



NEW YORK STATE SENATOR

Malcolm Smith

Senator Malcolm A. Smith Announces Minimum Wage Increase And Unemployment Insurance Update

MALCOLM A. SMITH December 26, 2005

State Senator Malcolm A. Smith (D-Queens) announced today that New York's minimum wage rate will increase from the current rate of \$6.00 to \$6.75. This change will take effect on January 1, 2006, and will increase again on January 1, 2007.

"As of January 1, 2006 minimum wage employees in New York State will receive a much needed increase in their wages. As of January 1, 2007, the minimum wage rate will increase again, to \$7.15 an hour. Over the course of the next two years, these increases will make a tremendous difference in the lives of thousands of workers throughout the state," said Senator Smith.

Employees can find updated information concerning the wage rate on the New York State Department of Labor's web site www.labor.state.ny.us.

Employers in New York State are required to pay unemployment insurance taxes at the State and Federal levels. The tax rate for each employer is determined by a number of factors and varies for each employer.

As New York State's economic conditions improve, the Department of Labor anticipates that

continued or greater reductions in employers' FUTA tax credit will not be necessary. It is estimated that next year eligible employers should be able to receive their full 5.4 percent FUTA tax credit.

The Senator also offered some updated information on Unemployment Insurance in New York State. "After the terrorist attacks of September 11, 2001, the Federal government advanced money to the state of New York so that its employers could meet their unemployment benefit obligations. Since this money has not been repaid within the given time frame, the employer's Federal Unemployment Tax Act (FUTA) tax credit will be reduced," said Senator Smith.

For additional information on the FUTA tax credit, visit the New York State Department of Labor's web site at www.labor.state.ny.us, or call 1-888-899-8810.
