

TABLE OF CONTENTS

Voluntary Withholding of Income Tax

Voluntary withholding of income tax. 31-227-1

Voluntary Withholding of Income Tax

Sec. 31-227-1. Voluntary withholding of income tax

(a) For the purposes of this section, the following definitions shall apply:

(1) “Administrator” means the Labor Commissioner of the State of Connecticut, whose mailing address is 200 Folly Brook Boulevard, Wethersfield, Connecticut 06109, or his designated representative.

(2) “Benefit year” means the period commencing with the beginning of the week with respect to which an individual has filed a valid initiating claim and continuing through the Saturday of the fifty-first week following the week in which it commenced, provided no benefit year shall end until after the end of the third complete calendar quarter, plus the remainder of any uncompleted calendar week which began in such quarter, following the calendar quarter in which it commenced.

(3) “New claim” means a valid initiating claim for unemployment compensation filed in accordance with Section 31-240 of the General Statutes.

(4) “Time of filing” means the period of time immediately following receipt of the new claim during which the new claim is being processed by the Administrator.

(5) “Unemployment compensation” means any compensation payable under Chapter 567 of the General Statutes, including amounts payable by the Administrator pursuant to an agreement under any federal law providing for compensation, assistance or allowances with respect to unemployment.

(6) “Weekly unemployment compensation payment” means the amount of unemployment compensation payable to an individual with respect to a given week of unemployment.

(b) **Advisement.** The Administrator shall advise each individual filing a new claim for unemployment compensation of the following information at the time of filing:

(1) Unemployment compensation is subject to federal, state and local income tax.

(2) Estimated tax payments may be required based on the annual income and specific circumstances of the individual filing the new claim.

(3) Information regarding whether estimated tax payments are required is available through certain publications of the Department of Revenue Services and the Internal Revenue Service.

(4) The individual may elect to have federal income tax deducted and withheld from his weekly unemployment compensation payment at the amount specified in the federal Internal Revenue Code.

(5) The individual may elect to have state income tax deducted and withheld from his weekly unemployment compensation payment at the rate of three (3) percent.

(6) Any individual who elects to have either federal or state income tax withheld from his weekly unemployment compensation payment pursuant to subdivision (4) or (5) of this subsection shall have both federal and state income taxes withheld concurrently.

(7) Once an individual elects to have state and federal income tax withheld from his weekly unemployment compensation payment, he may elect to discontinue his withholding status only one time during the rest of his benefit year.

(c) **Election.** An individual filing a new claim for unemployment compensation may elect to have federal and state income tax withheld from his weekly unemployment compensation payment. Such election shall be in writing and signed by the individual.

(d) **Withholding.** The Administrator shall only deduct and withhold federal and state income tax from a weekly unemployment compensation payment after the Administrator is in receipt of a written election, as described in subsection (c) of this section.

(e) **Amount Withheld; Rounding.** The Administrator shall deduct and withhold federal income tax at the amount specified in the federal Internal Revenue Code, and shall deduct and withhold state income tax at the rate of three (3) percent. In calculating the dollar amount of such deduction, the Administrator shall round the amount deducted to the nearest whole dollar by:

(1) Dropping amounts under fifty (50) cents to the next lower dollar, and

(2) Increasing amounts from fifty (50) to ninety-nine (99) cents to the next higher dollar.

(f) **Discontinuance of Withholding Status.** The Administrator shall permit an individual who has previously elected to have federal and state income tax withheld to discontinue such withholding one time during the rest of his benefit year. A request to discontinue withholding shall be in writing and signed by the individual. The Administrator shall only discontinue withholding after a signed request to discontinue is received.

(g) **Order of Withholding.** Amounts shall be deducted and withheld from an individual's weekly unemployment compensation payment in the following order:

(1) Deductions and withholding to offset unemployment compensation overpayments pursuant to Section 31-273 of the General Statutes;

(2) Deductions for any child support obligations being withheld pursuant to Section 31-227(h) of the General Statutes;

(3) Any other amounts required to be deducted and withheld under Chapter 567 of the General Statutes;

(4) Amounts deducted and withheld for federal income tax pursuant to this section;

(5) Amounts deducted and withheld for state income tax pursuant to this section.

(h) **Limitation.** Where withholding pursuant to subdivisions (1), (2) and (3) of subsection (g) of this section results in an amount which is less than the amount of federal and state tax to be withheld pursuant to subsection (e) of this section, such income tax deduction and withholding shall be limited to the extent funds are available.

(Adopted effective June 2, 1997)