



NEW YORK STATE SENATOR

Susan Serino

## SERINO LEADS CALL FOR IMMEDIATE FIXES TO BROKEN UNEMPLOYMENT SYSTEM

SUSAN SERINO May 4, 2021

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ALBANY, NY – With an uptick in outreach from residents experiencing ongoing problems with New York’s broken unemployment system, Senator Sue Serino today participated in a press conference to demand the state to immediately fix the plaguing issues. Senator Serino was also joined at the event by her Republican colleagues and Wingdale resident, Kelly Hadley, who shared the hardships she has experienced as a result of the various Department of Labor issues.

*“From the day New York went on ‘PAUSE,’ the state’s unemployment system has been an unmitigated disaster,” said Senator Sue Serino. “New York is supposed to be one of the technology capitals of the world, and over one year after the pandemic first began, there is absolutely no excuse for these ongoing problems to continue plaguing those we serve. This is bureaucracy at its absolute worst. Thousands of New Yorkers remain out of work as a direct result of state actions, and it is the state’s responsibility to ensure that fixing these issues, and getting New Yorkers back to work, is at the top of the priority list.”*

At the event, Senator Serino joined her colleagues in specifically calling for:

- A complete, forensic audit of the state’s IT systems to identify failures and weaknesses, and to strengthen the digital infrastructure to avoid future catastrophic failures;
- An accurate and honest assessment of potential fraud and efforts to recoup it, particularly as the state’s unemployment insurance fund is facing a \$10 billion deficit, leading to dramatic increases in costs to our small businesses;
- A an immediate fix for those who have received a notice of supposed ‘overpayment;’ and
- A state tax break of up to \$10,200 on unemployment benefits collected during the pandemic last year, which would be in line with the recently enacted federal exemption and would join 39 other states.

The federal government recently waived federal tax on up to \$10,200 of 2020 unemployment benefits for households earning up to \$150,000. Although each state was given the same option to exclude unemployment benefits from taxable income, **New York has so far declined**, and is one of only 11 states to not take advantage of this significant tax break for its residents.

To add to the uncertainty being experienced by New Yorkers who collected unemployment, **recent reports** and constituent correspondence from across New York indicate the state Department of Labor is in the process of clawing back thousands of dollars in supposed “overpayments.” According to an email from the Department of Labor, its “internal review

process identified a group of roughly 166,000 New Yorkers who received one or two duplicate payments, which total approximately \$145 million.” However, Senator Serino’s office has been contacted by residents who received this letter despite no evidence of overpayment, and despite the fact that some who received the notice are still waiting for weeks of benefits to be released.

The broken unemployment system has also negatively impacted the small business community, as the current \$10 billion hole in the unemployment insurance fund has already **sent unemployment premiums skyrocketing**. The rising costs are threatening to further the loss of even more jobs and employers. The substantial increase in unemployment insurance rate hikes for New York businesses comes even after a law was passed that was supposed to keep COVID-related job reductions from affecting a business owner’s unemployment experience rating.

With new problems arising regularly, Senator Serino’s office currently has 94 pending cases with the Department of Labor.

To view the press conference in full, please click [here](#).