

STATE OF NEW YORK

10183

IN ASSEMBLY

February 12, 2026

Introduced by M. of A. LASHER -- read once and referred to the Committee on Labor

AN ACT to amend the labor law, in relation to establishing the transitional wage insurance program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The labor law is amended by adding a new article 25-D to
2 read as follows:

ARTICLE 25-D

TRANSITIONAL WAGE INSURANCE PROGRAM

Section 863. Definitions.

6 863-a. Establishment of transitional wage insurance program.

7 863-b. Eligibility.

8 863-c. Amount and duration of benefits.

9 863-d. Claims, overpayments, and fraud.

10 863-e. Outreach and information.

11 863-f. Funding.

12 863-g. Rules and regulations.

13 § 863. Definitions. As used in this article:

14 1. "Prior employment" means the most recent job held by an individual
15 prior to filing a claim for unemployment insurance, as verified by wage
16 records.

17 2. "New employment" means a job accepted by an eligible individual
18 after receiving unemployment insurance benefits.

19 3. "Eligible individual" means a person who meets the eligibility
20 criteria under section eight hundred sixty-three-b of this article.

21 4. "Wage insurance benefit" means the temporary wage supplement
22 provided under this article.

23 § 863-a. Establishment of transitional wage insurance program. The
24 department shall establish and administer a transitional wage insurance
25 program to provide temporary supplemental payments to eligible individ-
26 uals who accept new employment at a lower wage than their prior employ-
27 ment.

28 § 863-b. Eligibility. 1. A claimant shall be eligible for a transi-
29 tional wage insurance benefit if the claimant:

30 (a) was eligible for unemployment insurance under this chapter prior
31 to accepting new employment;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (b) has accepted new employment at wages lower than those paid in the
2 claimant's most recent prior employment;

3 (c) was separated from prior employment, in whole or in substantial
4 part, due to automation or the implementation of artificial intelligence
5 technologies, including, but not limited to, machine learning, natural
6 language processing, robotics, algorithmic decision-making systems, or
7 other software or systems that materially reduced or replaced the claim-
8 ant's job duties or reduced the employer's need for human labor in the
9 claimant's occupation or work unit, as determined by the commissioner
10 based on employer records, claimant testimony, labor market data, or
11 other reliable evidence;

12 (d) applies for the benefit within sixty days of commencing such new
13 employment; and

14 (e) meets any additional criteria established by the commissioner
15 pursuant to this article.

16 2. A claimant's eligibility shall not be denied solely based on an
17 employer's failure or refusal to provide documentation regarding the
18 implementation of automation or artificial intelligence technologies.

19 § 863-c. Amount and duration of benefits. 1. Payment of the transi-
20 tional wage insurance benefit shall not exceed one hundred four weeks,
21 nor shall the total benefit paid exceed ten thousand dollars.

22 2. Benefits shall not be payable for any week in which the claimant:

23 (a) is not engaged in new employment; or

24 (b) is eligible to receive unemployment insurance benefits under this
25 chapter.

26 3. The benefit shall equal the difference between:

27 (a) the claimant's average weekly wage in prior employment during the
28 highest quarter of the base period; and

29 (b) the claimant's average weekly wage in new employment.

30 4. Benefits shall terminate if the claimant's average weekly wage in
31 new employment equals or exceeds the claimant's average weekly wage in
32 prior employment as calculated pursuant to subdivision three of this
33 section.

34 § 863-d. Claims, overpayments, and fraud. Claims, overpayments, fraud,
35 outrage, and funding for transitional wage insurance benefits shall be
36 administered, processed, adjudicated, and provided in accordance with
37 the procedures, rules, outreach requirements, and appropriations appli-
38 cable to unemployment insurance benefits under this chapter. The depart-
39 ment shall recover any overpayment of wage insurance benefits. Any indi-
40 vidual who knowingly makes a false statement or representation to obtain
41 benefits shall be subject to the same penalties applicable to unemploy-
42 ment insurance fraud under this chapter.

43 § 863-e. Outreach and information. The department shall make informa-
44 tion about the program available to unemployment insurance recipients,
45 workforce development offices, and employers.

46 § 863-f. Funding. Wage insurance benefits paid under this article
47 shall be subject to appropriation. The department may seek and accept
48 federal funds or grants for the administration or expansion of the
49 program.

50 § 863-g. Rules and regulations. The department shall promulgate rules
51 and regulations necessary to implement the provisions of this article.

52 § 2. This act shall take effect on the one hundred eightieth day after
53 it shall have become a law.