

November 19, 2020

Governor Ned Lamont Office of the Governor 210 Capitol Avenue Hartford, CT 06106

Dear Governor Lamont:

We are writing to share our continued concerns about the state's implementation of a new payroll tax that will result in Connecticut workers seeing less in their paychecks beginning on January 1, 2021 as part of the state's Paid Family Leave Act.

This program promises a benefit of paid family leave that may never materialize. We have been asking for months for detailed numbers and a complete actuarial analysis showing how the program will add up, and we are still waiting for evidence that the program will be able to deliver on the promises it makes, having only received a preliminary presentation from a policy group whose goal is to promote paid family medical leave programs. We need an independent actuarial analysis meeting board standards from a neutral party. Where are the numbers?

As the law is written, if insolvency occurs the rate of benefits will be lowered. We fear this scenario is extremely likely, especially given the state's high unemployment rate and stagnant income growth which will result in less going into the fund than originally anticipated.

On paper the program never added up before and high unemployment and stagnant income growth will only further hurt solvency. If the maximum contribution a person pays into the fund is \$688, but the maximum benefit withdrawal is approximately \$11,000, at some point that fund is going to run dry.

Before people see more money taken out of their paychecks to fund this program, we need to see clear evidence of how solvency will be reached and how benefits will be guaranteed. Without that, we are putting benefits at risk or setting up Connecticut residents for yet another tax increase at a time when they can least afford it.

Connecticut Republicans strongly support paid family medical leave and have proposed alternative paid family leave programs to give Connecticut employers the tools to offer paid leave coverage to thousands of Connecticut workers without mandating a new tax for all. We want all families to be able to afford to care for themselves and their loved ones when they are in need. But the partisan program the state implemented has yet to show evidence that it can deliver on the promise it made to CT families.

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At a time when people are counting on every penny in their paychecks, and the state is planning to take even more out of those paychecks, the very least the state can do is show reliable evidence that promises will be kept.

Sincerely,

Senator Kevin Kelly

Senate Republican Leader-Elect

Senator Paul Formica

Senate Republican Leader Pro Tempore-Elect

Representative Vincent Candelora House Republican Leader - Elect