations**

When services are normally or continually performed in two or more states, it can scarcely 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, the services cannot be said to be localized in any one state 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. His residence is immaterial here as it was under the localization test. The term "base of operation" may be taken generally to mean the place or fixed center of more or less 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 his mail, supplies and equipment sent or the place where the worker maintains his business records.

## **Place 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 he will not retain any fixed business office or address but will receive his orders or instructions by mail or wire wherever he 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, i.e. the law of the state in which the place of direction or control is located, provided that 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 may be determined, no matter how general the control or how infrequently the directions are given.

## **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 he performs no service in the state in which he has his base of operation (if he has such a base), and he performs no service in the state from which his 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 he lives provided that some of his 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, 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 desiring this coverage for their multi-state workers can secure complete information by writing or telephoning the Employer Status Unit at (860) 263-6550 or any Field Audit Unit office listed in this booklet.

## **INDEPENDENT CONTRACTORS**

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) He must be free from control and direction in connection with the performance of the service, both under his contract of hire and in fact  
and
- (b) His 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 subject employment unless all three conditions are met.

Determination of an independent contractor status is often a borderline decision. It is both technical and complex and should not be decided by employers without first submitting all these facts to the Department.

## **EXCLUDED EMPLOYMENT**

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 isn't 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 ("hospital" for this purpose does not include convalescent hospitals or convalescent homes).
9. Service performed by an individual serving as a volunteer or performing work which is incidental to or in return for charitable aid.
10. Service performed by an individual in the employ of his/her son, daughter or spouse, and service performed by a child under the age of twenty-one (21) in the employ of his/her father or Mother. 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.
11. Service by an individual who is enrolled at a school as a student in a qualified program which combines academic instruction with work experience.
12. 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 his or her 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 by an individual receiving work relie for work training in program financed or assisted by any government agency or indian tribe.
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 sub-division, provided such service is performed in lieu of payment for any delinquent tax payable to such town, city or other political sub-division.
4. Service performed by elected officials, members of legislative bodies and members of the judiciary or indian tribe.
5. Service performed by members of the state national guard or air national guard and temporary employees' service in case of fire, storm, 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.

### **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, any one it employs that it 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.

## NEW HIRES

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

To report a hire to the Connecticut Department of Labor; choose either:

- Fax a copy of the CT-W4 (Employees Withholding or Exemption Certificate) with **all** employer information clearly completed to:

**Fax # 1-800-816-1108**

- Mail a copy of the CT-W4 (Employees Withholding or Exemption Certificate) with all employer information clearly completed to:

**Connecticut Department of Labor  
Office of Research, Attn: CT-W4  
200 Folly Brook Boulevard  
Wethersfield, CT 06109**

- Report on-line at the Connecticut Department of Labor website, **[www.ct.gov/dol](http://www.ct.gov/dol)**. Click on New Hire Reporting or go direct to **[www.ctnewhires.com](http://www.ctnewhires.com)**.

For questions concerning New Hire Reporting, please call  
(860) 263-6310.

## 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 "Employee Quarterly Earnings Report" (Form UC-5A) 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 ( Form Connecticut UC-8). Posters may be obtained from the Employer Status Unit, telephone number 860-263-6550.



## 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, 1999 is \$15,000.00. Earnings by the employee from previous employers are 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	

- Commissions, except to outside sales representatives of a travel agency, if all such services are performed outside of any travel agency premises, insurance agents, and real estate salespersons, if paid solely by way of commission, are remuneration. The exception does not apply to commissions paid to industrial life insurance agents.
- The cash value of all remuneration paid in any medium other than cash is remuneration. This includes meals, lodging, rent, clothing and merchandise.
- Employee deferred contributions is remuneration in the year deferred.
- Tips and gratuities paid directly to employees by customers is remuneration if accounted for by the employee to the employer.
- Sick pay paid within six months of the last day worked are considered remuneration.

## **Non-Taxable Remuneration**

### **Remuneration Does Not Include:**

- Payments an employer is not legally required to make to employees on leave of absence for military service or training.
- Payments of the employee's share of the Social Security Tax by the employers for domestic and agricultural employees.
- Pension Payments to a retired employee for past service.
- 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 his employees generally or for a class or classes of his 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 waiters and other employees are wages.

### **REPORTING OF WAGES/CONTRIBUTIONS**

#### **Internet Filing of UI Tax and Wage Reports**

Registered employers who have less than 250 employees and who have been filing paper returns may now file their Unemployment Insurance tax and wage returns via the Internet. This includes both taxable employers who file the Employer Contributions Return (Form UC-2) and Employee Quarterly Earnings Report (Form UC-5A) and reimbursable employers who file the Employer Wage and Research Information Report and Employee Quarterly Earnings Report (Form UC-2R/5R). Taxable employers may also pay any taxes due including delinquent taxes, via electronic funds transfer (EFT).

**This Internet application will save you time. The names and Social Security numbers of the employees that you reported last quarter will already be resident in the application, and excess wages will be calculated automatically. There is also no envelope to fill out, no postage due, and no check to be written if you choose EFT.**

**Only reports for the most recently completed calendar quarter may be filed using this Internet application.** The site is available for a two-month period each quarter:

October and November the system will be available to file the 3rd Quarter January and February the system will be available to file the 4th Quarter April and May the system will be available to file the 1st Quarter July and August the system will be available to file the 2nd Quarter

To use the application you will need to know your Employer Registration Number and Password. Both are printed on either the UC-5A Form or the UC-2R/5R Form.

The Internet address for the Department of Labor is:

**<http://www.ct.gov/dol>**

Under the heading **Information for Business**, click on **Tax Reporting** via the Internet, then click on **Tax and Wage Reporting** or you can go directly to:

**<https://wage.ctdol.state.ct.us>**

**This application requires the use of either Internet Explorer or Netscape Communicator (or Navigator) browsers.** It is optimized for Internet Explorer 5.5 and Netscape 6.0 and above. (Use of 4.x versions of Netscape will cause errors.) You may download these from the application itself.

2nd Internet Option - Use FSET to File Quarterly Unemployment and State Withholding Taxes on the Web

There is now commercially available desktop payroll software from third party vendors that allows employers to file and pay quarterly unemployment and state withholding taxes over the Web using the Federal/State Employment Tax (FSET) format. The FSET file is produced by the payroll software. Currently, four approved vendors offer this service. To see the list, log on to: <http://www.ctdol.state.ct.us/uitax/FSET.htm>.

## **Magnetic Media Wage Reporting**

Each employer and each person or organization which, as an agent, is required to report wages for a total of two hundred fifty (250) or more Connecticut employees to the Connecticut Department of Labor for the purposes of Unemployment Compensation, is required to submit such information via magnetic media or FTP using a format and procedures identified by the Administrator. Such employers are required to contact the Tax Automation and Wage Processing Unit for instructions. A detailed edit, format and procedures booklet is available free of charge. Assistance is available at (860) 263-6370. The booklet can also be found on our website located at:

[www.ctdol.state.ct.us/uitax/magnetic.htm](http://www.ctdol.state.ct.us/uitax/magnetic.htm)

All employers on the magnetic media tax method of payment are mailed a quarterly pre-addressed Employment Contribution Voucher (Form UC-2MAG).

### **“None” Returns by Telephone or via the Internet**

Employers who have had no employees or paid no wages during any calendar quarter are able to file their “None” returns by telephone, or via the Internet, eliminating the need to fill out and mail a “None” Employer Contribution quarterly tax return.

To file “None” Employer Contribution quarterly tax returns by telephone, call (860) 566-1018 or (203) 248-4270 and use option #3. A recorded menu will guide you through the necessary steps required to file your return. An employer may file up to four (4) quarters with a single telephone call.

To file “None Employer Contributions” return via the internet, see page 13 “Internet filing of UI Tax and Wage Report”.

## **Paper Wage Reporting**

- **Taxable Employer**

Employers who file their contribution returns on paper are mailed a quarterly pre-addressed Employer Contribution Return and Employee Quarterly Earnings Report. The Employer Contribution Return (Form UC-2) is used to compute the amount of contributions due, based on reported taxable wages. The Employee Quarterly Earnings Report (Form UC-5A) is used to show, in detail, the employee’s Social Security number, name and total earnings in the quarter. The Employee Quarterly Earnings Report and the Employer Contribution Return must be completed and forwarded, with a check for contributions due, to the “Administrator, Unemployment Compensation,” on or before the last day of the month following the close of the calendar quarter. When the due

date falls on Saturday, Sunday or a legal holiday, the return is due on the next business day.

- **Reimbursement Method Employer**

Employers on the reimbursement method of payment file an Employer Wage and Research Information Report similar to the tax method employer's Contribution Return except that no contributions are due, the filing deadline is the 15th day of the second month following the end of the quarter. Monthly billings are mailed for reimbursement of benefits paid. In the event of delinquency, in either filing returns or making payments, the Administrator is authorized to terminate the employer's right to pay on the reimbursement method and to require quarterly tax payments.

### **Correction of Employer Contribution Returns**

Previously filed returns may be corrected by filing the Correction of Employer Contribution Return Form UC-2 (CORR) and Correction of Employee Quarterly Earnings Report Form UC-5A (CORR) for each quarter to be adjusted.

Forms can be obtained via the website located at [www.ctdol.state.ct.us/uitax/cashiers-forms.htm](http://www.ctdol.state.ct.us/uitax/cashiers-forms.htm) or by calling the cashier's Unit at (860) 263-6470 or any Field Audit Unit office. (Telephone numbers are listed on the back cover.)

When correcting names or Social Security numbers previously reported, submit corrections via letter to the Tax Automation and Wage Processing Unit, 200 Folly Brook Boulevard, Wethersfield, CT 06109.

No refunds are made beyond three years from the due date of contributions overpaid. The amount of unemployment benefits paid based on wages reported in error and resulting in a benefit overpayment will be deducted from the amount of any refund due.

To correct previously filed and accepted reports by magnetic media, please contact the Tax Automation and Wage Processing Unit for instructions at (860) 263-6370.

### **FAILURE TO FILE AND PAY TIMELY**

#### **Failure to File Fee**

**Effective with the 3rd Quarter of 2004, failure to timely file the Employment Contribution Return and Employee Quarterly Earnings Report (Taxable Employer), or the Employer Wage and Research information Report and Employee Quarterly Earnings Report (Reimbursable Employers), will result in a \$25.00 Failure to File Fee for each delinquent quarter in addition to any interest and penalty assessed on contributions due. The fee also applies to returns with no contribution due if not timely filed.**

## **Interest Charge and Penalty Charges for Late Payment**

### **Taxable Employer**

There is an interest charge per month or fraction thereof on the amount of contributions due and unpaid after the quarterly due date. In computing interest charges on late payments, the postmark date is used as official date of receipt for the filing of the current quarterly return only. Payments of past-due balances are timely only when actually received by the Department (not postmarked) by the last business day of any month. When using the postmark to determine timeliness, only postmarks of the United States Postal Service or a private delivery service approved by the Internal Revenue Service will be considered. Dates stamped by private postage meters are not acceptable.

A penalty of \$50 or ten (10) percent, whichever is greater, is charged on contributions not paid within thirty (30) days of their quarterly due dates. The official date of receipt is determined as in the previous paragraph regarding interest on past-due balances.

### **Reimbursable Employer**

Interest is charged to employers on the reimbursement method if payment is not made within 30 days after the date of the monthly bill. In computing interest charges, the actual date the payment is received by the Department (not the postmark date) will determine if any payment is timely.

Penalty is also charged to 501 (c) (3) nonprofit employers on the reimbursement method if payment in full is not made within sixty (60) days after the date of the monthly bill.

### **Collection of Past Due Contributions**

The Administrator may use any legal means for the collection of taxes due. The Administrator may collect, without the necessity of going to court to obtain a judgment, by the issuance of a tax warrant to a deputy sheriff or a serving officer.

When a tax warrant is returned unsatisfied, and the employer owes contributions for four or more calendar quarters, the Administrator may, after ten days' notice by registered or certified mail, bring a civil action in Superior Court to prevent the employer from entering into any contract of employment which will further increase the amount of contributions due.

The Administrator can file a lien against all real and personal property, including debts due to the employer, located in the State of Connecticut. A certificate of such lien, without specifically describing the real property, may be

filed in the office of the clerk of the town in which the real property is located. In the case of personal property, the lien may be filed in the office of the Secretary of the State. In the case of a debt due the taxpayer, the certificate of lien may be filed by leaving a copy with the debtor or by mailing him a copy by registered or certified mail.

Amounts owed by employers for contributions and interest are preferred claims under distribution order of Connecticut courts and also under the Federal Bankruptcy Act. Adjudications in bankruptcy do not discharge individuals or partners from the payment of taxes. The Administrator may proceed to collect any unpaid taxes after a bankruptcy discharge of employers who conducted business as individuals or partners.

### **Estimated Ability to Pay**

The Administrator may determine the amount of contributions and interest due on the basis of information available if a contribution method employer fails to file a quarterly contribution return, or if the return when filed is incorrect or insufficient and a corrected return is not filed within 20 days after formal demand. Amounts determined to be due become final 30 days after written notice to the employer unless the assessment is appealed to the Superior Court.

The Administrator is authorized to subpoena any person to appear before him, or his agent, at such place designated in the subpoena, to examine such person and requested records under oath, to determine the amount of contributions due and the employer's ability to pay.

## **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 year 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 year.

Interest is also charged on special assessment amounts unpaid after thirty (30) days of the billing date.

A penalty is also charged on any special assessment amount unpaid after sixty (60) days of the billing date.

### **Bond Assessment (when applicable)**

The Connecticut General Assembly enacted legislation allowing Unemployment Compensation loan financing through the issuance of bonds as an alternative to federal borrowing. The Department of Labor and the Office of the State Treasurer developed a bond program for the Unemployment Compensation debt.

The special bond assessment used to retire the bonds is based upon the charged (experience) rate for each employer. The amount needed to pay the debt service on the bonds is determined by the State Treasurer and includes principal in the approximate amount that the Federal Government would have collected through FUTA as well as interest due on the bonds. Revenue for payment of the debt service on the bonds is collected annually from employers in a single billing. Historically, the billing date has been August 1 with payment due by September 30. Interest is charged on any amount unpaid as of the due date.

A penalty is also charged on any bond assessment amount unpaid after thirty (30) days from the payment due date.

Successors 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.

### **REIMBURSEMENT METHOD EMPLOYERS-BASIS OF CHARGING**

Each employer selecting the Reimbursement method must pay to the Administrator the total amount of regular benefits and one half of the extended benefits paid to claimants that are attributable to service in their employ. State government and municipal employers 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.

### **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. After the change to the



regular tax method, the employer will file Employer Contribution Returns (Form Connecticut UC-2 and FormConnecticut UC-5A) from the first quarter of the new year.

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 two 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.

## **MISCELLANEOUS INFORMATION - SECRETARY OF THE STATE**

The Secretary of the State is required not to approve the certificate of final dissolution of any domestic corporation or of withdrawal of any foreign corporation unless the certificate is accompanied by an up-to-date statement from the Administrator showing that to the best of his knowledge and belief the corporation has paid all taxes due; that the corporation is not liable for any taxes; or that the corporation has made adequate provisions for the future payment of any unpaid taxes as of the date of the certificate. Such statements may be obtained by contacting the Employer Status Unit at (860) 263-6550. The Administrator may require surety for any unpaid taxes before he provides the required statement to be submitted to the Secretary of the State.

## **RETROACTIVE WAGE PAYMENTS**

Each employer who is required to make a retroactive wage payment under an arbitration or other award 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. Experience rating charges resulting from such benefit payment will be adjusted.

## **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 returns even though he has no employees. If no wages are paid in a quarter, or if no taxes are due, a tax return must still be filed. Employers may file a return reporting no employees via telephone by calling (860) 566-1018 or (203) 248-4270, using option #3 or via the Internet. The \$25 Failure to File Fee also applies to returns with no contributions due if not timely filed.

## **LIMITATION ON DETERMINATION OF LIABILITY**

The Administrator may determine liability for contributions due not later than three years from the date the employer actually 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 Appeals Division.

## **EMPLOYER AUDITS**

The Federal Government requires the Connecticut Department of Labor to audit a percentage of Connecticut employers each year. Having used criteria of size, location and type of business to create groups of employers, the department then selects at random within those groups the employers to be audited. Audits insure 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. The law became effective October 1, 2005. Further information may be obtained by contacting any of the Tax Division's Field Audit offices listed on the back of this guide.

## **PENALTIES**

Section 31-273 of the Connecticut General Statutes provides in part that: Any person, firm or corporation who knowingly employs a person and pays such employee without declaring such payment in the normal payroll records shall be guilty of a class A misdemeanor. If after investigation, the administrator determines that there is probable cause to believe that the person, firm or

corporation has willfully failed to declare such payment of wages in the payroll record, the administrator shall provide an opportunity for a hearing. If the administrator determines, on the basis of facts found by him, that such nondeclaration occurred and was wilful, the administrator shall fix payments and penalties.

If the administrator determines that any firm or corporation has wilfully failed to declare the payment of wages on payroll records, the administrator may impose a penalty of ten percent of the total contributions past due to the administrator. Such penalty shall be in addition to any other applicable penalty. Additionally the administrator may require the person, firm or corporation to make contributions at the maximum tax rate for a period of one year. If the person, firm or corporation is already paying at the maximum rate, the administrator may impose the maximum rate for a period of three years following the determination.

Any person who knowingly makes a false statement or representation or fails to disclose a material fact in order to obtain, increase, prevent or decrease any benefit, contribution or other payment whether to be made to or by himself or any other person, and who receives any such benefit, pays any such contribution or alters any such payment to his advantage by such fraudulent means (1) shall be guilty of a class A misdemeanor if such benefit, contribution or payment amounts to \$500 or less or (2) shall be guilty of a class D felony if such benefit, contribution or payment amounts to more than \$500.

Any person who knowingly violates any provision of the law for which no other penalty is provided shall be fined not more than \$200 or imprisoned not more than six months or both.

Any person who wilfully violates any regulation made by the administrator or the board, for which no penalty is specifically provided, shall be fined not more than \$200.

## **EXPERIENCE RATING**

### **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 account" 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 only.

## Rate for Newly Liable Employers

If an employer's exposure to benefit charges commences on or before July 1st of a given year, the employer does not qualify for an experience rate for that calendar year or the year which follows. If chargeability begins after July 1st, the employer will not qualify for that calendar year and the two years which follow.

If the employer's account has not been chargeable with benefits for a sufficient period of time to be experience rated, his rate is the higher of 1% or the state's five-year benefit cost rate. That rate is computed annually by dividing the total benefits paid to claimants during the five consecutive calendar years preceding the computation date by the total amount of taxable wages for the same period.

Contribution Rate Statements (Form UC-54A) are issued to all employers during the first quarter of each year, including those with insufficient experience to be experience rated.

Five-year benefit cost rates for recent years are as follows:

2002	2.1%	2004	2.4%	2006	2.9%
2003	2.1%	2005	2.7%	2007	3.1%

## Charged Rate

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."

## Fund Balance Tax Rate

This rate is added to the charged rate and is established to maintain a balance in the Unemployment Compensation Trust Fund equal to eight tenths of one percent of total wages paid to workers by contributing employers during the years ending the last preceding June 30th. The Fund Balance Tax Rate is determined as of December 30th each year and ranges from 0% or to 1.4%.

## Contribution Rate Factors

The 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.

### Transfer of Experience Ratings

The law provides for the mandatory transfer of experience of one or more employers to an employer who acquires “substantially all of the assets, organization, trade or business” of a covered employer(s).

Employers who acquire less than “substantially all” may acquire a portion of the predecessor’s experience, provided that payroll records have been so maintained that the employment experience of the portion acquired may be readily identified and separated for experience rating purpose.

## UNEMPLOYMENT BENEFIT ENTITLEMENT

### Base Period

The claimant’s benefit entitlement is determined by wages paid by the employer(s) during a one year period consisting of the first four quarters of the five calendar quarters preceding the quarter in which the claimant first filed for benefits. For example, if a claimant filed in the second quarter of a calendar year, wages paid in the first quarter (and in the second quarter) of that year would not be used in computing unemployment. The quarter immediately preceding the quarter in which the claim is filed is referred to as the “lag quarter.” The four quarters preceding the lag quarter constitute the base period.

Commencing with benefit years effective on or after January 5, 2003, individuals who cannot establish monetary eligibility using wages in the previously described base period will use an alternate base period. The alternate base period consists of the four calendar quarters immediately preceding the quarter in which the claim is filed.

Total wages, including non-taxable wages in excess of the taxable wage base, are used in computing benefits.

### Benefit Year

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

### Benefit Rate and Duration

Effective July 1, 1994, a claimant’s unemployment benefit rate is one twenty-sixth, rounded to the next lower dollar, of the average of the total wages paid in the two (2) highest quarters in the applicable base period . If the claimant has wages in only one quarter, those wages will be averaged with the second highest quarter which will be zero (\$0).

Effective with benefits years commencing on or after April 1, 1996, individuals will be identified as “construction workers” using the National Council of Compensation Insurance codes reported by the employer. Such individuals will be entitled to a weekly benefit rate based upon 1/26th of total wages paid during the highest quarter in his base period. There is a maximum weekly benefit rate.

To qualify for benefits, a claimant must have been paid wages during the base period of at least 40 times his weekly benefit rate. A claimant who fails to meet these requirements is not entitled to benefits.

### **Dependency Allowances**

An allowance of \$15 for each dependent child under 18 years of age, or a full-time student under 21 years of age, or for each incapacitated dependent child, or a non-working spouse, is payable to supplement any weekly benefit payment or partial benefit payment. This allowance, in whole dollars, is limited to not more than one-half of the claimant’s weekly benefit rate or \$75. The dependency allowance is not chargeable to the experience account of the employer on the tax method of payment.

### **Requalification Requirement**

After having received benefits during a benefit year, no individual is eligible for benefits in a new benefit year unless he has again become employed and been paid wages since the commencement of the prior benefit year of at least \$300 or five times his weekly benefit rate whichever is higher, by an employer subject to the provisions of this act.

## **UNEMPLOYMENT CLAIM PROCEDURES AND THEIR EFFECT ON EMPLOYERS’ EXPERIENCE ACCOUNTS**

### **Unemployment Notice**

All employers, whether or not liable under the law, must prepare an Unemployment Notice (Form Connecticut UC-61) for the worker upon termination of employment whatever the cause of such termination. The Unemployment Notice is attached to a separation packet (UC-62T/UC-61).

The packet provides the worker with telephone and Internet 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.

Careful preparation of this notice by the employer is most important. Unless every item, including the employer’s correct employer number and the

employee's Social Security number, is completed accurately, the employer may have to contend with inquiries regarding the separation at a later date. Misinformation or lack of information can result in unwarranted charges to the employer's experience account. A critical element in filing an initial claim is the employer registration number, which is entered on the UC-61 Unemployment Notice.

When the employer provides the claimant with an unemployment notice with employer certification that the claimant's unemployment is due to lack of work, further investigation of the separation normally is not made. If, however the local Unemployment Compensation Job Center determines that a fact finding hearing is required to determine if an individual's separation from work entitles him/her to benefits, a notice of such hearing will be mailed to the employer. **THIS HEARING NOTICE WILL BE MAILED TO THE EMPLOYER'S ADDRESS WHICH APPEARS ON THE NOTICE OF SEPARATION (FORM UC-61).** Where no Notice of Separation is provided to the examiner, the Administrator will mail the hearing notice to the most recent address of record provided by the employer to the Administrator's Employer Status Unit.

**ISSUANCE OF UNEMPLOYMENT NOTICES SHOULD BE LIMITED TO CAREFULLY CHOSEN PERSONNEL. THE EMPLOYER WHO ISSUES A "LACK OF WORK" UNEMPLOYMENT NOTICE ALLOWING AN INELIGIBLE CLAIMANT TO RECEIVE BENEFITS MAY PAY FOR IT WITH A HIGHER CONTRIBUTION RATE.**

### **Lack of Work Verification Form**

In some cases, when a claimant states that the separation was due to lack of work, a Lack of Work Verification Form (UC-61A) may be sent to the employer to confirm this. The employer may discard the form if the separation was due to lack of work. If the claimant was separated for reasons other than lack of work (for example: quit or discharge), in order for a first-level hearing to be scheduled, the employer must, within 7 days of the form's mail date, telephone the office that sent the form, or fax the form back to that office. The employer will lose its right to a first-level hearing if it fails to take this action and benefits will be paid if the claimant is otherwise eligible.

### **Benefit Charging - Taxable Employer**

Each employer is potentially chargeable for benefit payments in the proportion of his base period wages to the total wages paid by all base period employers.

The processing of each claimant's new claim will result in the issuance to each base period employer of Form UC-280 showing 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.

The employer will not be charged if the claimant was separated under disqualifying conditions, provided the employer protests in a timely manner. The employer will also be granted relief from being charged following a disqualification for the refusal of an offer of rehire.

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 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, Connecticut 06109-1114. Telephone (860) 263-6705.

### **Non-Charging Separation Provisions Voluntary Quits**

The employer's account can be relieved of charges if the claimant quits his job under conditions which would result in disqualification. Under present law a disqualification is imposed...”if, in the opinion of the Administrator, the claimant has left suitable work voluntarily and without good cause attributable to the employer,... provided further, no individual shall be ineligible for benefits if he leaves suitable work (i) for good cause attributable to the employer, including leaving as a result of changes in conditions created by his employer, or (ii) to care for a spouse, child, or parent with an illness or disability (iii) due to the discontinuance of transportation other than his personally-owned vehicle, used to get to and from work, provided no reasonable alternative transportation is available (iv) to protect the individual, a child, spouse or parent from becoming or remaining a victim of domestic violence, provided such individual has made reasonable efforts to preserve the employment; or (v) to accompany a spouse who is required to relocate while on active duty with the United States armed forces; or (vi) for separations on or after April 15, 2009, to accompany a spouse to a place from which it is impractical to commute due to a change in the location of the spouse's employment.

A disqualification is not imposed and the employer's account is chargeable if the claimant leaves work for good cause attributable to the employer, including changes in conditions created by the employer. If the reason for the quit is as provided by subsections (ii), (iii), (iv) or (v) a disqualification is not imposed, but the taxable employer's account will not be charged.



## **Discharges**

The employer's account can be relieved of charges...”if, in the opinion of the Administrator, the claimant has been discharged or suspended for felonious conduct, conduct constituting larceny of property or service whose value exceeds \$25.00, or larceny of currency regardless of the value of such currency, wilful misconduct in the course of his employment, or participation in an illegal strike as determined by state or federal laws or regulations...” Additionally, the employer's account can be relieved of charges “if it is found by the administrator that [the 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” or “having been sentenced to a term of imprisonment of thirty days or longer and having commenced serving such sentence, he has been discharged or suspended during such period of imprisonment.”

If a discharge resulted for reasons other than wilful misconduct, such as inability to perform the work to the employer's satisfaction, a disqualification will not be imposed, and the employer's account will be charged.

Wilful misconduct means deliberate misconduct in wilful disregard of the employer's interest, or a single knowing violation of a reasonable and uniformly enforced policy of the employer, when reasonably applied, provided such violation is not the result of the employee's incompetence and provided further, 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.

## **Refusals of Work**

The Law provides that the account of the employer who offers reemployment shall not thereafter be charged if a disqualification has been imposed under Sec. 31-236. This section provides for a disqualification if the claimant fails, without sufficient cause, to accept suitable work, including a temporary employee's refusal to accept suitable employment when it is offered to him upon completion of an assignment by a temporary help service. It further specifies that “Suitable work shall mean employment in his usual occupation, or field or other work for which he is reasonably fitted, provided such work is within a reasonable distance of his residence. In determining whether or not any work is suitable for an individual, the Administrator may consider the degree of risk involving his health, safety, morals, physical fitness, prior training and experience, skills, previous wage level and length of employment.” A temporary employee of a temporary help service who refuses to accept suitable employment when it is offered to him upon completion of an assignment can be is qualified until he has earned at least six (6) times his weekly benefit rate.

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

If a claimant refuses to accept reemployment, 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 an 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. Similarly, if the claimant is rehired and subsequently separates from employment under disqualifying circumstances, benefit payments prior to the disqualifying separation will not be affected. If the claimant refuses to accept reemployment with sufficient cause (he might have found another job, for example) no disqualification would be attached to the refusal.

### **Dismissal/Severance Payments - Allocation**

An individual is ineligible for benefits any week the individual has received or is about to receive remuneration in the form of wages in lieu of notice, dismissal payments, including severance or separation payment by an employer to an employee beyond the employee's wages upon termination of the employment relationship unless the employee was required to waive or forfeit a right or claim independently established by statute or common law, against the employer as a condition of receiving the payment. For example, a severance payment would not be allocable against unemployment benefits if, as a condition of receiving the payment, the worker had to sign a waiver of his right to sue his employer under a discrimination statute or a waiver of his right to bring a wrongful discharge suit.

### **Other Non-charging Provisions**

The employer will also be granted relief from charges if it is determined that the claimant:

1. While on layoff from his regular work, accepted other employment with the employer which he left after recall 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. Continued to be employed to the same extent by that employer

at the time he establishes his claim as he had been during his base period provided such employer notifies the Administrator in a timely fashion. This also applies to reimbursable employers.

OR

6. Had earnings of \$500 or less from such employer during his base period.

### **Benefit Charging - Reimbursement Method Employer**

Employers using the Reimbursement option must reimburse the Unemployment Compensation Fund monthly for benefits attributable to wages paid by them plus the dependency allowance. The non-charging provisions of the law do not apply to reimbursing employers who will be charged even if the claimant separated under disqualifying conditions and subsequently earns 10 times his/her weekly benefit rate to requalify for benefits except as previously noted in item 5, "Other Non-Charging Provisions" effective October 1, 1985.

### **Notices to Employers and Appeal Provisions**

If the reason for the claimant's separation is a voluntary quit or a discharge for misconduct, the employer will be mailed our Form UC-840, Notice of Hearing and Unemployment Compensation Claim. The employer may attend the predetermination Fact Finding interview, request participation by telephone, or submit the separation information in writing on our Form UC-90, Fact Finding Supplement.

All pertinent details, including dates, relating to a separation or work refusal, should be furnished.

The validity of the Adjudication 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. This minimizes the likelihood of further inquiries and the necessity of appealing a decision which may have been based on inaccurate or incomplete information.

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

An appeal of the benefit award may be made on a form provided with the notification, or by letter furnishing a detailed statement of the basis of the appeal. An appeal filed by mail must be postmarked (by the United States Postal Service; private postage meters are not acceptable. If you use a private delivery service, it must be one approved by the IRS: Airborne Express, DHL Worldwide

Express, Federal Express, or United Parcel Service) or received within twenty-one (21) calendar days of the date the first notice of potential liability was mailed to you. If the offices of the Unemployment Compensation Department are closed on the twenty-first day, you have until the next business day to file an appeal. If you file by fax or by Internet, your appeal must be received by the Department of Labor by 11:59 p.m. on the twenty-first day. Any such appeal which is filed after the twenty-one day period may be considered to be timely filed if the filing party shows good cause for the late filing. Within the prescribed limits, an employer may protest the charging of benefit payments to his account. Such a protest would normally be predicated upon the circumstances surrounding the claimant's termination from employment.

To be relieved of charges, the employer must show felonious conduct, conduct constituting larceny in the third degree, participation in an illegal strike, or wilful misconduct in the course of employment in the case of a discharge, and in the event of a voluntary separation that the quit was without good cause attributable to the employer. Benefits will be approved if the claimant was terminated because of inability to perform work properly, unless the claimant persisted in an attitude demonstrating a wilful disregard of, or wilful indifference to, the employer's interest.

### **Employer Participation in Unemployment Compensation Fact Finding Hearings**

Effective July 1, 1992, Connecticut General Statutes Section 31-241, as amended by Public Act 91-107, imposes liability whenever an employer, after receiving notice of a fact finding hearing in a local Job Center, fails to appear at an Unemployment Compensation Fact Finding hearing scheduled in the Job Center or the Job Center Adjudications Specialist does not receive a timely adequate written response from the employer by the time the hearing is scheduled to commence on the scheduled hearing date. Written responses may be faxed to the Job Center. An employer who does not participate in the fact finding process after receiving notice could be liable for unemployment compensation charges for up to six (6) weeks after the week in which the employer's appeal to the referee is filed, even if the employer ultimately wins his appeal before the Referee.

#### **Other Forms Related to Charges**

At the end of each quarter, unless there are no charges for the period, employers receive a Quarterly Statement of Charges (UC-54Q). This is a detailed record of charges (benefits paid to former employees) to the employer's account for the most recently completed calendar quarter. It should be checked carefully against payroll records for the same period to insure the validity of benefit payments. You may appeal a determination finding you chargeable for a portion of a former employee's benefits due to your non-participation in a fact-finding hearing when you receive a Quarterly Statement of Charges which includes the weeks in question if this is your first notification of the approval.

During the first quarter of each year, employers receive a statement of Experience Account and New Contribution Rate for the Calendar Year

(UC-54A). For employers qualified for experience rating, this form shows the data and calculations used to arrive at the employer's contribution rate.

All notices and forms relating to charges, as well as contributions returns, are mailed only to the employer's address of record with the Department. In the case of appeals, if an employer refers the notification for processing to a location other than the address of record, it is the responsibility of the employer to insure that appeals reach the Department within 21 days of the date of notification.

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

## **Appeals Referees and the Board of Review**

The Unemployment Compensation Law provides for an Appeals Division consisting of the Referee Section and the Board of Review. The appeal filed by the employer or the claimant must furnish a detailed statement of the basis of the appeal. An appeal filed by mail must be postmarked (by the United States Postal Service; private postage meters are not acceptable. If you use a private delivery service, it must be one approved by the IRS: Airborne Express, DHL Worldwide Express, Federal Express, or United Parcel Service) or received within twenty-one (21) calendar days after the notification of the decision is mailed. If the offices of the Unemployment Compensation Department are closed on the twenty-first day, you have until the next business day to file an appeal. Any such appeal which is filed after the twenty-one day period may be considered timely filed if the filing party shows good cause for the late filing. The employer's appeal rights shall be limited to the first notice he is given in connection with a claim which sets forth appeal rights. The appeals may involve claims for benefits, benefit charges to the employer's account, the interpretation of employment, the establishment of liability and the contribution rates assigned to an employer.

The employer, the employee and the Administrator have the right to further appeal a Referee's decision to the Board of Review, which provides administrative direction, supervision and control for the Referee Section. An appeal to the Board of Review must furnish a detailed statement of the basis of the appeal. An appeal filed by mail must be postmarked (by the United States Postal Service; private meters are not acceptable. If you use a private delivery service, it must be one approved by the IRS: Airborne Express, DHL Worldwide Express, Federal Express, or United Parcel Service) or received within twenty-one (21) calendar days from the date on which a copy of the decision is mailed to the party. Any such appeal which is filed after the twenty-one (21) day period may be considered to be timely filed if the filing party shows good cause for the late filing.

Any party may appeal a Board of Review's decision to the Superior Court if the appeal is filed within 31 days from the date the decision was mailed. The petition must state the grounds on which a review is sought and must be filed in the office of the Board of Review.

The above-described appeals may also be submitted, within the same time periods, by faxing an appeal to the number provided on the decision, or by Internet at the Connecticut Labor Department Web site:

<http://www.ctdol.state.ct.us/apfrmnt.htm>

An appeal may be taken from the decision of the Superior Court to the Supreme Court in the same manner as is provided in civil actions.

## GLOSSARY

Following are definitions of terms frequently used in this booklet:

ADMINISTRATOR	The Commissioner of Labor.
APPEAL	<ol style="list-style-type: none"><li>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.</li><li>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.</li></ol>
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.
BASE PERIOD ALTERNATE	A 12 month period which is four calendar quarters immediately preceding the quarter in which the claim is filed.
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 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. GLOSSARY

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	The Unemployment Compensation Department, Employment Security Division, 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 the following: <ol style="list-style-type: none"> <li>1. Regular or full-time employees.</li> <li>2. Part-time employees who are employed on certain weekends.</li> <li>3. Temporary employees hired for only a short period of time, such as for some special project.</li> <li>4. Paid officers of a corporation and officers whose personal accounts are credited.</li> <li>5. Employees generally compensated, in whole or in part, by commissions or gratuities.</li> </ol>
EMPLOYER NUMBER	Every employer subject to the law is assigned a registration number for identification purposes.
EMPLOYER NOTICES	Forms mailed to employers by the Department to notify them of matters affecting their interest.
EMPLOYING UNIT	An individual or organization that has one or more employees in the State of Connecticut.
EXPERIENCE PERIOD	The thirty-six consecutive months ending on June 30th.
EXPERIENCE YEAR	The twelve consecutive months ending on June 30th.



CENTRAL OFFICE  
Connecticut Labor Department  
Employment Security Division  
200 Folly Brook Boulevard  
Wethersfield, CT 06109-1114

General Information	(860) 263-6000
Benefit Payment Control Unit (Unemployment compensation overpayments)	(860) 263-6325
Cashiers (Quarterly returns, UC-2, Correction UC-2's, UC-2MAG)	(860) 263-6470
Collections (Delinquent Accounts)	(860) 263-6185
Data Processing Service	(860) 263-6145
Employer Status (Register or change status or address)	(860) 263-6550
OSHA Division (Safety in the Workplace)	(860) 263-6900
Field Audit	(860) 263-6360
Merit Rating Unit (UC-280, UC-54Q, UC-54A)	(860) 263-6705
Tax Automation and Wage Processing Unit Wage Records (hard copy)	(860) 263-6375 (860) 263-6370
Municipal and Reimbursement Billing Control	(860) 263-6460
Research (Labor Market Information)	(860) 263-6275
Wage and Workplace Standards Division	(860) 263-6790

WEB SITE: [www.ct.gov/dol](http://www.ct.gov/dol)

TELE-BENEFITS LINE - VOICE RESPONSE TELEPHONE SERVICE  
-EMPLOYER INFORMATION  
(SELECT OPTION 4)

The TELE-BENEFITS LINE Option “4” is a benefit for Connecticut employers and potential employers! The following information is available: who is required to register, how to register, what remuneration is subject to the unemployment tax, and cafeteria plan information. Referrals are available for information on tax rates and charges; tax contribution information on credits, refunds, quarterly returns form UC-2/5A or special assessments; delinquent quarterly returns or release of liens. No employer identification number or PIN is needed for this option which is available 24 hours/day, 7 days/week. For referrals or to speak to a customer service representative, our business hours are normally 8:00 to 4:00 p.m. Call the most convenient number listed below to access the TELE-BENEFITS LINE.

Ansonia	(203) 230-4939
Bridgeport	(203) 579-6291
Bristol	(860) 566-5790
Danbury	(203) 797-4150
Danielson	(860) 423-2521
Enfield	(860) 566-5790
Hamden	(203) 230-4939
Hartford	(860) 566-5790
Manchester	(860) 566-5790
Meriden	(860) 344-2993
Middletown	(860) 344-2993
New Britain	(860) 566-5790
New London	(860) 443-2041
Norwich	(860) 443-2041
Stamford	(203) 348-2696
Torrington	(860) 482-5581
Waterbury	(203) 596-4140
Willimantic	(860) 423-2521

CONNECTICUT DEPARTMENT OF LABOR FIELD AUDIT UNITS

Bridgeport	06604	350 Fairfield Ave. Suite 602	(203) 455-2725
Danbury	06810	152 West Street	(203) 797-4148
Enfield	06082	620 Enfield Street	(860) 741-4285
Hamden	06514	39 Marne Street	(203) 859-3325
Hartford	06120	3580 Main Street	(860) 256-3725
Middletown	06457	645 South Main St.	(860) 754-5130
New Britain	06053	260 Lafayette Street	(860) 827-7063
New London	06320	Shaws' Cove Six	(860) 439-7550
Norwich	06360	113 Salem Tpke. North Bldg., Ste.101	(860) 859-5700
Torrington	06790	Torrington Parkade 486 Winsted Road	(860) 626-6221
Waterbury	06702	249 Thomaston Ave.	(203) 437-3400
Willimantic	06226	Tyler Square 1320 Main Street	(860) 423-2689