



NEW YORK STATE SENATOR

Brian Kavanagh

Senate Passes Pandemic Recovery Measure to Boost Benefits and Reduce Burden on NY Businesses

BRIAN KAVANAGH January 27, 2022

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(Albany, NY) The Senate Democratic Majority will advance legislation to freeze increases in unemployment insurance taxes for businesses across New York State for the 2022 and 2023 fiscal year. Additionally, this legislation will increase the maximum unemployment benefit for workers who have lost their jobs at no fault of their own.

During the pandemic, unemployment claims have drastically increased as businesses struggled to keep their doors open. This legislation continues the work of the Senate Majority to relieve the tax burden for businesses across New York State by saving thousands of dollars for employers who are still struggling to recover economically while restoring the planned increase in unemployment benefits. "Since the start of this pandemic, the Senate Majority has taken action to help our business community survive and recover from this pandemic.

"Today we are taking urgent action to delay an increase in unemployment insurance taxes because we know businesses can not take on this burden as they struggle just to keep their doors open," Senate Majority Leader Andrea Stewart-Cousins said. "This pandemic has created many unforeseen fiscal challenges, but this legislation takes action to give businesses across New York State time to get back on their feet, as well as still support

workers across New York State who lost their jobs. I want to thank Senator Anna Kaplan for carrying this bill to the floor and taking another step to help our businesses recover and assist New York's workforce."

Chair of the Committee on Commerce, Economic Development and Small Business and bill sponsor, Senator Anna Kaplan said, "So many of our State's small businesses barely survived the challenges of the pandemic, and if we allow them to be hit with massive increases in their payroll taxes, many will be forced to close their doors for good. Our long-term economic recovery depends on the success of our small businesses, so I introduced legislation to give them a break by cutting the unemployment tax rate that they pay for each employee, and I'm leading the charge to replenish the State's unemployment insurance trust fund with a significant allocation in the State budget. At the same time, we can't forget about workers who lost their jobs due to the pandemic and who rely on unemployment insurance benefits to make ends meet, so I'm proud that my legislation will deliver a meaningful increase in weekly benefits to help them during these challenging times. I'm grateful for Majority Leader Andrea-Stewart Cousins for bringing this legislation to the floor for a vote, and for her leadership to ensure that the Senate is always responsive to the needs of New York's small business community."

This bill (S.6791A) is sponsored by Chair of the Committee on Commerce, Economic Development and Small Business, Senator Anna Kaplan. It adjusts the unemployment insurance tax rate schedule for the 2022 and 2023 fiscal years to reduce an employer's tax obligation and to increase the weekly maximum unemployment benefit for workers in 2022 and 2023.

For the 2022 fiscal year, the statutory employer contribution rate would be determined by size of index column headed at 2.5 percent but less than 3 percent and the employer's respective negative or positive account percentage,

For the 2023 fiscal year, the statutory employer contribution rate would be determined by size of the index column headed at 2 percent but less than 2.5 percent and the employer's respective negative or positive account percentage.

The weekly maximum unemployment benefit rises to 40% of the average weekly wage after enactment and to 42% of the average weekly wage in October 2022.

Senator Alessandra Biaggi said, “As legislators, we have a responsibility to provide relief to struggling businesses and workers— not punish them. S6791A would do just that by reducing employers’ tax obligations, and increasing the maximum unemployment benefit over the next two years. This bill would provide significant relief to New York’s businesses, particularly our small businesses, who have been hit hard by the COVID-19 pandemic. We cannot penalize businesses and workers for circumstances beyond their control, and must do our due diligence to support them. I am grateful to Senator Kaplan for championing this bill in the Senate, and I look forward to working with my colleagues to get this passed in the Legislature this session.”

Senator Samra Brouk said, “As New Yorkers respond to conducting business in a post-COVID world, and legislators and employers alike work to understand the barriers that keep people from returning to work, it is imperative that we take action to protect small business owners. By reducing the unemployment insurance burden, we are putting money back into local businesses to invest in their staff and customers. I look forward to working with my colleagues in the legislature to find additional opportunities to support our small businesses and working people.”

Senator Simcha Felder said, “Small businesses are essential to our economy and to every thriving neighborhood. Sadly, our small businesses continue to feel the pain of COVID-19 and it is our responsibility to do everything in our power to help. This important legislation

will provide much needed relief from dramatic increases in unemployment insurance taxes at a time when businesses can afford them the least,” said Senator Simcha Felder. “This legislation will also provide a sensible increase to unemployment benefits, which are a lifeline to families who are struggling to keep food on the table and to pay for other basic necessities.”

Senator Jim Gaughran said, “This legislation will help ensure that small businesses who temporarily closed or who laid off staff because of the COVID-19 pandemic aren't hit with another costly expense: increased unemployment insurance rates. I thank Senator Kaplan for championing Main Street and hope the Assembly takes up this important proposal soon.”

Senator Andrew Gounardes said, “The key to our state's economic recovery from the COVID crisis is supporting both small businesses and workers, and this legislation does exactly that. Passage of S6791A means that workers will see a real and timely increase in the amount of unemployment insurance benefits they can receive, and that small businesses won't be crippled by rising unemployment insurance rates caused by factors far outside of their control. I am proud to support this bill, and grateful to Senator Kaplan for her work on this matter.”

Senator Pete Harckham said, “There is still a strong need to provide real help to business owners and their employees statewide because of the Covid-19 pandemic, and this legislation, which I have co-sponsored, offers immediate financial help. By lowering the unemployment tax levy on employers while increasing unemployment benefits, we will help people pay their bills and also boost the economy in our communities.”

Senator Michelle Hinchey said, “We must do everything in our power to provide significant relief to small businesses across New York State, many of which are still struggling to recover from the severe impacts of the COVID-19 pandemic. I’m proud to join my colleagues today in

advancing legislation that will deliver important UI tax relief to employers so that they can continue to invest in their businesses and keep the economic recovery of our communities moving forward.”

Senator Brad Hoylman said, “Over 4.6 million New Yorkers filed for unemployment in 2020, and close to 9% of workers in New York City were still receiving unemployment as of December. Further, so many of our small businesses are reeling and need all the help they can get. The COVID-19 pandemic has reminded us how vital this assistance is for helping our neighbors when they are struggling. I’m proud to vote for this bill to increase maximum unemployment benefits and lessen the unemployment tax burden on New York’s businesses. I thank Senator Kaplan for introducing this legislation, and I’m grateful Senate Majority Leader Andrea Stewart-Cousins prioritizes expanding our social safety net.”

Senator Robert Jackson said, "The fiscal burdens caused by the COVID-19 pandemic have left lasting economic scars around the nation and in our state. As many working-class constituents struggled, so have many employers. Senator Kaplan’s common-sense legislation will go a long way in supporting the vitality of many of the small business communities in my district. As legislators elected to serve all New Yorkers, we must also help employers in our state’s path to economic recovery."

Senator Brian Kavanaugh said, “This legislation will provide much needed relief to both small business owners and unemployed New Yorkers, many of whom continue to suffer the adverse effects of the COVID-19 pandemic. We must continue to avoid placing undue burdens on our small business community at this critical time. And we must do all we can to help mitigate the hardships and suffering of those who are unemployed. I am proud to support this legislation and I thank Senator Anna Kaplan for her leadership in bringing this bill forth and Senate Majority Leader Andrea Stewart-Cousins for ensuring that we take this important step--along with many others--to support New Yorkers in these very challenging

times.”

Senator Tim Kennedy said, “The significant weight of the COVID-19 pandemic has impacted New York's workforce and its business community, and this legislation seeks to deliver relief to both. The Democratic Conference continues to prioritize reforms that will allow our state to reignite our economy, and that includes advancing measures that give grace to those who continue to try to Build Back Better.”

Senator John C. Liu said, “Increasing contribution rates on employers who are already struggling from the worst pandemic of our generation would inflict irreversible harm to the small businesses that are vital to New York’s economic recovery. By hitting the pause button on these potentially devastating increases, these businesses can focus on getting back on their feet, rather than being kicked while they're down. Many thanks to Senator Kaplan and all co-sponsors of this legislation who are working to prioritize the survival of our business community.”

Senator John W. Mannion said, “Supporting small businesses and improving New York's overall business climate starts with lowering taxes. Easing this burden on entrepreneurs, business owners, and job creators is a priority for the Senate Majority. I commend Majority Leader Andrea Stewart Cousins and Senator Anna Kaplan for shepherding this legislation which deftly addresses two issues - lowering the cost of doing business in New York State while providing a long-overdue increase in weekly unemployment benefits.”

Senator Shelley B. Mayer said, “As we approach the two-year anniversary of the start of the COVID-19 pandemic, our local businesses and workers continue to struggle. I commend Senator Kaplan for her leadership on behalf of New York's small businesses that need relief from planned unemployment insurance tax rate increases while they rebuild, as well as our recently unemployed who should not be forced to continue to bear the brunt of the

pandemic with further delays in a much-needed increase in maximum weekly unemployment benefits."

Senator Elijah Reichlin-Melnick said, "The COVID-19 pandemic and the ensuing economic fallout has revealed major cracks in New York's unemployment system. Employers face heavy burdens and beneficiaries don't always get enough support to get them back on their feet. I am proud to vote to give small businesses much-needed relief and make sure New Yorkers are able to rely on unemployment insurance to help them weather uncertain times and economic misfortune."

Senator James Sanders Jr. said, "As we continue to pull our way out of the pandemic this legislation will provide much needed relief to both employers as we enter tax season and workers collecting unemployment. I am proud to be a co-sponsor of this bill and I am sure it will help many people in my district and across New York State."

Senator Luis Sepúlveda said, "S.6791A places workers and businesses on the right path during times of crisis. The increase in unemployment insurance at least provides a balance between the misfortunes a worker faces when they lose their job and the real money in their pocket. On the other hand, the release of unemployment insurance taxes to businesses in 2022 and 2023 also means real and measurable economic relief for our already hard-pressed business owners. This legislation is real action that affects people's lives for the better."

Senator James Skoufis said, "As our economy continues to rebuild coming out of this pandemic, it's critical that we remain as flexible as we're asking New Yorkers to be. This legislation gets more money in peoples' pockets while providing essential relief to our state's small businesses. I thank Senator Kaplan for her leadership on this issue."

Senator Kevin Thomas said, “At this point in the current public health and economic crisis, our priority is to ensure that our small businesses can keep their doors open and rehire their workers. This legislation will provide needed certainty and relief for our business community. I thank Senator Kaplan and my colleagues for working to keep our Main Street businesses open and thriving.”

Mario Cilento, President of the New York State AFL-CIO, said, “Far too many New Yorkers continue to struggle financially after losing employment due to the pandemic. That hardship is more challenging given inflation and other cost increases, combined with the fact the federal unemployment relief expired in September of last year.” “That is why this bill is so critical. It will clear the way for the state’s maximum weekly unemployment benefit to catch-up to the scheduled increase level for 2022, providing much needed relief to unemployed workers trying to figure out how to make ends meet. I thank the sponsor of the bill, Senator Anna Kaplan, and Labor Committee Chair Senator Jessica Ramos for their leadership on this issue, and Senate Majority Leader Andrea Stewart-Cousins and the Senate Democratic Majority for supporting this important legislation.”

Ashley E. Ranslow, NY State Director, National Federation of Independent Businesses said, “NFIB applauds Senator Anna Kaplan and her colleagues for advancing legislation to cut small businesses’ Unemployment Insurance tax bills for the next two years. New York’s Main Street businesses are paying the highest possible UI tax rates at a time when they are still digging out of COVID’s economic devastation. Small businesses are the engines that drive our state and local economy, and now, more than ever, are in desperate need of financial relief. The Senate has stepped up and led the way on this issue and we look forward to continuing to work with our Senate partners, members of the Assembly, and the Governor to ensure that the budget includes much-needed funding to restore the UI system.”

Heather C. Briccetti, Esq. President and CEO of The Business Council of New York State, said, “The Business Council supports this proposal to provide needed relief from increased payroll taxes on New York employers, many of whom continue to deal with ongoing COVID impacts in the workplace. This is an important first step, and we appreciate the support and action by Leader Stewart-Cousins and Senator Kaplan. We also applaud Senator Kaplan and her colleagues, who continue to call for state financial support of the Unemployment Insurance system to help address the more than \$9 billion in federal debt payments facing the private sector that resulted from state-directed business shutdowns.”

Mike Durant, President & CEO, Food Industry Alliance of NY said, “We thank Leader Stewart-Cousins, Senator Kaplan and their colleagues for recognizing the significant impact the public health crisis has had on employers, particularly with respect to unemployment insurance costs. We are strongly supportive of this legislation as a necessary first step for both employers and their employees. We hope to continue working with the Legislature in addressing action in this critical area.”

Jeff Williams, New York Farm Bureau Public Policy Director, said “Unemployment Insurance taxes paid by employers have steadily increased creating yet another burden for our state's family farms that often operate under thin profit margins. This legislation would provide some relief at a time when labor costs continue to rise on our farms. New York Farm Bureau appreciates the Senate Majority's support with the passage of this important bill. New York State must chart a pathway forward for its small businesses, helping them to not only compete but also reinvest in their businesses, employees, and communities.”

Zach Sampson, spokesman for Upstate United said, “We thank Senator Anna Kaplan and Majority Leader Andrea Stewart-Cousins for leading the charge on S.6791A. This sensible unemployment insurance reform will help employers across New York save money at a time when they're seeing rising costs across the board. We urge the members of the Assembly to

take immediate action on this measure." "Moving forward, we hope to see additional efforts to tackle New York's \$9.4 billion UI crisis. Like Senator Kaplan and several of her Senate colleagues, we believe that investing federal aid to partially pay down the state's \$9.4 billion UI debt is the right thing to do right now. Struggling employers simply can't afford a massive UI tax hit. We look forward to working with Governor Hochul and the Legislature to address this crisis in this year's budget."

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