



NEW YORK STATE SENATOR

Patrick M. Gallivan

Senator Gallivan Renews His Call to Protect Businesses from Higher Unemployment Insurance Rates

JIM RANNEY November 20, 2020

| ISSUE: **UNEMPLOYMENT INSURANCE, CORONAVIRUS PANDEMIC; COVID-19; SMALL BUSINESSES; UNEMPLOYMENT**



Senator Patrick M. Gallivan (R-C-I, Elma) is calling on New York State to protect thousands of businesses from dramatic increases in unemployment insurance rates. In a letter to NYS Labor Commissioner Roberta Reardon, Senator Gallivan says given the ongoing Coronavirus pandemic, businesses cannot afford higher premiums.

“Businesses big and small throughout the state have been forced to lay off workers because of state-ordered shutdowns and other restrictions,” Senator Gallivan said. “Workers who have lost their job depend on unemployment benefits and the payments must continue. But it will take months if not years for many businesses to recover and the prospect of dramatic increases in unemployment insurance premiums is devastating and could lead to even more jobs losses in the future.”

Under current law, an employer's experience rating determines their unemployment insurance rates. The higher the number of former employees collecting benefits, the higher the contribution by the employer for unemployment insurance. Due to COVID-19, many small businesses have been forced to close or let employees go and face an uptick in their unemployment insurance rates in the future.

Senator Gallivan is urging the commissioner to work with New York's business community to address the challenges facing the unemployment insurance program.

Earlier this year, Senator Gallivan co-sponsored a bill (S.8249) that would protect businesses from being charged higher unemployment insurance rates after being forced to lay off workers because of the COVID-19 pandemic. The legislation remains in committee.

The proposed legislation would amend the state's labor law to exclude unemployment payments associated with COVID-19 or another government mandated closure, from being used as part of the calculation of an employer's experience rating.