

The following policies have been established by the Connecticut Paid Leave Authority to implement the provisions of Conn. Gen. Stat. §§31-49e to 31-49t inclusive. Such policies were established in accordance with Conn. Gen. Stat. §1-121.

### **Definitions**

*CTPL-001-DEF* (a) "Authority" has the same meaning as provided in Conn. Gen. Stat. §31-49e. It shall also include any representative(s) that the Authority has contracted with to administer a portion of the Connecticut Paid Leave program, solely to the extent of that grant, contract, or agreement between the Authority and that representative.

*CTPL-001-DEF* (b) "Calendar quarter" shall mean each of the following three-month periods:

- (1) January 1 through March 31
- (2) April 1 through June 30
- (3) July 1 through Sept 30
- (4) October 1 through December 31.

*CTPL-001-DEF* (c) "Calendar week" shall mean the seven-day period beginning at 12:00am Sunday and ending at 11:59pm on Saturday

*CTPL-001-DEF* (d) "Continuing Treatment" shall have the same meaning as defined in §31-51qq-1 of the Regulations of Connecticut State Agencies.

*CTPL-001-DEF* (e) "Days"

- (1) "Days" as used in these policies shall mean calendar days, unless otherwise noted.
- (2) "Business days" shall mean Monday, Tuesday, Wednesday, Thursday, and Friday, excluding any Connecticut state holidays.

*CTPL-001-DEF* (f) "Employer-provided Employment Benefits", as used in Conn. Gen. Stat. §31-49g(f) and these policies, means wage replacement benefits held, provided or administered by the employer which are intended to compensate the Covered Employee for the period of time in which they are on leave. Examples include sick pay, paid time off, vacation pay, disability policies held by the employer, personal leave.

- (1) Benefits received from the employer as compensation due to termination of employment (e.g., severance or retirement benefits) shall be treated as Employer-provided Employment Benefits if they are received for the period of time that Paid Leave Compensation is received by the Covered Employee.
  - (A) Distributions from an employer-provided retirement program, including a pension plan or employer-sponsored retirement plan such as a 401(k), 403(b), or 457 plan, shall be considered to be Employer-provided Employment Benefits, unless:
    - (i) The distribution is in the form of a loan which the individual is required to repay; or
    - (ii) The employment which the retirement program covers is for an employer other than the individual's current employer, if still employed, or the most recent employer, if no longer employed, as of the first date for which Paid Leave Compensation is requested.

- (2) Regardless of when actually paid, Employer-Provided Employment Benefits shall be considered to be received concurrently with Paid Leave Compensation if they are intended to replace income for the same period of time that Paid Leave Compensation is paid or payable.
- (3) The following shall not be considered to be Employer-provided Employment Benefits:
  - (A) Individual insurance policies in which the Covered Employee is the policyholder;
  - (B) Wages or payments provided for services performed outside of the period of time of the leave;
  - (C) Payments made under employer-provided Medical Insurance, Life Insurance, Critical Illness, Accident, or other insurance, unless those payments are related to lost income;
  - (D) Legal awards or settlements that include payments for lost wages.

*CTPL-001-DEF* (g) "Good Cause" shall exist if the Authority determines that a reasonably prudent individual under the same or similar circumstances would have been prevented from filing a timely request. In determining whether good cause has been shown, the Authority shall consider all factors that it deems relevant, including but not limited to:

- (1) Whether the requestor received timely and adequate notice of the need to act;
- (2) Administrative error by the Authority or its representatives, or the failure of the Authority or its representatives to discharge its responsibilities;
- (3) Factors outside the control of the requestor which prevented a timely action;
- (4) The requestor's physical or mental impairment, particularly if the impairment is related to the request for paid leave;
- (5) Whether the requestor acted diligently in submitting the request once the reason for the late request no longer existed;
- (6) The total length of time that the action was untimely;
- (7) Whether the delay affects the ability for the Authority to determine the validity of the request; and
- (8) Good faith error, provided that in determining whether good faith error constitutes good cause, the Authority shall consider any prior history of late filing due to such error, whether the request is excessively late, and whether the requestor otherwise acted with due diligence.

*CTPL-001-DEF* (h) "Leave" means absence from work for one or more of the reasons provided in subdivision (2) of subsection (a) of Conn. Gen. Stat. §31-51ll or subsection (i) of said section or Conn. Gen. Stat. §31-51ss.

- (1) If a Covered Employee has received income equal to their Regular Rate of Compensation for a portion of the leave, and consequently Paid Leave Compensation is not payable, such portion of time shall not count toward the Covered Employee's Paid Leave Allowance. However, that portion of leave may reduce the allowance for employment protection under Conn. Gen. Stat. §31-51nn.
- (2) The three types of leave, as used in this policy, are as follows:
  - (A) Block Leave - A continuous absence for a single qualifying reason;
  - (B) Reduced Schedule Leave - A leave schedule that changes the Covered Employee's normal work schedule for a period of time by reducing the Covered Employee's usual number of working hours per workweek or hours per workday;
  - (C) Intermittent Leave - Leave taken in separate blocks of time due to single qualifying reason.

*CTPL-001-DEF* (i) "Material Change in Leave Status" means any changes that occur to the amount of leave taken, the purpose of the leave, the employment status or wages of the Covered Employee, or other income received by the

Covered Employee that may impact Paid Leave Compensation amounts or utilization. Such changes include, but are not limited to:

- (1) Any change in the amount of time out on leave each week;
- (2) Change in Medical Condition of the person who has a Serious Health Condition necessitating the leave. A change is material if it increases or decreases the amount of leave needed, including the recovery or the death of the person;
- (3) Any change in the income that is received for the period of time that a Covered Employee is on leave, whether accruals, disability insurance, severance pay or another program;
- (4) Any application for or approval of Workers Compensation, Unemployment, Social Security or other government program tied to income replacement;
- (5) Changes in Employment status, e.g., unemployed to employed, employed to unemployed, retirement, new job whether with the same company or with a new employer;
- (6) Changes in schedule:
  - (A) For Covered Employees who have a standard schedule, the change is material if there is an official change in the standard schedule (i.e., not because they happened to work more or less in a given week, or there is a holiday);
  - (B) For Covered Employees who do not have a standard schedule, if the leave is an intermittent or reduced schedule leave, the change is material if the change in work schedule is expected to last longer than 2 weeks;
- (7) Changes in wages for the period of time while on leave:
  - (A) For Covered Employees who have regular wages or salary, the change is material if there is a change in their regular pay (e.g., an annual raise, a new job with a new salary);
  - (B) For Covered Employees who do not have regular wages, if income is being received by the Covered Employee while on leave at the same time that compensation is provided for paid leave, the change is material if it impacts the rate of pay (e.g., amount earned per hour worked);
- (8) Specifically for pregnancy and bonding-related leaves, the date that the birth occurs.

*CTPL-001-DEF* (j) “Paid Leave Allowance” means the total number of weeks of leave for which a Covered Employee may receive Paid Leave Compensation in the twelve-month period, per Conn. Gen. Stat. §31-49g (c)(1).

*CTPL-001-DEF* (k) “Paid Leave Compensation” means the weekly benefit provided to Covered Employees by the Authority per Conn. Gen. Stat. §31-49g(c)(2) or by a Private Plan under Conn. Gen. Stat. §31-49o.

*CTPL-001-DEF* (l) “Private Plan”, as used in these policies, means a program adopted per Conn. Gen. Stat. §31-49o.

*CTPL-001-DEF* (m) “Public Plan” or “Public Program”, as used in these policies, means the Family and Medical Leave Insurance Program as defined in Conn. Gen. Stat. §31-49e(11), and shall not include Private Plans.

*CTPL-001-DEF* (n) “Regular Work Schedule” means the days of the week and the number of hours typically worked by the Covered Employee in the job or jobs held by the Covered Employee as of the first date of the leave.

- (1) The Authority shall determine the Regular Work Schedule as follows:

- (A) If a Covered Employee has a work schedule that remains the same each week, the Regular Work Schedule shall mean the schedule that was in place immediately prior to the beginning of the leave.
- (B) If a Covered Employee has a work schedule that varies each week, the Regular Work Schedule shall be determined by taking an average of the schedule worked during the 12 weeks, plus any paid time off used, prior to the last day worked prior to the beginning of the leave. If the Covered Employee has worked fewer than 12 weeks immediately prior to the last day worked, the average shall only include the weeks in which the Covered Employee was employed.

If an employer is completing the Employment Verification form prior to the last day worked before the requested leave, the employer may provide, and the Authority shall accept, the Regular Work Schedule of the Covered Employee as of the date the form is completed.

- (2) If a Covered Employee did not work on a holiday or holidays, it shall not impact the determination of their Regular Work Schedule.
- (3) If a Covered Employee is no longer employed as of the first date of paid leave, the Authority shall utilize the Regular Work Schedule in place as of the Covered Employee's last date of employment with an employer participating in the Public Program.
- (4) If a Covered Employee is unable to provide evidence sufficient for the Authority to determine their Regular Work Schedule, the Authority shall have the right, at its discretion, to assign a Regular Work Schedule equal to 8 hours per weekday and 40 hours per week, or an alternative reasonable schedule based on the information available to the Authority.

*CTPL-001-DEF* (o) "Regular Rate of Compensation" shall mean the wages that are received by the employee as of the date of the leave.

- (1) If a Covered Employee has a regular salary or hourly wages, Regular Rate of Compensation shall be the salary or hourly wage in effect on the last day that the Covered Employee is at work prior to the beginning of a leave;
- (2) If a Covered Employee does not have a regular salary or hourly wages, Regular Rate of Compensation shall be the total wages received over the 12 weeks prior to the beginning of leave divided by the number of hours worked for that same period of time. If the Covered Employee has worked fewer than 12 weeks, the amount shall be averaged over the total weeks worked.
- (3) If a Covered Employee is unemployed at the beginning of the leave, Regular Rate of Compensation shall be determined based on either (1) or (2) above, whichever is applicable, as of the last date that they worked for an employer eligible for the paid leave program.
- (4) If there is a change in wages while a Covered Employee is on leave, such change shall only impact the Regular Rate of Compensation if it qualifies as a Material Change in Leave Status.
- (5) If a Covered Employee has multiple employers who participate under the Public Program, there shall be a separate Regular Rate of Compensation for each employer.

*CTPL-001-DEF* (p) "Serious Health Condition" shall have the same meaning as defined in §31-51qq-1 of the Regulations of Connecticut State Agencies.

*CTPL-001-DEF* (q) “Subject Earnings” shall only include total wages which are earned as a result of service as an Employee, as defined in Conn. Gen. Stat. §31-49e(7), to an employer that participates in the Connecticut Paid Leave program.

- (1) Such service shall include being the sole-proprietor or self-employed individual who has elected to participate in the paid leave program, per Conn. Gen. Stat. §31-49m.
- (2) For the purpose of determining eligibility under the program, the Public Program shall not include wages earned from an employer with a Private Plan, unless the employee is no longer covered under the Private Plan as of the first date for which paid leave is requested.
- (3) Subject Earnings shall not include wages for employment while the individual is engaged in service outside of Connecticut nor for employment with an employer that is not participating in the Connecticut Paid Leave Program. Notwithstanding this rule, wages for employment with the State of Connecticut, for a municipality, or for a local or regional board of education, during a period for which the employee was not a Covered Public Employee per Conn. Gen. Stat. §31-49e(5), shall be included as Subject Earnings for the purpose of determining eligibility under the program only if the employee met the definition of a Covered Public Employee for such employment as of:
  - (A) The first date for which paid leave is requested, if still employed by that employer on that date; or
  - (B) The last date of such employment, if no longer employed by that employer as of the first date for which paid leave is requested.
- (4) For the purpose of determining the wages subject to the limitation on contributions connected to the Social Security contribution and benefit base, Subject Earnings shall only include wages earned from employment with an employer participating in the Public Program and self-employment income from sole proprietors and self-employed individuals who have enrolled in the Public Program pursuant to Conn. Gen. Stat. §31-49m. It shall not include:
  - (A) Wages earned from an employer while utilizing a Private Plan pursuant to Conn. Gen. Stat. §31-49o;
  - (B) Wages earned from an employer not participating in the paid leave program;
  - (C) Wages earned from a participating employer during a period of time when such employer was not participating in the Public Program;
  - (D) Wages earned from employment with the State, a municipality, or local or regional board of education during a period that the employee was not a Covered Public Employee; nor
  - (E) Self-employment income from a sole proprietor or self-employed individual earned during a period of time when such individual was not participating in the Public Program.
- (4) Subject Earnings shall include benefits under a disability policy intended to replace income that would have qualified as Subject Earnings.

*CTPL-001-DEF* (r) “Total Wages” shall have the meaning identified in subsection (b) of §31-222 and self-employment income, as defined in 26 USC 1402(b), as amended from time to time.

- (1) Total Wages shall include:
  - (A) Wages earned from employment as an Employee, as defined by Conn. Gen. Stat. §31-49e(7), with an Employer, as defined by Conn. Gen. Stat. §31-49e(8).

- (B) Income from self-employment or income from a sole proprietorship if enrolled in the Public Program under §31-49m and eligible for benefits under *CTPL-010-SPSE* (c) or *CTPL-010-SPSE* (d).
  - (C) Notwithstanding subsection (A), if the employer is the State of Connecticut, a municipal employer, or a local or regional board of education, wages from such employment during a period for which the employee was not a Covered Public Employee per Conn. Gen. Stat. §31-49e(5), only if the employee is a Covered Public Employee, as defined in Conn. Gen. Stat. §31-49e(5), for such employment as of:
    - (i) The first day for which paid leave is requested, if the Covered Public Employee is still employed by the employer; or
    - (ii) The last date of employment, if the Covered Public Employee is no longer employed by the employer on of the first date for which paid leave is requested.
  - (D) If wages were earned while the employer was covered by a Private Plan, such wages shall only be included if the employer is participating in the Public Program as of the first date for which paid leave is requested. However, in no event shall such wages be included as Total Wages under the Public Program if the employee is receiving benefits under the employer's Private Plan for the same period of paid leave requested under the Public Program.
- (2) Total Wages shall not include wages earned from employment for which the individual is engaged in service outside of the State of Connecticut or for an employer that is not participating in the Connecticut Paid Leave Program. The method for determining whether employment is considered service within the State of Connecticut is described in *CTPL-002-ELIG* (h).

*CTPL-001-DEF* (s) "Unpaid Contributions" shall include any of the following:

- (1) any amounts owed but not paid to the Fund based upon the Subject Earnings of employees, or sole proprietors or self-employed individuals who have enrolled in the program per Conn. Gen. Stat. §31-49m;
- (2) the amount of any interest, fees, penalties, or charges related to:
  - (A) unpaid contributions to the Fund; or
  - (B) improperly paid contributions to the Fund.

*CTPL-001-DEF* (t) "Wilful Misrepresentation" means:

- (1) any statement made to the Authority or its representative that the person making it knows to not be true; or
- (2) the wilful failure to report or disclose information which the Authority has requested during the paid leave submission process or which is considered a Material Change in Leave Status as defined in *CTPL-001-DEF* (i), that is material to determining eligibility for Paid Leave Compensation or the amount of Paid Leave Compensation that is available.

## **Eligibility**

### **CTPL-002-ELIG (a) Employees not Covered under the Paid Leave Program**

Absent separate employment which does qualify, the following categories of employees are not eligible for the paid leave program:

- (1) Employees who are employed by an employer who is specifically excluded by Conn. Gen. Stat. §31-49e:
  - (A) For the purpose of determining if an entity is a non-public elementary or secondary school, the CT Paid Leave Authority will consider the specific circumstances of that entity, including the following criteria:
    - (i) Whether the entity is subject to the requirements of the CT Family and Medical Leave Act;
    - (ii) In the case of an entity that includes an educational component as part of a larger organization, the Authority will also consider whether there are any legal distinctions between the educational component and the other elements of the organization; whether the employees of the educational component also have responsibilities associated with the other elements of the organization; and the size of the educational component as compared to the remainder of the organization;
  - (B) For the purpose of determining whether public libraries are a part of a municipality, the Authority shall use the following criteria:
    - (i) Municipal libraries shall qualify as municipalities; and
    - (ii) Association libraries (established under §501(c)(3) of the Internal Revenue Code) and other public libraries shall not be considered municipalities;
- (2) Employees of a sovereign country, tribal nation, or government of another state or country. Nevertheless, for tribal nations, if:
  - (A) The tribe has entered into a memorandum of understanding with the State of Connecticut; and
  - (B) The tribal employer has registered with the Authority;the tribal employer shall be a participating employer in accordance with the terms of the memorandum of understanding;
- (3) Individuals who are not subject to state or local payroll taxes as a result of explicit federal laws, such as the Railroad Unemployment Insurance Act or the Military Spouses Residency Relief Act;
- (4) Individuals who work for subminimum wage pursuant to a 14C certificate or whose employment is part of a therapeutic program that provides therapeutic supports to the worker and that is not obtained through a competitive process;
- (5) Individuals who are self-employed, including members of a LLC, sole proprietors, members of a partnership or joint venture, independent contractors and other self-employed individuals, unless they:
  - (A) Separately qualify as a bona fide employee, for example by paying themselves wages reported on Form W-2;
  - or
  - (B) Enroll in the paid leave program pursuant to Conn. Gen. Stat. §31-49m;
- (6) Individuals who are employed as a part of their incarceration; and
- (7) Individuals who are employed by Regional Educational Service Centers or state charter schools.

### **CTPL-002-ELIG (b) Non-profit and/or Religious Organizations**

Employers who are non-profit or religious organizations are not exempt from the paid leave program. Unless its employees qualify under another exemption (e.g., sole proprietors, insufficient earnings during the base period, nonpublic elementary or secondary schools), they are within the definition of Covered Employees.

### **CTPL-002-ELIG (c) New Employer Coverage Effective Date**

- (1) Employers shall be required to register with the Authority as soon as they employ their first employee in Connecticut, unless the employer does not meet the definition of an Employer under Conn. Gen. Stat. §31-49e.
- (2) Contributions to the fund for the paid leave program shall be owed as of the date that the employer begins to participate. The due date for such contributions shall be the last day of the calendar quarter in which employees in Connecticut earn wages.

**CTPL-002-ELIG (d) Municipal and Board of Education Employers Effective Date**

- (1) When a municipal employer or a local or regional board of education negotiates inclusion in the paid leave program for its employees, pursuant to subsection (5) of section 31-49e of the Connecticut General Statutes, it must notify the Authority by registering as a covered employer with the Authority. If requested by the Authority, the employer shall provide information and documentation determined by the Authority to be necessary to process the registration, including but not limited to:
  - (A) The number and collective bargaining status of the employees employed by the employer who will be included in the paid leave program;
  - (B) The number and collective bargaining status of the employees employed by the employer who are not participating;
  - (C) A copy of the collective bargaining agreement establishing participation in the paid leave program; and
  - (D) Any other documentation requested by the Authority in order to confirm details of the participating employees.Failure to provide the Authority with sufficient documentation may result in delay or denial of coverage under the program.
- (2) The affected employees of the municipal employer or local or regional board of education shall become Covered Public Employees as defined by subsection (5) of section 31-49e of the Connecticut General Statutes as of the later of:
  - (A) The first day of the month following 3 full calendar months from the date of the registration; or
  - (B) The first day of the month coinciding with or immediately following the effective date of the participation as stated in the collective bargaining agreement.
- (3) Any employee hired by the municipal employer or local or regional board of education after the effective date referenced in subsection (2) and while such collective bargaining agreement remains in force shall be a Covered Public Employee as of the date of hire, unless they are members of a collective bargaining unit of the employer that does not elect to participate in the program.
- (4) Wages provided to Covered Public Employees shall be subject to the paid leave contribution requirement as of the effective date of participation under the collective bargaining agreement. Initial contributions shall be due to the Authority as of the last day of the calendar quarter in which the participation under the collective bargaining agreement becomes effective, subject to the requirements of *CTPL-003-CTRB* (a).
- (5) The minimum period of time that such coverage for the municipal employer or local or regional board of education will remain in force shall be the later of:
  - (A) the end of the period covered by the collective bargaining agreement; or
  - (B) 36 months from the effective date of coverage referenced in subsection (2).Employers may request extensions of the initial coverage period.
- (6) Collective bargaining agreements and any other agreements shall not supersede any requirement under the Connecticut Paid Leave statutes or policies.



#### **CTPL-002-ELIG (e) Eligibility Determination**

- (1) The Authority shall determine if an individual is eligible for benefits under the paid leave program in accordance with the provisions of section 31-49e of the Connecticut General Statute, et seq.
- (2) The Authority may utilize data from the Connecticut Department of Labor as the primary evidence to determine if an employee has met the requirements for eligibility.
- (3) If the Authority has insufficient information to determine whether the claimant meets the definition of a Covered Employee, it shall request the claimant to submit proof in a form that the Authority determines is reasonable. The Authority shall make available a Wage Verification form, developed by the Authority, to be completed by the claimant's employer(s). The Authority reserves the right to determine whether such proof, or alternative documentation, is sufficient. If the proof does not sufficiently detail the specific quarter in which the wages were earned, the Authority may estimate or average the earnings over a period of time that it determines to be reasonable.
- (4) For Sole-proprietors or Self-employed Individuals enrolled in the paid leave program pursuant to Conn. Gen. Stat. §31-49m, the method for verifying wages during the Base Period is defined in CTPL-010-SPSE (j).

#### **CTPL-002-ELIG (f) Termination of Coverage**

- (1) Employers who no longer have employees in Connecticut or are closing operations in Connecticut shall notify the Authority of the intent to close their account. The Authority shall establish a process for providing such notification via the Contact Us link on the CT Paid Leave website.
- (2) The employer shall provide to the Authority the following information in the message:
  - (A) the employer FEIN number;
  - (B) date of discontinuance;
  - (C) last payroll date;
  - (D) trade name; and
  - (E) if applicable, the name, address, and contact information of its successor-in-interest.
- (3) The employer must also provide a copy of the DRS Form CT 941, Connecticut Quarterly Reconciliation of Withholding, that it provided to the CT Department of Revenue Services to close its withholding tax, and/or a copy of the documentation it filed with the CT Department of Labor to cancel its registration. The Authority may accept alternative evidence of such closure or cancellation at its discretion.
- (4) If the employer is participating in the Public Program, the employer is responsible for remitting to the Authority all owed contributions up through the last payroll date.
- (5) If the employer has an approved Private Plan, it must follow the termination of Private Plan procedures established by the Authority.

#### **CTPL-002-ELIG (g) Temporary Shutdown**

- (1) If a Covered Employee is on the payroll of an employer, and that employer temporarily shuts down its operations, Paid Leave Compensation may not be available for employees who are impacted by that shutdown

during the shutdown. Those hours or dates shall be treated as time that the employees are not scheduled to work. Whether Paid Leave Compensation is available shall be determined in accordance with *CTPL-004-CALC* (i).

- (2) Employees who are laid off, including temporary lay-offs, shall be considered Covered Employees if they have been employed by a covered employer in the prior 12 weeks per Conn. Gen. Stat. §31-49e (4) and meet the other eligibility requirements.

***CTPL-002-ELIG* (h) Determination of Whether an Individual Is Engaged in Service to an Employer in this State**

- (1) If an employee is subject to unemployment insurance obligations, then the CT Paid Leave Authority will consider the employee to be engaged in service to an employer in the state where the employee remits the state unemployment insurance payments.
- (2) If the employee is not subject to state unemployment insurance obligations, the CT Paid Leave Authority will apply the following factors, in the listed order of priority to determine if the employee “is engaged in service to an employer in this state” for the purpose of the CT Paid Leave Program:
  - (A) If the services are localized (i.e., performed entirely) within Connecticut, then the employee will be considered to be engaged in service to an employer in Connecticut;
  - (B) If the services are not localized but the base of operations is in Connecticut and some of the services are performed within Connecticut, then the employee will be considered to be engaged in service to an employer in Connecticut;
  - (C) If the work is not localized and there is no base of operations but the employee performs some of the services within Connecticut and receives direction and control from Connecticut, then the employee will be considered to be engaged in service to an employer in Connecticut;
  - (D) If and only if there is no place of direction and control, no localized services, and no base of operation, but the employee resides in Connecticut, then the employee will be considered to be engaged in service to an employer in Connecticut.
- (3) An employee who lives in Connecticut but works in another state is not eligible to participate in the CT Paid Leave Program but may be able to participate in a paid leave program offered by the state where they work.

## **Contributions**

### **CTPL-003-CTRB (a) Contribution Due Date**

- (1) Contributions and wage reporting are due to the Authority on the last day of each calendar quarter.
- (2) There shall be a grace period for payment of each quarterly contribution amount. In order to avoid penalties, payment and wage reporting must be submitted to the Authority by the last day of the month immediately following the end of the calendar quarter.
  - (A) The payment and wage reporting shall be considered to be submitted timely if it received by the Authority on or before the first business day of the month immediately following the grace period.
  - (B) If the payment and wage reporting is received after the first business day of the month immediately following the grace period, the employer may provide additional evidence of when the payment was initiated. Such payment and wage reporting shall only be considered timely if the Authority, at its discretion, determines that the evidence is sufficient to establish that the received payment and wage reporting was initiated before or during the grace period.
- (3) The responsibility for remitting timely contributions and wage reporting to the Authority belongs to employers, as do penalties for late payments or failure to submit payments and wage reports.
- (4) For employers participating under the Public Program, the only legitimate purpose of collecting funds from employees for the program is for the ultimate submission to the Connecticut Paid Leave Authority. Between withholding from employees' paychecks and remittance to the Authority, any monies collected shall be held in trust, constructive or actual, for the purpose of providing contributions to the Connecticut Paid Leave fund on behalf of the employees.
- (5) As used in this policy, "Wage Reporting" means the documentation necessary for the Authority to assign the payment to the appropriate employer. The Authority shall accept the following methods for wage reporting:
  - (A) If payment is submitted via the Authority's website portal via the file-and-pay option, wage reporting and payment occur simultaneously, and no additional wage report is necessary;
  - (B) If payment is submitted via batch payment, wage reporting must be provided in the quarterly return file, according to the specifications established by the Authority;
  - (C) Alternative methods of providing wage reporting may be accepted by the Authority at its own discretion.

Wage reporting must be submitted for all employers participating in the Public Program, even if there are no wages to report for the calendar quarter. Employers and third-party administrators are able to indicate \$0 in the report.

### **CTPL-003-CTRB (b) Contribution Payment Method**

Contributions shall be remitted to the Authority via electronic funds transfer (EFT) or credit/debit card. The Authority shall not accept contributions via check or cash or other payment method.

### **CTPL-003-CTRB (c) Past Contribution Amounts**

Beginning on October 1, 2021, if an employer fails to appropriately deduct the full contribution amount from employees, that employer shall be responsible for the difference between the amount deducted and the amount owed. The employer shall not deduct money from employees' future wages to remit that owed amount, unless the employer has obtained specific permission from the Connecticut Department of Labor.

#### **CTPL-003-CTRB (d) Contributions under \$0.50**

As the Authority is unable to process contribution payments of less than \$0.50 in a single calendar quarter, if contributions for an employer are less than \$0.50 in a given quarter, employers shall report \$0 for earnings in that calendar quarter. Employers shall submit the aggregate total of Unpaid Contributions in the calendar quarter in which that total first exceeds \$0.50.

#### **CTPL-003-CTRB (e) Reporting on Form W-2**

For the purpose of noting employee contributions to the Public Program on Form W-2, employers may utilize Box 14, with the reference code "CTPL".

#### **CTPL-003-CTRB (f) Sources of Income not Subject to Contribution Requirement**

Income from the following sources is exempt from the requirement of contributing to the paid leave program:

- (1) Paid Leave Compensation received from the Public Program or a Private Plan;
- (2) Income that does not qualify as wages, including but not limited to:
  - (A) Unemployment benefits;
  - (B) Workers' Compensation benefits;
  - (C) Social Security benefits;
  - (D) Payments from an employer retirement plan, 401(k), or similar programs; or
  - (E) Insurance proceeds that are not tied to wages; and
  - (F) Insurance proceeds from a disability income policy, but only to the extent the proceeds are not subject to FICA taxes.

Private Plans shall not deduct contributions for the Private Plan from compensation paid under the Private Plan.

#### **CTPL-003-CTRB (g) Social Security Contribution Limit and Multiple Employers**

If an employee is employed by multiple employers, each employer shall continue to remit employee contributions to the Public Program unless the employee has reached the Social Security contribution and benefit base with that particular employer. If an employee has contributed in excess of the Social Security contribution and benefit base in a calendar year, that employee shall be entitled to a refund of the amount in excess after the end of the calendar year. Each such employee shall apply to the Authority in accordance with CTPL-003-CTRB (l) in order to request the refund.

#### **CTPL-003-CTRB (h) Recovery of Unpaid Contributions**

- (1) In order to recover Unpaid Contributions, the Chief Executive Officer of Authority, or his or her designee, may:
  - (A) Utilize any means provided in Conn. Gen. Stat. §12-35, including making out and signing a warrant for distraint upon property of the employer;
  - (B) Cooperate with other state agencies, including but not limited to, the Department of Revenue Services, the Department of Labor, and Department of Administrative Services;
  - (C) Cooperate with the federal government, including any federal agencies; or
  - (D) Engage the services of debt collection agencies.
- (2) If there are costs associated with any of the actions described in subsection (1) above, the responsibility for paying such expense may be allocated at the Authority's discretion to the employer or other party who is responsible for the failure to remit contributions timely.
- (3) Any Unpaid Contributions that are later collected shall be:
  - (A) Contributed into the Fund; or
  - (B) Used to pay or reimburse for any action necessary in order to collect the Unpaid Contributions.

#### **CTPL-003-CTRB (i) Income not Received from Employer**

Employees whose income, or a portion of it, is not received from their employer (e.g., tipped employees) are subject to the requirements to contribute to the paid leave fund. If contributions are not paid as the result of the employee's failure to disclose wages accurately or due to any other reason in the control of the employee, such employee shall be subject to the same penalties and procedure applicable to employers for Unpaid Contributions.

#### **CTPL-003-CTRB (j) Verifying and/or Estimating Contribution Amounts**

In order to verify accurate contributions are remitted to the Authority or to estimate the amount of Unpaid Contributions, the Authority may utilize data from any available source, including but not limited to:

- (1) Data from the Connecticut Department of Labor, the Connecticut Department of Revenue Services, or any other state or federal entity; and
- (2) Previous quarterly contributions remitted to the Authority.

Upon the request of the party responsible for the remittance of contributions, the Authority shall consider other evidence submitted to it of the payroll upon which contributions are based. If such requests are received more than 20 calendar days from the issuance of a notice of penalty, the Authority may require the requestor to provide Good Cause for the delay in responding. Nevertheless, the Authority shall retain the discretion to weigh the veracity of such evidence and to determine the source(s) of information providing the most accurate accounting of wages and the amount of contributions owed.

#### **CTPL-003-CTRB (k) Partial Payment of Unpaid Contributions**

- (1) An employer that has Unpaid Contributions for prior calendar quarters may continue to remit contributions for current or future calendar quarters. At time of remittance, the employer shall identify to which calendar quarter(s) the payment(s) should be applied.
- (2) If a payment is received without an indication to which calendar quarter it should be applied, the Authority shall apply it to the earliest calendar quarter for which any contributions (including penalties and/or interest) are unpaid. If, after applying the payment to the calendar quarter, there are funds remaining in the payment, the Authority shall apply such funds to the earliest calendar quarter for which any contributions (including penalties and/or interest) remain unpaid.
  - (A) If multiple quarters are identified for the same payment without an indication of the amount to apply to each calendar quarter, the Authority shall apply the payment to the Unpaid Contributions (including penalties and/or interest) of the earliest identified calendar quarter. Remaining amounts shall be applied to the other identified calendar quarters in order from earliest to most recent.
- (3) When applying payment to a particular calendar quarter, the Authority shall apply the payment in the following order:
  - (A) The amount of payment shall first be applied to any penalty owed;
  - (B) If there is any remaining amount following subsection (A), it shall be applied to interest owed; and
  - (C) If there is any remaining amount following subsections (A) and (B), it shall be applied to the principal.

#### **CTPL-003-CTRB (l) Employee Refund of Contributions**

- (1) Per Conn. Gen. Stat. §31-49g(b)(1), an employee shall not be required to contribute to the Family and Medical Leave Insurance Trust Fund for wages that exceed the Social Security contribution and benefit base in a calendar

year. In the event that an individual, in a single calendar year, has contributed toward the Family and Medical Leave Insurance Trust Fund for wages in excess of the Social Security contribution and benefit base, typically because they worked for more than one employer during the calendar year, they may apply to the Authority for a refund of the amounts contributed for wages that were in excess of that limit.

- (2) The request for a refund may be submitted after the end of calendar year in which the contributions were remitted to the Authority. Such request, with all documentation required under subsection (3), must be sent to the Authority no later than the second anniversary of the April 15<sup>th</sup> immediately following the calendar year in which the contributions were remitted. Refund requests sent after this date shall only be accepted if the Authority determines there is Good Cause for the delay.
  - (A) For example, if an employee is requesting a refund for contributions remitted in 2022, they may request a refund between January 1, 2023 and April 15, 2025. Good Cause is required if the request is sent after April 15, 2025.
  - (B) If the April 15<sup>th</sup> is a Saturday, Sunday, or state holiday, the deadline for submission of the required documentation shall be the first Business Day immediately following that April 15<sup>th</sup>. Although the deadline is aligned with the filing deadline for income taxes, any extension that the employee has for filing taxes, whether such extension is specifically applied to the individual or generally applicable, shall not alter the deadline for requesting a refund of contributions.
- (3) An individual requesting a refund shall contact the Authority in order to receive a CTPL Employee Refund form. In order to finalize the request for a refund, a form must be completed for each calendar year in which a refund is requested and must be returned to the Authority, along with:
  - (A) For the calendar year in which the refund is requested, the final year-end paychecks/paystubs for each employer for whom the individual was employed during the calendar year;
  - (B) For the calendar year in which the refund is requested, a copy of the federal Form W-2 for each employer for whom the individual was employed during the calendar year; and
  - (C) A copy of the individual's driver's license or other state-issued identification listing the individual's present address.
- (4) The Authority shall issue a refund only if it determines that the individual has contributed to the Family and Medical Leave Insurance Trust Fund in excess of the statutorily obligated amount. In order to make this determination, the Authority may utilize, in addition to the documents provided in accordance with subsection (3), information from any available source, including but not limited to:
  - (A) Data from the Connecticut Department of Labor, the Connecticut Department of Revenue Services, or any other state or federal entity;
  - (B) Wage and contribution data provided to the Authority from the employer(s) with whom the individual was employed; and
  - (C) Communication with employer(s) with whom the individual was employed.

The Authority shall have the discretion to weigh the veracity of all evidence in making the determination as to whether a refund is owed and the amount of such refund.

- (5) The Authority shall make its determination and notify the individual within 60 days of receipt of a completed request for a refund.
  - (A) If the request for a refund is approved, the Authority will send the refund to the address provided in the completed Employee Refund Request form and listed on the individual's driver's license or other state-issued identification. Such payment shall be sent within 60 days of the date of the notice.
  - (B) If the request for a refund is denied, the notice shall include the reason(s) for such denial.

- (6) The process identified in this section is intended for use only for refunds related to wages in excess of the Social Security contribution and benefit base. The Authority, at its sole discretion, may utilize the process for alternative requests. If contributions were incorrectly withheld from the employee due to an error on the part of the employer or third party administrator, (e.g., wages were withheld from employees at a percentage that was greater than the percentage established under Conn. Gen. Stat. §31-49g(b), or it was determined that the employer is not a covered employer under the paid leave program), the employee may contact their employer, who may use the refund process described in section *CTPL-003-CTRB* (m).

***CTPL-003-CTRB* (m) Employer Refund of Contributions**

- (1) As used in the following policy, “Entity” refers to the person or organization that remits contributions to the Family and Medical Leave Insurance Trust fund as part of the Connecticut Paid Leave program. The Entity may be the employer, a tax submitter, a third-party administrator, or a sole-proprietor or self-employed individual enrolled in the program pursuant to Conn. Gen. Stat. §31-49m.
- (2) *Reason for Refund Request.* An Entity, which has overpaid contributions as a result of:
- (A) An unintentional duplicate payment; or
  - (B) An error in calculating the contribution owed;
- may request a refund of such overpayment from the Authority. Such request must be received within three years of the original due date of the overpaid contribution.
- (3) *Submission for all Refund Requests.* A request for a refund must be submitted in a manner provided by the Authority. Such request must include:
- (A) A statement identifying the amount remitted;
  - (B) A statement identifying the amount owed;
  - (C) An explanation for the overpayment; and
  - (D) The additional requirements found in subsection (4), based on the reason for the overpayment.
- (4) *Specific Requirements based on Reason for Overpayment.* In addition to the requirements of subsection (3), depending on the reason for the overpayment, the following additional information must be included in the request:
- (A) If the overpayment is the result of a duplicate payment, the request must identify the date(s) and the amounts of each payment; or
  - (B) If the overpayment is the result of an error in calculation, the request must include:
    - (i) Prior payment of the correct amount of owed contributions for that quarter; and
    - (ii) Proof that the correct amount was remitted to the Authority, including the date(s) and amount of the correct payment.
- (5) *Waiver of Prior Payment of Correct Amount.* Upon request from the Entity, the requirement of prior payment of the correct amount, under subsection (4)(B), may be waived by the Authority if, at its sole discretion, it determines that such payment would cause the Entity undue hardship. Such request for waiver must include:
- (A) An explanation of the hardship; and
  - (B) A guarantee that and an explanation as to how the owed contribution amount will be remitted to the Authority no later than 10 calendar days from the date the refund sent from the Authority.
- (6) *Additional Costs.* If:
- (A) The request for a refund is received more than 45 calendar days from the date of the original payment;

(B) The Authority does not determine there is Good Cause for the delay in the request; and

(C) There are costs to the Authority associated with refunding the contribution(s);  
such costs, at the Authority's discretion, may be allocated to the Entity.

- (7) *Determination of Refund.* The Authority's Controller, or his or her designee, shall have sole discretion to determine whether a refund is owed. In the event there is no Controller, the Authority's Chief Executive Officer, or his or her designee, shall have such discretion. If the Authority determines that the contribution amount was overpaid and a valid request for refund was submitted, it shall process such refund within 30 days of such determination. Refunds shall not be applied to contributions owed for future calendar quarters.



## Benefit Calculation

### CTPL-004-CALC (a) Leaves with Special Rules

- (1) While leave for a spouse, son, daughter, parent or next of kin of a current member of armed forces who is undergoing medical treatment, recuperation, or therapy, is in outpatient status, or on temporary disability retired list may extend as long as twenty-six weeks of leave in a twelve-month period per §31-51ll of the Connecticut General Statutes, income replacement benefits from the CT Paid Leave Program is available for a maximum of twelve weeks in a twelve-month period.
- (2) Per subsection (b) of section 31-51ss, of the Connecticut General Statutes, employers are required to provide employees up to a maximum of 12 days of unpaid leave for the victim of Family Violence and/or Sexual Assault. Accordingly, only 12 days of the 12 weeks of income replacement benefits available to eligible employees pursuant to the CT Paid Leave Act may be utilized for the purposes listed in Conn. Gen. Stat. §31-51ss.
  - (A) While Conn. Gen. Stat. §31-51ss limits the availability of leave related to Family Violence and/or Sexual Assault to employees who are employed by an employer with 3 or more employees, Paid Leave Compensation shall be available to Covered Employees who are employed with employers of any size.
- (3) The CT Paid Leave Authority incorporates by reference the definitions of qualifying exigency and the time limits associated with each qualifying exigency set forth in 29 CFR 825.126(b).
- (4) *Military Qualifying Exigency Leave for a purpose other than the purposes identified in 29 CFR 825.126(b)(1) through (8)* – Under 29 CFR 825.126(b)(9), leave is allowed for additional reasons based on an agreement between the employer and employee that such reason qualifies as an exigency. Prior to approving such a request, the Authority shall require confirmation from the employer of their agreement. Such leaves shall not be available if the Covered Employee does not have an employer, other than the employee themselves, as of the first day for which paid leave is requested.

### CTPL-004-CALC (b) Twelve Month Formula

- (1) *Leave Utilization Method.* Utilization of Paid Leave Allowance under the Public Program shall be determined by the rolling twelve-month period measured backward from an employee's first day of leave taken.
- (2) *Method for Private Plans.* Private Plans are allowed to select one of the alternate methods of determining paid leave allowance that are provided in Conn. Gen. Stat. §31-51ll(a)(1), or use the same method as the Public Program. In addition, at the option of the Private Plan, the plan is allowed, but is not required, to utilize a unique method for two of the leave reasons, as follows:
  - (A) *Leave for victims of Family Violence or Sexual Assault.* Leave needed for the victim of Family Violence or Sexual Assault may be measured based on the calendar year.
  - (B) *Leave for Military Caregiver.* Leave for the purpose of providing care to a family member in the armed forces may utilize the 12-month period measured forward from the first day of Paid Leave Compensation.

Such methods of determining paid leave allowance are optional. Either or both of the above leave reasons may utilize the same method of measurement as all other leave reasons.

### CTPL-004-CALC (c) Benefit Calculation Determination

- (1) The Authority shall use data from the Connecticut Department of Labor as the primary evidence to determine wages received during the Base Period.

- (2) If the Authority has insufficient information to determine the claimant's wages during the Base Period, it shall request the claimant to submit proof in a form that the Authority determines is reasonable. The Authority shall make available a Wage Verification form, developed by the Authority, to be completed by the claimant's employer(s). The Authority reserves the right to determine whether such proof, or alternative documentation, is sufficient. If the proof does not sufficiently detail the quarter in which the wages were earned, the Authority may estimate or average the earnings over a period of time that it determines to be reasonable.
- (3) For Sole-proprietors or Self-employed Individuals enrolled in the paid leave program pursuant to Conn. Gen. Stat. §31-49m, the method for calculating wages during the Base Period is defined in CTPL-010-SPSE (j).

**CTPL-004-CALC (d) Rounding/Minimum Increments**

- (1) Rounding under the Public Plan. Under the Public Plan administered by the Authority, leave used shall be rounded to the nearest minute.
- (2) Rounding under Private Plans. Private Plans may employ their own rounding method for leave utilization, provided that under no circumstances shall such rounding exceed the shorter of:
  - (A) The shortest period of time that the employer utilizes for other forms of leave; or
  - (B) One hour.

**CTPL-004-CALC (e) Other Income from Government Programs while on Leave**

- (1) Per Conn. Gen. Stat. §31-49g(g), Paid Leave Compensation cannot be received concurrently with any income replacement compensation under:
  - (A) Chapter 567 - Connecticut Unemployment Compensation;
  - (B) Chapter 568 - The Workers' Compensation Act of Connecticut;
  - (C) any other state or federal program that provides wage replacement.
- (2) "Compensation under any other state or federal program that provides wage replacement" shall include only payments made to the Covered Employee in order to compensate for the Covered Employee's wages. There shall be a rebuttable presumption that payments from a program that provides wage replacement which are received for the same period of time for which Paid Leave Compensation is requested are concurrent payments and shall prevent receipt of Paid Leave Compensation. Nevertheless, the following exceptions shall be recognized by the Authority:
  - (A) Compensation received from the victim compensation program administered by the Office of Victim Services within the Judicial Department, provided the total compensation received by the Covered Employee during the Covered Employee's period of leave does not exceed such Covered Employee's Regular Rate of Compensation, per Conn. Gen. Stat. §31-49g(g)(2), shall not prevent the payment of Paid Leave Compensation.
  - (B) Payments made to the Covered Employee solely due to their status as a dependent or beneficiary of another person receiving wage replacement benefits shall not prevent the payment of Paid Leave Compensation under Conn. Gen. Stat. §31-49g(g).
  - (C) Payments made to the Covered Employee shall not prevent the payment of Paid Leave Compensation under Conn. Gen. Stat. §31-49g(g) if:
    - (i) Such payments were being made for at least one full calendar quarter of the Base Period;
    - (ii) The employee was actively working as a Covered Employee and not on leave during that calendar quarter; and
    - (iii) Such payments were continuously received from that calendar quarter through the dates of the requested paid leave.

- (3) Benefits paid under unemployment compensation, workers' compensation, or other state or federal program that replaces wages earned while the employee was engaged in service to an employer in another state shall not exclude a Covered Employee from receiving compensation under the Connecticut Paid Leave program. For example, if an individual has a job in Connecticut and a separate job in another state, and takes leave from both jobs, that individual may receive compensation under Connecticut Paid Leave for the Connecticut job at the same time that they are compensated for the non-Connecticut employment under that other state's paid leave program. If the other wage replacement program replaces any portion of the Connecticut-based income, then such benefits shall not be received concurrently with compensation under Connecticut paid leave.
- (4) For the purpose of determining whether benefits replace wages that were earned while the Covered Employee was engaged in service to an employer in another state, the CT Paid Leave Authority shall utilize the factors listed in *CTPL-002-ELIG(h)*.

**CTPL-004-CALC (f) Calculation of Paid Leave Compensation - Pro-rated Leave**

- (1) Paid Leave Compensation is paid on a calendar week basis. If leave for less than the Covered Employee's Regular Work Schedule for the calendar week is taken, compensation shall be pro-rated.
- (2) The Authority shall calculate the amount of Paid Leave Compensation as follows:
  - (A) Determine the compensation for a full week of leave;
  - (B) Determine the portion of the week during which leave was taken (the hours on approved leave divided by the hours in Regular Work Schedule);
  - (C) Multiply (A) by (B). The result is the compensation available for paid leave.

For example, a Covered Employee has base weekly earnings that equate to a paid leave weekly benefit of \$780 for a full week of leave. If that Covered Employee were to only take leave for two days out of their normal five-day work week (i.e., 40% leave), their benefit would be calculated as 40% of \$780, for the Paid Leave Compensation amount of \$312.

- (3) Benefits may be reduced for other benefits received for the period of time that the Covered Employee was on leave, if it would result in the Covered Employee receiving greater than their Regular Rate of Compensation, per Conn. Gen. Stat. §31-49g (f) and as detailed in *CTPL-004-CALC (l)*.

**CTPL-004-CALC (g) Multiple Jobs**

For Covered Employees who are employed by multiple employers at the same time:

- (1) For employment with employers who are not currently participating in the Public Program, including employers located outside of the State of Connecticut, wages earned and hours worked for such employers shall not be used in determining paid leave eligibility or Paid Leave Compensation for employers who are participating in the Public Program.
  - (A) However, if the employee is still employed by the non-participating employer during the requested dates of paid leave, the Authority may request documentation from such employers in order to confirm that the employee is not working during the specific periods of time for which they are requesting Paid Leave Compensation.
- (2) For multiple employers who are participating in the Public Program, the aggregated schedule of all such employment shall be utilized to establish a regular schedule for the Covered Employee. The amount of leave

requested shall be compared with that aggregated schedule in order to determine the pro-rata amount of Paid Leave Compensation payable.

**CTPL-004-CALC (h) Changes in the Minimum Fair Wage**

When there is a change in the Connecticut Minimum Fair Wage, it shall not impact the calculation of Paid Leave Compensation for any paid leave that began prior to the effective date of the change in the Minimum Fair Wage. The calculation shall utilize the Minimum Fair Wage that is in effect as of the first day of benefits for that paid leave.

**CTPL-004-CALC (i) Impact of Holidays, Shutdowns, or other Intervening Events on Paid Leave Calculations**

- (1) If, while a Covered Employee is on an approved paid leave, their employer has a holiday or shutdown, during which the Covered Employee would not have been expected to work, such day(s) shall not be time during which paid leave is paid or payable. Paid Leave Compensation shall be calculated and Paid Leave Allowance shall be reduced based on the rules noted below.

If the Covered Employee would be expected to work during the holiday or shutdown, then subsection (2) shall apply.

- (A) *Full Week Holidays and Shutdowns.* If the holiday or shutdown is equal to or greater than the Covered Employee's Regular Work Schedule for the calendar week, so that there are no days in the calendar week during which the Covered Employee would have been expected or scheduled to work, no Paid Leave Compensation shall be payable and there shall be no reduction in Paid Leave Allowance for that calendar week.

Examples:

- (i) A Covered Employee's Regular Work Schedule is Monday, Tuesday, Wednesday, Thursday, and Friday and the employer shuts down the company Sunday through Saturday.
- (ii) A Covered Employee's Regular Work Schedule provides that he or she only works on Mondays and there is a holiday on Monday.

- (B) *Paid Leave for the Full Week with Holiday/Shutdown for less than the week.* If the Covered Employee's approved paid leave is equal to or greater than the employee's Regular Work Schedule for the calendar week, and if the holiday or shutdown covers fewer days than the employee's Regular Work Schedule, then the amount of Paid Leave Compensation payable and the amount of Paid Leave Allowance reduced shall not be impacted by the holiday or shutdown. The Paid Leave Compensation shall remain payable for a full week and the Paid Leave Allowance shall be reduced by one full week.

Examples:

- (i) A Covered Employee's Regular Work Schedule is Monday, Tuesday, Wednesday, Thursday, and Friday, they are on paid leave for all five days, and there is a holiday on Thursday and Friday.
- (ii) A Covered Employee's Regular Work Schedule is Monday, Wednesday, and Friday, they are on paid leave for all three days, and there is a holiday on Monday.

The employee shall be considered to be on approved paid leave for the entirety of their Regular Work Schedule for the calendar week, and they shall continue to be treated as having a full week of paid leave.

If the paid leave begins the day after a holiday or shutdown, or ends the day before a holiday or shutdown, this rule shall not be interpreted to change what would be a partial week of paid leave into a full week of paid leave. For example, if an employee normally works Monday, Tuesday, Wednesday, Thursday, and

Friday, and requests paid leave for Monday, Tuesday, and Wednesday, the fact that their employer has a holiday on Thursday and Friday would not result in a paid leave benefit for a full week.

- (C) *Paid Leave for a Portion of a Regular Work Schedule.* If the Covered Employee's approved paid leave for the calendar week covers fewer days than their Regular Work Schedule, each holiday or shutdown day shall not be days in which Paid Leave Compensation is payable. The holiday or shutdown shall not alter the Covered Employee's Regular Work Schedule.

Examples:

- (i) A Covered Employee's Regular Work Schedule is Monday, Tuesday, Wednesday, Thursday, and Friday, and they are approved for paid leave for Monday and Tuesday of that week. Originally, they would be entitled to Paid Leave Compensation for 40% of the calendar week (2 out of 5 days), and Paid Leave Allowance would be reduced by 40% of one week. If there is a company holiday on Monday, then the Covered Employee would be entitled to Paid Leave Compensation for 20% of the calendar week (1 out of 5 days), and Paid Leave Allowance would be reduced by 20% of one week.
- (ii) A Covered Employee's Regular Work Schedule is Monday, Tuesday, Wednesday, Thursday, and Friday, and they are approved for paid leave for Monday, Tuesday, and Wednesday of that week. Originally, they would be entitled to Paid Leave Compensation for 60% of the calendar week (3 out of 5 days), and Paid Leave Allowance would be reduced by 60% of one week. If there is a company holiday on Thursday and Friday, then the Covered Employee would continue to be entitled to Paid Leave Compensation for 60% of the calendar week (3 out of 5 days), and Paid Leave Allowance would be reduced by 60% of one week.
- (iii) A Covered Employee's Regular Work Schedule is Monday, Tuesday, Wednesday, Thursday, and Friday, and they are approved for paid leave for Monday only. Originally, they would be entitled to Paid Leave Compensation for 20% of the calendar week (1 out of 5 days), and Paid Leave Allowance would be reduced by 20% of one week. If there is a company holiday on Monday, then the Covered Employee would not be entitled to Paid Leave Compensation for that week (0 out of 5 days), and Paid Leave Allowance would not be reduced for that week.

- (2) If a Covered Employee would have been expected to work during the holiday or shutdown, then such holidays or shutdowns shall not impact their Paid Leave Compensation or Paid Leave Allowance.

If an employee receives additional holiday pay during the paid leave, and such pay is independent of and is not intended to replace their regular wages, such pay shall not be considered an Employer-provided Employment Benefit for the purpose of Conn. Gen. Stat. §31-49g(f). For example, if an employee is normally paid twice their regular wages while working during a holiday (one time for their regular wages and one time as holiday pay), and while on paid leave, they receive one time their regular wages as holiday pay, such pay shall not impact their Paid Leave Compensation.

- (3) In the event that a separate event, not caused by the reason for the leave, prevents the Covered Employee from working, the Authority may utilize subsection (1) to calculate the Paid Leave Compensation for such event(s). Examples of such events include, but are not limited to, jury duty, service in the military reserves, and incarceration.

- (1) Per Conn. Gen. Stat. §31-49g(c)(1), a Covered Employee with a Serious Health Condition resulting in incapacitation during pregnancy may be entitled to two additional weeks of Paid Leave Compensation. Such additional Paid Leave Compensation shall be available only during the pregnancy and shall not be available after the birth of the child.
- (2) Leave taken on the date of the birth of the child shall not be considered to be leave during pregnancy.
- (3) If a Covered Employee requests Paid Leave Compensation in order to bond with a newborn child, per Conn. Gen. Stat. §31-51ll(a)(2)(A), and such leave immediately follows an approved request for Paid Leave Compensation for the individual's own Serious Health Condition related to the pregnancy (including the recovery from childbirth), without any period in which the employee has returned to work, the second request shall be treated as a continuation of the first request. The Authority shall not require a new review of eligibility as of the first date of the request for Paid Leave Compensation for bonding.

**CTPL-004-CALC (k) Use of Accruals during Leave**

The following rules shall apply to the calculation of Paid Leave Compensation in relation to the receipt of benefits under an accrued paid vacation leave, personal leave, family leave, or medical or sick leave program, per Conn. Gen. Stat. §31-51ll (e)(2), herein referred to as "accruals", during the period of leave for which benefits are requested:

- (1) If a Covered Employee does not receive any employer-provided accruals during the leave, then Paid Leave Compensation will not be reduced by accrual benefits.
- (2) If a Covered Employee receives employer-provided accruals that equal or exceed the Covered Employee's Regular Rate of Compensation during the entirety of the leave, then no Paid Leave Compensation shall be payable.
- (3) If a Covered Employee receives employer-provided accruals that equal or exceed the Covered Employee's Regular Rate of Compensation only for a portion of the leave, then no Paid Leave Compensation shall be payable during such portion of time.
- (4) If a Covered Employee receives employer-provided accruals that are less than the Covered Employee's Regular Rate of Compensation, and the Covered Employee is eligible for benefits under the Paid Leave Program, then Paid Leave Compensation shall be payable. The amount of such Paid Leave Compensation shall not exceed the difference between the Covered Employee's Regular Rate of Compensation and their accrual payment.
- (5) When the use of a Covered Employee's accruals results in no Paid Leave Compensation being payable, such day(s) shall not reduce the Covered Employee's Paid Leave Allowance.
- (6) When Paid Leave Compensation is paid to a Covered Employee, but accruals reduce the amount of Paid Leave Compensation being paid, such day(s) may reduce the Covered Employee's Paid Leave Allowance, as described in CTPL-004-CALC (l).

**CTPL-004-CALC (l) Employer-provided Employment Benefits**

In order to avoid Covered Employees receiving greater than their Regular Rate of Compensation in violation of Conn. Gen. Stat. §31-49g(f), the Paid Leave Program shall utilize a two-tiered approach to benefit calculation with respect to Employer-provided Employment Benefits, depending on whether such benefits are the primary payer or secondary payer:

- (1) Definitions. As used in this policy, primary and secondary payer shall have the following meanings, determined by their relationship to compensation under the Paid Leave Program:
- (A) *Primary payer* shall mean the payer is obligated to pay the benefit amount without regard to Paid Leave Compensation that the Covered Employee is receiving. For example: a disability income insurance policy that pays benefits that do not offset due to other income or without an offset specifically for paid leave benefits.
  - (B) *Secondary payer* shall mean that the payer potentially pays a lesser benefit amount based on if the Covered Employee receives or is eligible for Paid Leave Compensation. A benefit program shall be considered secondary if, due to Paid Leave Compensation, the program:
    - (i) pays no benefits at all for the period that Paid Leave Compensation is paid;
    - (ii) reduces benefits when Paid Leave Compensation is received; or
    - (iii) reduces benefits after a certain threshold of Paid Leave Compensation is received.
- (2) If the received Employer-provided Employment Benefit is a primary payer, the period of time for which such benefits are payable shall be treated as ineligible for Paid Leave Compensation in proportion to the amount of the Covered Employee's Regular Rate of Compensation that is replaced. For example:
- (A) If the primary benefit replaces 100% of the Covered Employee's Regular Rate of Compensation for five days, then those five days shall not be eligible for any Paid Leave Compensation and shall not count against their Paid Leave Allowance.
  - (B) If the primary payer benefit replaces 60% of the Covered Employee's Regular Rate of Compensation for five days, then 40% of each day will potentially be eligible for Paid Leave Compensation. If Paid Leave Compensation is received for that time, then their Paid Leave Allowance shall only be reduced by 40% of each day.
- (3) If the received Employer-provided Employment Benefit is a secondary payer, Paid Leave Compensation shall only be reduced if the Employer-provided Employment Benefit plus the Paid Leave Compensation would cause the Covered Employee to receive greater than their Regular Rate of Compensation. Paid Leave Compensation will only be reduced to the extent necessary to prevent the Covered Employee from receiving greater than their Regular Rate of Compensation. Even if so reduced, Paid Leave Allowance shall be reduced by the entire period of time for which Paid Leave Compensation is received.

## Claim Submission Process

### **CTPL-005-CLSB (a) Life Cycle of Claim**

The life cycle of a claim for Paid Leave Compensation is as follows:

1. Claim submission to the Authority
2. Review of Eligibility for Paid Leave Program
3. Review of Entitlement for Paid Leave Compensation, including opportunity to request reconsideration of an adverse determination if applicable
4. Calculation of Benefit
5. Benefit Payment
6. Extension Request (if applicable)
7. Termination of Payment

### **CTPL-005-CLSB (b) The Covered Employees' Responsibility for Filing a Request for Compensation under the Paid Leave Program**

- (1) Covered Employees shall be responsible for filing a request for Paid Leave Compensation with the Authority in accordance with the procedures established by the Authority.
  - (A) The Authority shall accept requests for Paid Leave Compensation from and communicate with a representative of the Covered Employee only if such representative provides proof satisfactory to the Authority that he or she has been authorized to act on behalf of the Covered Employee.
- (2) Notification provided to an employer for the purposes of Connecticut or Federal Family and Medical Leave shall not be equivalent to a request for Paid Leave Compensation from the Authority.

### **CTPL-005-CLSB (c) Advance Notice for Foreseeable Leave**

- (1) When request for Paid Leave Compensation is foreseeable, Covered Employees shall give advance notice to the Authority of request for Paid Leave Compensation. Such notice shall be provided:
  - (A) at least 30 days prior to the anticipated date of benefits for any requests other than leave as a result of Family Violence and/or Sexual Assault; or
  - (B) at least 7 days prior to the anticipated date of benefits for requests for leave as a result of Family Violence and/or Sexual Assault;If the request is not foreseeable, notice to the Authority shall be provided as soon as is practicable.
- (2) If the Authority determines that notice was foreseeable, but not given, according to subsection (1), and that such failure to provide notice negatively impacts the Authority's ability to adjudicate the request for Paid Leave Compensation, it may deny benefit payments for a period of time, as follows:
  - (A) If notice for the full applicable period indicated in subsection (1) was practicable, Paid Leave Compensation may be denied for:
    - (i) 7 days for leave as the result of Family Violence and/or Sexual Assault; or
    - (ii) 30 days for leave for any other reason, beginning from the date notice of the paid leave request was actually given; or
  - (B) If notice for the full applicable period noted in subsection (1) was not practicable, Paid Leave Compensation may be denied for the length of time between when notice was practicable and when notice was actually given. The period of time that compensation may be denied shall begin on the date that notice was given.



- (3) If the Covered Employee who failed to provide appropriate advanced notice is no longer on leave at the end of the applicable period noted in 2(A) or 2(B), then no compensation shall be paid for that leave. If the Covered Employee is still on a covered leave after the expiration of the applicable period noted in 2(A) or 2(B), then Paid Leave Compensation shall commence from that date forward, assuming all other requirements are met.
- (4) The requirement of advance notice shall be waived or reduced if the Covered Employee can provide Good Cause to the Authority. The burden of establishing Good Cause shall be on the Covered Employee.

**CTPL-005-CLSB (d) Late Notice of Request for Paid Leave Compensation**

The Authority shall not approve a request for Paid Leave Compensation that is submitted more than 45 days following the initial date for which compensation is requested, absent a showing of Good Cause for the delay.

**CTPL-005-CLSB (e) Eligibility Determination Timeframe**

Once a claim is submitted, the Authority shall have five business days to review eligibility for the program in accordance with the provisions of section 31-49e of the Connecticut General Statutes, et seq. and the policies adopted by the Authority. The five business days shall not include periods of time that the Authority requires additional documentation from the claimant or the claimant's employer(s) pursuant to *CTPL-002-ELIG* (e)(3).

**CTPL-005-CLSB (f) Required Documentation - All Leave Reasons**

- (1) As part of the application for Paid Leave Compensation, a Covered Employee shall submit identification documents to the Authority. The Authority shall provide claimants with a list of acceptable documents that may be submitted.
- (2) A Covered Employee shall be responsible for providing the CT Paid Leave Employment Verification Form to their current or former employer(s) as applicable and ensuring that such employers submit the completed Employment Verification Form to the Authority.
- (3) Additional forms shall be required based upon the reason for the leave.
- (4) Such documentation shall be due 15 calendar days from the date the request for Paid Leave Compensation is submitted.
- (5) If the Covered Employee is unable to provide documentation within the timeframe noted in subsection (4), the Authority may grant a reasonable extension of time upon the request of the Covered Employee.
- (6) If a Covered Employee works for multiple employers who each participate in the Public Plan, the Covered Employee shall be responsible for submitting completed CT Paid Leave Employer Verification forms from all such employers, even if leave is not being requested for all employment. Such information is necessary in order for the Authority to establish the Covered Employee's Regular Work Schedule and the portion of a week that Paid Leave Compensation may be payable.
- (7) The Authority may accept documentation on forms, other than those indicated in *CTPL-005-CLSB* (g) through (n), only if the Authority determines, at its sole discretion, that such forms provide the information necessary to determine eligibility for Paid Leave Compensation. The Authority shall consider the details provided in such documentation, as well as the reliability and veracity of the information, as part of such determination.

**CTPL-005-CLSB (g) Required Documentation - Serious Health Condition, including Pregnancy and Organ or Bone Marrow Donation**

For leave due to a Covered Employee's Serious Health Condition, including pregnancy, or in order to serve as an organ or bone marrow donor, per Conn. Gen. Stat. §31-51ll(a)(2)(D) & (E), the following document shall be submitted to the Authority:

- (1) A completed Certification for Serious Health Condition form. Such form must be signed by the Covered Employee's health care provider.

**CTPL-005-CLSB (h) Required Documentation - Caregiver Leave for Family Member**

For leave in order to care for a family member, per Conn. Gen. Stat. §31-51ll(a)(2)(C), the following documents shall be submitted to the Authority:

- (1) A completed Certification for Care of a Family Member with a Serious Health Condition Form. Such form must be signed by the family member's health care provider; and
- (2) A completed Statement of Family Relationship.

**CTPL-005-CLSB (i) Required Documentation - Bonding with Child following Birth**

For leave upon the birth of a son or daughter of the Covered Employee, per Conn. Gen. Stat. §31-51ll(a)(2)(A), the following documents shall be submitted to the Authority:

- (1) A completed Bonding Statement; and
- (2) At least one of the following:
  - (A) The child's birth certificate,
  - (B) The hospital discharge document that includes the Covered Employee's name as a parent;
  - (C) A completed Acknowledgement of Parentage form from the Connecticut Department of Public Health, or similar form from another state, or
  - (D) A completed **Documentation of Parental Relationship Form**.

**CTPL-005-CLSB (j) Required Documentation - Bonding with Child for Adoption**

For leave upon the placement of a child with the Covered Employee for adoption, per Conn. Gen. Stat. §31-51ll(a)(2)(B), the following documents shall be submitted to the Authority:

- (1) A completed Bonding Statement; and
- (2) Adoption Documentation (e.g., court documentation, adoption papers, documentation of pre-placement activities if applicable, such as paperwork from social worker, adoption agency, or adoption attorney).

**CTPL-005-CLSB (k) Required Documentation - Bonding with Child for Foster Care**

For leave upon the placement of a child with the Covered Employee for foster care, per Conn. Gen. Stat. §31-51ll(a)(2)(B), the following documents shall be submitted to the Authority:

- (1) A completed Bonding Statement; and
- (2) Documentation of Foster Care placement (e.g., court or DCF documents, foster care documentation, documentation of pre-placement activities if applicable).

**CTPL-005-CLSB (l) Required Documentation - Military Qualifying Exigency**

For leave because of a qualifying exigency arising out of the fact that the spouse, son, daughter, or parent of the Covered Employee is on active duty, or has been notified of an impending call or order to active duty in the armed forces, per Conn. Gen. Stat. §31-51ll(a)(2)(F), the following documents shall be submitted to the Authority:

- (1) CT Paid Leave Certification for Military Leave for Qualifying Exigency form;
- (2) Written documentation which supports the need for leave (e.g., a document confirming the servicemember's Rest and Recuperation leave; a document confirming an appointment with a third party, copy of a bill for services for handling legal or financial affairs, etc.); and
- (3) If leave is needed to meet with a third party (e.g., childcare, financial advisor), the name, address, and contact of the individual/organization and a written description of the meeting.

**CTPL-005-CLSB (m) Required Documentation - Military Caregiver Leave**

For leave in order to care for a spouse, son or daughter, parent or next of kin in the armed forces per Conn. Gen. Stat. §31-51ll(i), the following documents shall be submitted to the Authority:

- (1) One of the following:
  - (A) A completed Certification for Serious Injury or Illness of a Current Service Member for Military Caregiver Leave form; or
  - (B) Certification of an International Travel Order (ITO) or International Travel Authorization (ITA) issued by the Department of Defense to a family member to join an injured or ill service member at his or her bedside, if applicable; and
- (2) Proof of family relationship.

**CTPL-005-CLSB (n) Required Documentation - Family Violence or Sexual Assault**

For leave as the result of Family Violence and/or Sexual Assault, per Conn. Gen. Stat. §31-51ss, the following documents shall be submitted to the Authority:

- (1) A completed Safe Leave Statement; and
- (2) One of the following:
  - (A) A police or court record related to the Family Violence and/or Sexual Assault; or
  - (B) A signed written statement that the Covered Employee is a victim of Family Violence and/or Sexual Assault, provided such statement is from an employee or agent of a victim services organization, an attorney, an employee of the Office of Victim Services within the Judicial Department or the Office of the Victim Advocate, or a licensed medical professional or other licensed professional from whom the Covered Employee has sought assistance with respect to the Family Violence and/or Sexual Assault.

**CTPL-005-CLSB (o) Employer's Verification during Claim Submission**

- (1) A Covered Employee who is requesting Paid Leave Compensation is responsible for providing all information necessary for completing the claim, including the form(s) verifying employment from their employer(s) in the timeframe established by the Authority.
  - (A) Upon receipt of the employment verification form from the Covered Employee, an employer is responsible for completing the verification documents within 10 calendar days and submitting such documentation to the Authority. If after 10 calendar days, the employer has not submitted the employment verification to the Authority, the Covered Employee may notify the Authority in a manner provided by it, indicating the reasonable efforts made to have the employer verify employment to the Authority (e.g., the specific person(s) contacted, times and manner of contact).
  - (B) If the Authority determines that an employer has not responded in spite of reasonable efforts by the Covered Employee, it may contact the employer directly. In the Authority's discretion, the Authority may issue a subpoena duces tecum to the employer's representative, requesting they appear at a location of the Authority's choice with any employment documentation the Authority deems necessary to determine the eligibility of the Covered Employee for Paid Leave Compensation.

- (2) Employers shall be responsible for maintaining a record of any income, wages, or any other employer-provided benefits paid to Covered Employees for the period of time that Covered Employee was on a covered leave, regardless of whether or not the amounts were actually received by the Covered Employee at the time of the leave.

**CTPL-005-CLSB (p) Timeframe for Approval or Denial of Paid Leave Compensation Claim**

- (1) Upon receipt of the required documentation from the Covered Employee, the Authority shall review the documentation to determine whether it has sufficient information to make a determination on the application or whether the documentation is incomplete or insufficient.
- (2) If the documentation is received but is incomplete or insufficient, the Authority shall notify the Covered Employee what additional information is necessary and shall provide the Covered Employee at least 7 calendar days to correct the deficiency.
- (3) If the documentation is complete and sufficient, the Authority shall have five business days from the receipt of the last document submitted to the Authority to determine whether to approve or deny the claim and to notify the Covered Employee of its determination.
- (4) Failure to submit complete and sufficient documentation in the timeframe provided may result in denial of the request for Paid Leave Compensation.

**CTPL-005-CLSB (q) Intermittent Leave Verification**

For Covered Employees who are approved to receive Paid Leave Compensation in connection with intermittent leaves, the Covered Employee shall notify the Authority of each absence within two business days of the absence.

**CTPL-005-CLSB (r) Employer Notification of Benefits Claim**

The Authority shall notify the Employer when a Covered Employee's claim for Paid Leave Compensation is approved or denied. If the claim is approved, such notification shall include the duration of the approval and the amount of Paid Leave Compensation. Employers may rely on this information if Employer-provided Employment Benefits are paid concurrently with Paid Leave Compensation.

**CTPL-005-CLSB (s) Material Changes in Leave**

Covered Employees who are approved to receive Paid Leave Compensation shall provide notice to the Authority of any material change in their leave status. Material Change in Leave Status is defined in the Definitions section of this policy.

**CTPL-005-CLSB (t) Change in Qualifying Reason for Leave**

If, while a Covered Employee is receiving Paid Leave Compensation in connection with a specific leave, there is a change in the reason for the leave, the Authority shall conduct a new determination of eligibility for the paid leave program and a new review of entitlement to Paid Leave Compensation.

If the change in the qualifying reason is a change from leave for the Covered Employee's Serious Health Condition related to pregnancy (including recovery from childbirth) to leave for bonding with a newborn child, a new determination of eligibility for the paid leave program is necessary only if the Covered Employee has returned to work for any period of time between the childbirth and the beginning of the bonding period. If no new determination of eligibility is necessary, the leave for bonding with a newborn child shall be calculated using the same Base Period and minimum fair wage in effect for the paid leave for the employee's Serious Health Condition.

**CTPL-005-CLSB (u) Recertification of Entitlement to Leave Benefits**

- (1) The Paid Leave Authority may require the Covered Employee to provide documentation to recertify the qualifying reason in the following circumstances:
  - (A) If the Covered Employee requests an extension of Paid Leave Compensation beyond the initial approval period;
  - (B) If circumstances described by the previous certification have changed significantly (e.g., the duration or frequency of the absences, the nature or severity of the illness, complications, or other material changes in leave status, as defined by the Authority); or
  - (C) The Authority receives information that casts doubt upon the Covered Employee's stated reason for the absence, leave usage, the continuing validity of the certification or other information related to the benefit calculations;
- (2) Additionally, even if the certification indicates that the Covered Employee will need Paid Leave Compensation in connection with an intermittent or reduced schedule leave for a period in excess of six months (e.g., for a lifetime condition), the Authority may request recertification six months after the approval of the request for Paid Leave Compensation.

**CTPL-005-CLSB (v) Denial Process**

If a request for Paid Leave Compensation is denied, in whole or in part, the Authority shall provide to the Covered Employee the following, in writing:

- (1) The reason for the denial;
- (2) The process for requesting a reconsideration of the decision;
- (3) The timeframe for requesting such reconsideration; and
- (4) Notification of the right to appeal to the Connecticut Department of Labor, including the timeframe for requesting such appeal.

## Benefit Payment Process

### CTPL-006-PYMT (a) **Payment Schedule**

Weekly payments for approved requests for Paid Leave Compensation shall be made no later than the later of:

- (1) the second Tuesday following the calendar week in which leave occurs; or
- (2) the business day immediately following the date in which Paid Leave Compensation was approved by the Authority.

### CTPL-006-PYMT (b) **Payment Method**

Paid Leave Compensation shall be paid in one of two methods, at the option of the Covered Employee:

- (1) Electronic Funds Transfer (EFT); or
- (2) Stored Value Card (SVC).

### CTPL-006-PYMT (c) **Overpayment**

Overpayment occurs when a Covered Employee receives or retains any amount of Paid Leave Compensation for which they are not entitled, regardless of whether the overpayment is due to an error, changes in income, or misrepresentation. Overpayments shall be repaid to the Authority as soon as is practicable.

- (1) *Changes in Other Income.* If Paid Leave Compensation is provided and there is a change in other income for the Covered Employee that applies to that period of time for which benefits were paid (e.g., Workers' Compensation or Disability Income benefits were not approved at time of benefit payment, but later are retroactively approved and paid for the period of time that leave benefits were paid), there may be an overpayment. Claimants shall notify the Authority in the manner provided by the Authority of the change as soon as is practicable. Failure to report such income to the Authority within 15 days of receipt shall be considered Wilful Misrepresentation.
- (2) *Overpayment Notification Period.*
  - (A) With the exception of overpayments that are the result of Wilful Misrepresentation, the Authority shall have up to 12 months from the date of the overpayment of Paid Leave Compensation to notify claimants of an overpayment. If the Authority fails to notify the claimant of such overpayment within such 12-month period, the Authority shall be deemed to have waived its authority to pursue repayment.
  - (B) In connection with overpayments that are the result of Wilful Misrepresentation, there is no limitation on the period of time the Authority can pursue repayment of such overpayments.

### CTPL-006-PYMT (d) **Underpayment**

- (1) If Paid Leave Compensation is underpaid as the result of erroneous reporting of income or time worked, a Covered Employee shall have 12 months from the date of such underpayment to notify the Authority of such underpayment. A Covered Employee who fails to notify the Authority within 12 months shall waive the right to recover such underpayment.
- (2) The notification of underpayment shall include proof of the error and the amount to which the Covered Employee is entitled. If the Authority determines that an underpayment has occurred, it shall remit to the Covered Employee the amount that it determines was underpaid.
- (3) Paid Leave Compensation that is reduced or denied for a reason other than erroneous reporting of income or time worked shall not be considered underpayments, and Covered Employees shall instead utilize the established Appeals process for reconsideration requests.

**CTPL-006-PYMT (e) Death of a Covered Employee or Person Cared For**

- (1) Paid Leave Compensation shall cease upon the death of a Covered Employee. Any earned but unpaid Paid Leave Compensation shall be payable to the estate of the Covered Employee.
- (2) Paid Leave Compensation shall cease upon the death of the person for whom the Covered Employee is taking leave to care or with whom they are taking leave to bond.
- (3) The effective date of the cessation of compensation under sections (1) or (2) shall be the first full day during which the individual is no longer alive.
- (4) Upon request of the Authority, Covered Employees, the Covered Employee's estate, or its representatives shall provide the Authority with the death certificate, showing the date and time of death.

**CTPL-006-PYMT (f) Overpayment Recovery Options**

The Authority shall use any method of collection of the overpaid amounts that is allowed by law, including the following:

- (1) Reducing future compensation for the Covered Employee under the paid leave program. Such reductions may be from the current Paid Leave Compensation request or any future Paid Leave Compensation requests. Reductions shall be up to 100% of the weekly compensation payable.
  - (A) The Authority may reduce the portion of compensation that is withheld for the purpose of collecting the overpayment if, in its determination, the reduction of 100% would be an undue hardship for the Covered Employee. If the Authority makes this determination, the reduction shall not exceed 50% of the weekly Paid Leave Compensation.
- (2) Entering into a debt repayment agreement directly with the Covered Employee or their estate for the immediate repayment in full of the overpaid amount or for the repayment of the debt pursuant to a payment plan. The Authority shall only accept the payment plan if it determines that such repayment plan is more likely than not to result in full repayment of the overpaid amount.
- (3) Utilizing a third-party debt collection entity to recover the debt;
- (4) Entering into an agreement with the Department of Administrative Services for collection services pursuant to §4a-12 of the Connecticut General Statutes.

**CTPL-006-PYMT (g) Overpayment Recovery Process**

Upon determination that an overpayment of Paid Leave Compensation was made, the Authority shall notify the individual of the overpayment and the intent to reduce future Paid Leave Compensation in order to recover the overpaid amount. Such notification shall also provide the opportunity for the individual to request an alternate repayment option or indicate a financial hardship. The Authority shall have discretion to enter into a repayment agreement with the individual. If the individual does not comply with the repayment agreement, the Authority may:

- (1) Assess interest penalties, in accordance with Conn. Gen. Stat. §31-49r(f); and
- (2) Utilize any other method of collection, per *CTPL-006-PYMT* (f).

The Authority may pursue multiple recovery methods at the same time.





## **Appeals and Reconsideration**

### **CTPL-007-APPL (a) Request for Reconsideration**

- (1) In the event that an employee's request for Paid Leave Compensation is denied, in whole or in part, or the amount of the Paid Leave Compensation is contested, the employee shall have 10 calendar days from the date of the decision to request a reconsideration. Failure to request a reconsideration within that timeframe shall render the initial decision final, unless the employee can show Good Cause for the delay.
- (2) The request for reconsideration shall include the reasons why the initial decision was incorrect, along with supporting evidence. The Authority shall provide a method for requesting a reconsideration review.
- (3) Upon receipt of the reconsideration request, the Authority shall conduct a new review of the leave request, handled by a person other than the one who made the initial decision.
- (4) The result of the reconsideration shall be provided to the employee within 15 business days of the receipt of the request.

### **CTPL-007-APPL (b) Request for Appeal**

If an individual intends to file a complaint with the Labor Commissioner per Conn. Gen. Stat. §31-49p, such complaint shall be filed with the Connecticut Department of Labor within 21 calendar days of the final decision by the Authority in accordance with regulations promulgated by the Department of Labor. As set forth in the regulations promulgated by the Connecticut Department of Labor, failure to file a complaint within that timeframe may forfeit a right to an appeal, unless the individual can show good cause for the delay.

## Penalties

### **CTPL-008-PNLT (a) Contributions to Fund after Disqualification**

If an individual has been found by the Authority to be in violation of Conn. Gen. Stat. §31-49r(a) and subject to a disqualification from receiving Paid Leave Compensation, such penalty shall not suspend the individual's obligation to contribute a portion of Subject Earnings to the Family and Medical Leave Insurance Trust Fund during the period of time that the individual is disqualified from receiving benefits.

### **CTPL-008-PNLT (b) Aiding, abetting, assisting, promoting, attempting to allow another to receive benefits inappropriately**

If a penalty under Conn. Gen. Stat. §31-49r (b) is reduced or waived due to the Authority's determination that such penalty is against equity or good conscience, it shall not impact penalties for violations of Conn. Gen. Stat. §31-49r(d). The Authority may independently uphold a penalty for a person who intentionally aids, abets, assists, promotes or facilitates the making of, or attempt to make, any claim for Paid Leave Compensation or receipt or attempted receipt of Paid Leave Compensation by another person in violation of Conn. Gen. Stat. §31-49r (b).

### **CTPL-008-PNLT (c) Penalties related to Unpaid Contributions**

The following penalties shall apply to any Unpaid Contribution amount owed to the Authority, beginning with the first calendar quarter of 2022:

- (1) Payments that are not received by the end of the grace period of a calendar quarter shall be subject to:
  - (A) The accumulation of interest on the Unpaid Contribution. Such interest shall be equal to 1% of the amount owed, accumulating monthly. Such interest shall begin as of the end of the calendar quarter, rather than the end of the grace period; and
  - (B) A single penalty up to 10% of the amount owed or \$50, whichever is greater. The total amount of such penalty shall be applied no more than once for the contribution amount that is unpaid within each calendar quarter. However, as the amount of contributions owed may not be available at the end of the grace period, the Authority may, at its discretion, apply:
    - (i) an initial assessment of the penalty up to \$50, and
    - (ii) later assessment(s) of the difference between the amount in subsection (i) and the total penalty owed.

The Authority shall retain the right to assess a corrected penalty and/or interest for Unpaid Contributions, if it determines that the earlier assessment(s) of penalties and/or interest were based on the incorrect amount of Unpaid Contributions.

- (2) In the event the Connecticut Department of Labor or other authorized agency provides a period of time for employers to remit payment for past-due contributions without penalty (a "catch-up period"), the penalty for failure to remit contributions shall apply at the end of the catch-up period, or the grace period thereafter if applicable. Unless the catch-up period authorization indicates otherwise, interest pursuant to subsection (1)(A) shall accumulate at the end of the catch-up period, but shall not accumulate during the catch-up period.
- (3) If the Unpaid Contribution is not received by the end of the next calendar quarter, the Authority shall have the right to estimate the amount owed for the original calendar quarter in the manner described in *CTPL-003-CTRB* (j).

### **CTPL-008-PNLT (d) Notice of Penalty**

- (1) The Authority shall provide written notice to an individual of a potential violation of the CT Paid leave statute or policies, which notice shall include a statement of the alleged violation, a summary of the information upon which the Authority relied in making its determination that a potential violation occurred, and the penalty or penalties the Authority is considering.

- (2) Not later than twenty calendar days after the date the notice was mailed or sent by electronic mail, the individual may submit additional information to the Authority with a request for reconsideration.
- (3) The Authority shall issue a final determination regarding the alleged violation not later than two calendar months after the date the Authority mailed or sent by electronic mail the notice of the potential violation, which two-month period may be extended for an additional period not to exceed two months if:
  - (A) the Authority gives written notice to the individual that it requires additional time, and
  - (B) such notice is mailed or sent by electronic mail during the initial two-month period.

**CTPL-008-PNLT (e) Request for Reconsideration related to Penalties**

An individual who has received notice of a potential violation may request reconsideration with the Authority.

- (1) Such request shall include the individual's response to the alleged violation and potential penalty.
- (2) The response shall include all information the individual wants the Authority to consider in reaching a final determination.
- (3) Such request for reconsideration shall be received no more than twenty calendar days from the date after the notice was mailed or sent by electronic mail.
- (4) If no such request is received, the individual will be deemed to have admitted to the violation and accepted the penalty.

**CTPL-008-PNLT (f) Hearing Process**

If the Authority determines that a hearing is necessary in order to properly adjudicate a penalty reconsideration, the Chief Executive Officer of the Authority, or his or her designee, will act as the Hearing Officer. Such Hearing Officer shall not be the same person or persons who investigated or made the initial determination that the alleged violation occurred. The Hearing Officer may set a date, time, and place for the hearing. Such hearing may be in-person, via telephone, or other electronic-meeting means.

- (1) Hearings shall be as informal as may be reasonable and appropriate under the circumstances and in accordance with due process principles. The requesting individual and/or their representative shall be present as well as a representative of the Authority other than the Hearing Officer. Hearings may be recorded but need not be transcribed. An oral or written statement may be provided by the individual or their representative and by the Authority representative. Physical evidence may be presented, and witnesses may be called by either party. All witnesses shall testify under oath or affirmation and may be subject to cross-examination.
- (2) Formal rules of evidence shall not apply to the hearing. The Hearing Officer shall have the discretion to attach as much weight to evidence presented as he or she deems appropriate and reasonable. The Hearing Officer shall have the power to request additional evidence from either party, after the hearing, if he or she deems necessary. If a request is made, such evidence shall be provided to both parties and may be contested by the opposite party within 5 days.
- (3) The Hearing Officer shall issue a final determination in writing. In the written determination, the Hearing Officer shall state the facts relied upon in order to make the determination of whether or not the individual violated the policies. The Hearing Officer may recommend a penalty or waiver of a penalty, in whole or in part. However, the assessment of such a penalty will remain within the power of the Chief Executive Officer of the Authority, or his or her designee.



## Private Plans

### *CTPL-009-PRVP* (a) **Changes in Law or Policy**

Private Plan documents shall be updated to reflect changes in the Connecticut Paid Leave Act or policies. Regardless of whether the documents have been updated, the plan shall be administered to reflect the actual statute or other law that is in effect.

### *CTPL-009-PRVP* (b) **Employers shutting down operations in Connecticut**

If an employer who no longer has employees in Connecticut or is closing or transferring operations in Connecticut has an approved Private Plan, it must also indicate whether the successor-in-interest will assume the approved Private Plan when notifying the Authority. The Authority will communicate directly with the employer and the successor-in-interest to determine if the approval for the Private Plan will transfer to the successor-in-interest. If the approval for the Private Plan will not transfer to the successor-in-interest or if there is no successor-in-interest, the employer may be responsible for Unpaid Contributions and/or other penalties for termination of a Private Plan without the required notice.

### *CTPL-009-PRVP* (c) **Employer Merges and Acquisitions**

- (1) If an employer with a Private Plan is acquired by another entity, the Private Plan shall remain in force if employees continue to be employed by the original employer. If employees will continue to be employed by the acquired employer, but the employer no longer wishes to retain the Private Plan, the employer shall follow the Termination of Private Plan policy. Such termination may be subject to penalties listed in that policy. If employees no longer work for the original employer, then the employer shall follow the same process as employers who are shutting down operations in Connecticut.
  - (A) If the acquiring company wishes to enroll its own employees into the Private Plan of the acquired company, such change shall require a new Private Plan application and a vote by all Connecticut employees, as it reflects a material change to the Private Plan in that it is a change to the class of employees covered by the plan.
- (2) If an employer with a Private Plan acquires another company, the employees from the acquired company shall be eligible to be covered under the original Private Plan only if they become employees of the acquiring company. If the employees from the acquired company remain employed by the acquired company, then they shall only become covered under the acquiring company's Private Plan if a new Private Plan application and vote of all Connecticut employees is held.
- (3) If there is a merger of two or more companies into a new entity, and the original companies cease to exist, the Private Plan(s) administered by the original companies shall terminate per the Termination of Private Plan policies. A Private Plan covering the new entity requires a new Private Plan application and a vote of all Connecticut employees.

### *CTPL-009-PRVP* (d) **Acceptable uses for Employee Contributions**

Per Conn. Gen. Stat. §31-49o (c), funds withheld from employee's earnings for the private paid leave program shall only be used to administer an approved Private Plan. The following are acceptable administrative expenses for a Private Plan:

- (1) Compensation paid to employees for approved leaves;
- (2) Premium payments for insurance coverage for the Private Plan;
- (3) Fees paid to a third-party administrator for the administration of the Private Plan;
- (4) Wages and employment benefits for employees of the employer whose responsibilities include managing and administering the Private Plan— such expenses should be in proportion to the amount of time that they are managing or administering to the Private Plan;

- (5) Bank fees related to an account which holds funds for the payment of Paid Leave Compensation;
- (6) Fees associated with a surety bond acquired to meet the requirements of a Private Plan;
- (7) System or IT costs, to the extent that the system is used to administer the Private Plan; and
- (8) Marketing or communication expenses related to informing employees about the Private Plan.

**CTPL-009-PRVP (e) Transition to or from a Private Plan**

**(1) Definitions.** As used in this section:

**(A) "Plan Transition Date"** refers to the first date that:

- (i) An employer's paid leave coverage that was previously provided under a Private Plan begins to be provided under the Public Program; or
- (ii) An employer's paid leave coverage that was previously provided under the Public Program begins to be provided under a Private Plan; or
- (iii) An employer's paid leave coverage that was previously provided under one Private Plan begins to be provided under a separate Private Plan.

For the purposes of CTPL-009-PRVP(e) alone, any references to changes in Private Plans, or to new or separate Private Plans, shall refer only to changes that involve a change in the financial liability for the Private Plan (e.g. a change from self-insured to insured, or vice versa, or a change in insurance carriers). Other material changes to the Private Plan shall not be considered to be a new or separate Private Plan, for the purposes of this section.

**(B) "Open Paid Leave Claim"** refers to an approved request for Paid Leave Compensation for which the first date of such paid leave occurs prior to the Plan Transition Date, and at least one day of such paid leave occurs on or after the Plan Transition Date.

**(i) The term shall include:**

- 1. Continuous, Intermittent, and Reduced Schedule leaves;
- 2. Approved leaves for both current and former employees;
- 3. Claims for which the decision date for the approval occurs before, on, or after the Plan Transition Date;
- 4. Any extensions to the approved period for the Open Paid Leave Claim; and
- 5. Claims for bonding with a newborn child following an Open Paid Leave Claim for the employee's Serious Health Condition related to pregnancy (including recovery from childbirth) if the employee has not returned to work for any period of time between the termination of the Serious Health Condition claim and the start of the bonding claim.

**(ii) The term shall not include:**

- 1. Any additional paid leave requests for a reason not related to the Open Paid Leave Claim, even if the original Open Paid Leave Claim has not been terminated;
- 2. Any paid leave requests for which there are no days prior to the Plan Transition Date approved for Paid Leave Compensation, even if the filing of such request occurs prior to the Plan Transition Date or if days prior to the Plan Transition Date are requested but not approved; nor
- 3. Any claims for bonding with a newborn child which occur after the Plan Transition Date and which are separated from the Open Paid Leave Claim by any period of time during which the employee returned to work.

**(2) Responsibility of Open Paid Leave Claims.**

- (A)** If an employer's paid leave coverage is transitioned from the Public Program to a Private Plan, from a Private Plan to the Public Program, or from one Private Plan to another Private Plan, any Open Paid Leave Claims

shall continue to be the responsibility of the plan or program that is in effect as of the first date for which paid leave benefits are approved.

- (B) If there is an Involuntary Termination of a Private Plan per the Authority's "Revised Policy & Procedures for an Employer to Apply to Use a Private Plan to Meet its Obligations Under the Connecticut Paid Leave Program", the Public Program reserves the right to take responsibility for any or all Open Paid Leave Claims if the Authority determines that such action:
  - (i) Is necessary in order to protect the rights of employees under Conn. Gen. Stat. §§31-49e to 31-49t; and
  - (ii) Does not significantly endanger the solvency of the Family and Medical Leave Insurance Trust Fund.
- (C) If the Authority takes such action, it shall notify the employer of the date that the Open Paid Leave Claim shall transfer. The Employer shall cooperate with any reasonable requests that the Authority determines are necessary in order to take over responsibility for the claim(s).
- (D) The Authority shall retain the right to assess any and all penalties indicated in the "Revised Policy & Procedures for an Employer to Apply to Use a Private Plan to Meet its Obligations Under the Connecticut Paid Leave Program".

(3) *Concurrent Paid Leave Claims.*

- (A) A Covered Employee shall not receive Paid Leave Compensation concurrently under the Public Program and a Private Plan, nor under two Private Plans, if such paid leave is requested for the same date and time and for the same employer.
- (B) A Covered Employee may receive Paid Leave Compensation for two paid leave requests if such requests are for different periods of time (e.g. one Reduced Schedule paid leave on every Monday and a second Reduced Schedule paid leave on every Friday).
- (C) Employers shall, upon request, provide reasonable information to both the current and previous plans or programs in order to assist with compliance with this policy. Such information shall include, at a minimum, the names of employees with Open Paid Leave Claims or new paid leave claims filed within 12 months of the Plan Transition Date and the dates of such approved paid leaves.

(4) *Paid Leave Allowance following Plan Transition Date.* The utilization of paid leave under a Private Plan shall not impact the Paid Leave Allowance under the Public Program. The utilization of paid leave under the Public Program or under one Private Plan shall not impact the amount of Paid Leave Allowance under a new Private Plan following the Plan Transition Date.

(5) *Leaves that begin prior to Plan Transition Date.*

- (A) If the employer is covered by the Public Program following the Plan Transition Date, the Authority shall deny any employee's or former employee's paid leave requests that are for periods of leave that occur prior to the Plan Transition Date.
- (B) Subject to the provisions of subsection (3) of this section, if the employer is covered by a Private Plan following the Plan Transition Date, the Private Plan may, but is not required to, deny benefits for the same reason. If the Private Plan will deny such requests, the policy or plan document must include that right.

*CTPL-009-PRVP* (f) **Appeals to the Department of Labor**

If an application for Paid Leave Compensation is denied, in whole or in part, by a Private Plan, and the employee requests an appeal before the Labor Commissioner, per Conn. Gen. Stat. §31-49p, the cost of such appeal shall be charged to the Private Plan administrator if the Labor Commissioner overturns the denial, in whole or in part.

*CTPL-009-PRVP* (g) **Social Security Contribution and Benefit Base limit**

Private Plans shall not cost employees more than the contemporary contribution percentage applicable to the Public Program under Conn. Gen. Stat. §31-49g(b) for that calendar year. Additionally, employees shall not be required to contribute toward the Private Plan for wages they earn from the Private Plan employer in excess of the Social Security contribution and benefit base, as determined pursuant to 42 USC 430, as amended from time to time. Private Plan(s) are able, but are not required, to consider wages earned from separate employment with other employers toward the Social Security contribution and benefit base limit.



## **Sole Proprietors and Self-Employed**

### **CTPL-010-SPSE (a) Introduction**

The following sections of policies apply to Sole Proprietors and Self-Employed individuals who have enrolled in the paid leave program under Conn. Gen. Stat. §31-49m.

### **CTPL-010-SPSE (b) Accounting Method**

- (1) The Authority understands that there are varying ways in which businesses account for earnings, e.g., whether to account for payments as of the date work is performed or invoiced or whether to account only once the payments are received. For the purposes of remitting contributions to the Connecticut Paid Leave Fund, sole proprietors and self-employed individuals shall utilize the same accounting method that they utilize for other tax purposes in order to determine which calendar quarter such payments are made.
- (2) Regardless of the accounting method used for subsection (1), for all other purposes, including determining eligibility for the paid leave program by establishing earnings during the base period, eligibility for Paid Leave Compensation, and any reductions in compensation due to income received concurrently with Paid Leave Compensation, the Authority shall consider work to be performed and income to be received on the dates that such work was actually performed.

### **CTPL-010-SPSE (c) Effective Date if Enrolled Prior to January 1, 2022**

If a sole proprietor or self-employed employee elects to enroll in the paid leave program, per Conn. Gen. Stat. §31-49m, and submits their enrollment request prior to January 1, 2022, then coverage shall begin on January 1, 2022.

### **CTPL-010-SPSE (d) Effective Date if Enrolled on or after January 1, 2022**

- (1) If a sole proprietor or self-employed individual elects to enroll in the paid leave program, per Conn. Gen. Stat. §31-49m, and submits their enrollment request on or after January 1, 2022, then Paid Leave Compensation shall not be payable for dates of leave taken prior to the first day of the month following 3 full calendar months after the person has registered with the Authority.
- (2) Contributions to the fund shall be owed for the entire calendar quarter in which the person registered with the Authority, and for each calendar quarter in which the person is enrolled for at least one day.

### **CTPL-010-SPSE (e) Contribution Requirements**

Sole proprietors and self-employed individuals who enroll in the paid leave program per Conn. Gen. Stat. §31-49m shall be subject to the same requirements and processes related to Unpaid Contributions to the paid leave trust fund as the employers that are required to participate in the paid leave program, for the period of time that the sole-proprietor or self-employed individuals are enrolled in the program.

### **CTPL-010-SPSE (f) Coverage Period**

Coverage shall be effective and shall reenroll at the intervals noted in Conn. Gen. Stat. §31-49m. Such durations are three years for the initial period of coverage, and one year for each renewal period thereafter. If a sole proprietor or self-employed individual who enrolled in the program wishes to withdraw from the program, notice shall be given to the Authority in a manner determined by the Authority. Per the statute, notice shall be provided no less than 30 days from the effective date of the withdrawal.

### **CTPL-010-SPSE (g) Voluntary Withdrawal from Paid Leave Program**

If sole proprietors or self-employed individuals who enrolled in the paid leave program per Conn. Gen. Stat. §31-49m later elect to not participate in the paid leave program any longer, they may do so by notifying the Authority.

- (1) If such withdrawal is effective at the end of the coverage period indicated in *CTPL-010-SPSE* (f), the sole proprietor or self-employed individual shall provide notice to the Authority. If such notice is not given in the timeframe and manner described under *CTPL-010-SPSE* (f), the Authority may assess a penalty equal to 100% of the last full quarter's contribution amount prior to the effective date of the withdrawal.
- (2) If such withdrawal is effective at a time other than the end of a coverage period as noted in Coverage Period subsection of this policy, the Authority may assess a penalty equal to 100% of the contribution amount owed for the last full calendar quarter prior to the effective date of the withdrawal. If notice to the Authority is not provided at least 30 days prior to the effective date of the withdrawal, the Authority may assess an additional penalty equal to 100% of the contribution amount owed for the last full calendar quarter prior to the effective date of the withdrawal.
- (3) Any penalties assessed shall be treated as unpaid contribution amounts. However, such amounts shall be in addition to the required contributions owed to the Authority for the full period of time that coverage under the program is effective. The Authority shall have the right to waive penalties at its own discretion, if it determines that such penalties are against equity and good conscience.
- (4) The Authority may, solely at its own discretion, allow a sole proprietor or self-employed individual to withdraw from the paid leave program retroactively to the date that they first began to participate. If such request is granted, the sole proprietor or self-employed individual shall not be required to provide contributions for the period of time that are no longer enrolled in the paid leave program. Wages or earnings received by the individual through the sole proprietorship or self-employment during the period of time that they have withdrawn from coverage shall not be part of any eligibility determination nor calculation for any future paid leave requests.

If the sole proprietor or self-employed individual received Paid Leave Compensation during the period of time that they were covered under the program, they must repay to the Authority, prior to the retroactive withdrawal, the amount of such Paid Leave Compensation. If the individual qualified for Paid Leave Compensation as both as a sole proprietor or self-employed individual and through separate employment, the individual would only be required to repay the difference between the amount paid and the amount that would have been payable due to the separate employment alone.

#### ***CTPL-010-SPSE* (h) *Withdrawal from Paid Leave Program due to Lack of Eligibility***

If sole proprietors or self-employed individuals who enrolled in the paid leave program per Conn. Gen. Stat. §31-49m become ineligible to participate in the paid leave program because:

- (1) They no longer meet the residency requirement of Conn. Gen. Stat. §31-49e(4)(C); or
- (2) The organization for which they are the sole proprietor no longer exists;

they shall be eligible to withdraw from the paid leave program without assessment of a penalty by notifying the Authority. Such withdrawal shall be available even if the sole proprietor or self-employed individual becomes covered under the program by beginning employment with an employer participating in the Paid Leave Program.

The Authority shall have the right to request from the sole proprietor or self-employed individual documentation establishing their ineligibility, including documents showing the closing of their organization with the Connecticut Department of Revenue Services and/or Connecticut Secretary of the State or documents showing their new residency. The Authority shall have discretion to determine the adequacy of such documentation.

#### ***CTPL-010-SPSE* (i) *Re-admittance into the Paid Leave Program***

If a sole proprietor or self-employed individual who was enrolled in the paid leave program withdraws from the paid leave program, under either *CTPL-010-SPSE* (g) or *CTPL-010-SPSE* (h), regardless of whether the withdrawal coincided with the end of the coverage period as indicated in *CTPL-010-SPSE* (f), they shall not be eligible to re-enroll in the paid

leave program and re-register for coverage as a sole proprietor or self-employed individual until four full calendar quarters following the later of:

- (1) The effective date of the withdrawal; or
- (2) The date that the request to withdraw was provided to the Authority.

The waiting period described in *CTPL-010-SPSE* (d)(1) shall also apply beginning with the date that the individual re-registers with the Authority.

The requirements of this subsection shall apply to each sole proprietor or self-employed individual who has withdrawn from the paid leave program, even if the individual has formed a new entity or organization.

Nothing in this subsection shall prevent a sole proprietor or self-employed individual from being covered under the paid leave program as an employee who is employed by an employer participating in the program.

#### ***CTPL-010-SPSE* (j) Verification of Income and Wages**

In the event that, at the time that Paid Leave Compensation is requested, the Authority is not able to verify the income or wages for a sole proprietor or self-employed individual enrolled in the paid leave program, it shall request proof of income or wages from the sole proprietor or self-employed individual. The Authority shall accept filed Schedule C or Schedule SE tax forms for the applicable Base Period. If Schedule C is provided, the Authority shall utilize Net Profit (or Loss), line 31, in determining wages for the individual. If only Schedule SE is provided, the Authority shall utilize line 6 of the document in determining wages for the individual.

In the event that such tax forms have not been filed for part or all of the Base Period, the Authority may, at its own discretion, consider tax forms from previous years as a substitute. If proof of income or wages is provided on an annual basis, the Authority may utilize the average of such income or wages across the applicable calendar quarters.

If a sole proprietor or self-employed individual enrolled in the paid leave program received wages during the Base Period due to employment with an employer participating in the paid leave program at the time such wages were received, their eligible wages as an employee shall be combined with the wages or income as indicated in this section in order to determine their Base Weekly Earnings.

## **Audits**

### **CTPL-011-AUDT (a) Employer Records**

The employer shall make employment records available at reasonable hours for audit and inspection by the Authority, upon reasonable advance written notice, and shall require its administrator as applicable to make the records available. Such records may include, but are not limited to, payroll records; employee schedules and timecards; tax forms.

### **CTPL-011-AUDT (b) Notice of Audit**

The Authority shall make all requests for any audit or inspection in writing and shall provide the employer with reasonable advance notice prior to the requested audit and inspection date, provided, however, if the Authority suspects fraud or other abuse, or in the event of an emergency or if the Authority determines that the need for the audit or inspection is urgent, the Authority is not obligated to provide any prior notice.

### **CTPL-011-AUDT (c) Audit Records**

In the event of an audit or inspection by the Authority, the employer shall preserve and maintain and shall require its administrator as applicable to preserve and maintain any records relating to an audit or inspection until the audit and any audit-related proceedings are concluded.

The Authority shall provide a secure file transfer system in order to share and receive documents as part of the audit. It shall be at the sole discretion of the Authority whether to allow an alternative method of transferring documents during the audit.

### **CTPL-011-AUDT (d) Cooperation with Audit**

The employer shall cooperate fully with the Authority in connection with an audit or inspection, and shall require any of its administrators to cooperate fully with an audit or inspection. Unless the Authority has agreed to an alternative time frame, failure to respond to a request from the Authority within 10 business days may be considered by the Authority to be a lack of cooperation. Under such circumstances, the Authority shall have discretion to utilize the records that it determines to be the best available at that time, including the options indicated under CTPL-003-CTRB(j).

### **CTPL-011-AUDT (e) Reasons for Audit**

Audits may be triggered for any number of reasons, including but not limited to, the following:

- (1) Random audits;
- (2) As a result of a complaint;
- (3) As the result of deviations in data collected;
- (4) As a result of any other information received by the Authority that has a direct bearing on the ability or integrity of the employer's records, the employer's compliance with state law, or the solvency of the Public Program.

### **CTPL-011-AUDT (f) Categories of Audits**

Categories of Audits for Employers (can include any combination in a single audit):

- (1) Related to Contributions
- (2) Related to Claims and Employer Verification
- (3) Related to Record-keeping

### **CTPL-011-AUDT (g) Scope of Audits**

Typically, the audit will specify the scope of an audit to be for a specific time period; however, the Authority also reserves the right to review any and all claims, contributions, or employment records. The Authority may request a list of all records and choose a random number of files to review, or it may request specific files.

### **CTPL-011-AUDT (h) Subject of Audits**

If necessary to obtain related information, the Authority may contact other parties in connection with the audit.

*CTPL-011-AUDT* (i) **Remedies and Penalties**

The Authority has the discretion to determine the appropriate remedies or penalties that may be appropriate in the event of audit findings, including but not limited to requiring the employer to cure any errors and monetary fines.