STATE OF NEW YORK

7431

2021-2022 Regular Sessions

IN SENATE

October 12, 2021

Introduced by Sen. MARTUCCI -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the labor law and the state finance law, in relation to employer contributions to the unemployment insurance fund and establishing the unemployment insurance solvency reserve fund

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

Section 1. Section 581-a of the labor law is amended by adding a new subdivision 3-a to read as follows:

3-a. Notwithstanding the provisions of section five hundred eighty-one of this title to the contrary and notwithstanding the actual size of the fund index, the rate of contribution for a qualified employer in the two thousand twenty-two fiscal year shall be the percentage shown in the column headed by the size of the fund index at five percent or more and on the same line with his or her negative or positive employer's account percentage pursuant to subdivision two of section five hundred eighty-one of this title, unless using the actual size of the fund index would result in a lower rate of contribution for an employer, in which case such employer shall be liable for such lower rate of contribution.

§ 2. The state finance law is amended by adding a new section 92-kk to read as follows:

§ 92-kk. Unemployment insurance solvency reserve fund. 1. There is hereby established in the state treasury a fund to be known as the "unemployment insurance solvency reserve fund". Such fund shall consist of moneys deposited there and moneys shall be withdrawn from such fund only for the purposes as provided therein.

2. Such fund may consist of but not be limited to, discretionary federal funds designated as recovery funds during a period of economic downturn and non-recurring state funds derived from settlement proceeds and other sources.

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

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3. Such fund may also consist of amounts appropriated or transferred pursuant to statute.

4. The amounts available in such reserve may be used if the following conditions are met:

(a) The unemployment insurance fund has borrowed money from the federal government for the purpose of paying benefits to claimants;

(b) The federal government has imposed an interest assessment surcharge on the state of New York for loans to the unemployment insurance fund; and

(c) The federal government is recovering the principal on money loaned to the unemployment insurance fund for the payment of benefit to claimants.

§ 3. This act shall take effect immediately.