
OLR Bill Analysis

HB 5280

AN ACT CONCERNING A NONCHARGE FOR EMPLOYEES PAID BENEFITS THROUGH THE SHARED WORK PROGRAM DURING PERIODS OF HIGH UNEMPLOYMENT.

SUMMARY

Beginning January 1, 2027, this bill reinstates a provision similar to one repealed in 2025 on an unemployment insurance (UI) tax “non-charge” for employers using a shared work program. Under the bill, this non-charge applies when the state is in an extended benefit period or high unemployment period (generally, when the unemployment rate exceeds 6.5% for three months). Under the bill, the non-charge must continue until the U.S. labor secretary notifies the state labor commissioner that the extended benefit period or high unemployment period has been triggered off.

PA 25-117, § 5 repealed a similar provision related to the shared work program that (1) required a non-charge when the state’s average unemployment rate was at least 6.5% based on the most recent three months of data published by the Department of Labor (DOL) and (2) permitted a non-charge when the state’s average unemployment rate was at least 8% in the most recent month of DOL-published data.

EFFECTIVE DATE: October 1, 2026

BACKGROUND

Employer UI Taxes

In general, a portion of an employer’s UI taxes are based on the employer’s “experience rate,” which reflects the amount of unemployment benefits paid to the employer’s former employees over a certain period. The law, however, allows several non-charging separations in which an employee can collect benefits without affecting a former employer’s experience rate. (The benefits paid to the former

employee are “pooled” and paid by all employers who pay unemployment taxes.)

Shared Work Program

The Shared Work Program is a voluntary program that allows employers to reduce their employees’ work hours in place of layoffs. The affected employees receive a proportionally reduced unemployment benefit.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 13 Nay 0 (03/05/2026)