



*(See Updates in **RED**)*

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For Taxable Employers

On April 9, 2020, Governor Lamont signed Executive Order No. 7W that provided that no base period contributing employer's account shall be charged with respect to benefits paid to a claimant due to partial or total unemployment that the Commissioner of Labor or his designee determines are attributable to COVID-19 during the public health and civil preparedness emergency declared on March 10, 2020, and any period of extension or renewal.

Impact of Executive Order 7W on Contributing Employers

Who is a contributing employer?

Contributing employers include all for-profit companies and certain municipalities, federally recognized Indian Tribes and non-profit organizations that pay UI taxes on a quarterly basis.

What is an experience rating account?

An experience rating account is maintained for each contributing employer and matches that employer's payroll against their pro-rated share of UI benefits paid to former employees. This determines the employer's UI tax rate each year.

What is the impact of Executive Order 7W on my experience rating?

- On April 9, 2020, Governor Lamont signed Executive Order No. 7W that provides that no base period contributing employer's account shall be charged with respect to benefits paid to a claimant due to partial or total unemployment that the Commissioner of Labor or his designee determines are attributable to COVID-19.
- Based on this Order, weeks of unemployment beginning with week ending March 21, 2020, and ending with the termination of the public health and civil preparedness emergency declared on March 10, 2020, (termination date yet to be determined) will not be directly charged to any contributing employer's experience rating account.

- Because these UI benefits will not be charged directly to each contributing employer's experience rating account, the impact on individual UI tax rates based on UI benefits paid and attributed to COVID-19 will be significantly reduced.

Federal Reimbursement of UI Benefits Paid Under the Shared Work Program for Contributing and Reimbursing Employers

What is the Shared Work Program?

Shared Work is a program designed to save jobs and retain skilled workers. It offers an alternative to layoffs by allowing employers to temporarily reduce employee hours and supplement lost wages with the help of partial unemployment benefits.

What is the federal reimbursement of the Shared Work Program?

Section 2108 of the CARES Act provides for a federal reimbursement to the state for all weeks of unemployment paid under the state's Shared Work Program. It covers weeks of unemployment paid under the Shared Work Program from week ending April 4, 2020 through week ending December 26, 2020.

What does this federal reimbursement mean to employers?

Because all UI benefits paid under the state's Shared Work Program will be reimbursed to the state by the federal government as long as the weeks of unemployment fall within the applicable time period, none of these weeks of unemployment will be charged to any employer. This includes employers who pay UI taxes on a quarterly basis and also employers who have elected to reimburse the state for UI benefits paid to their former employees.

Federal Reimbursement of the First Week of Compensable Regular Unemployment

What is the first week of compensable regular unemployment?

The first week each claimant receives in regular UI benefits is called their first week of compensable regular unemployment.

What is a waiting week?

When a state does not pay UI benefits to a claimant for their first week of unemployment, that is known as a waiting week.

What is a reimbursement of the first week of compensable regular unemployment?

Section 2105 of the CARES Act provides a federal reimbursement to the state for the first week of compensable regular unemployment for any state that does not have a waiting week. Connecticut is such a state. The reimbursement covers the first week of compensable regular unemployment as long as that week falls within the time period of week ending April 4, 2020 through December 26, 2020.

What does this federal reimbursement mean to employers?

Because each claimant's first week of compensable regular unemployment will be reimbursed by the federal government as long as that week falls within the applicable time period, employers will not be charged for that week. This includes employers who pay UI taxes on a quarterly basis and also employers who have elected to reimburse the state for UI benefits paid to their former employees.