

# STATE OF NEW YORK

8936

2025-2026 Regular Sessions

## IN ASSEMBLY

July 16, 2025

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

AN ACT to amend the labor law, in relation to unemployment insurance financing reform; and to repeal certain provisions of such law relating thereto

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

1 Section 1. Paragraph (a) of subdivision 1 of section 518 of the labor  
2 law, as amended by section 1 of part 0 of chapter 57 of the laws of  
3 2013, is amended to read as follows:

4 (a) "Wages" means all remuneration paid, except that such term does  
5 not include remuneration paid to an employee by an employer after eight  
6 thousand five hundred dollars have been paid to such employee by such  
7 employer with respect to employment during any calendar year beginning  
8 on or before the first day of January, two thousand thirteen, except  
9 that such term does not include remuneration paid to an employee by an  
10 employer with respect to employment during any calendar year beginning  
11 with the first day of

	that exceeds
12	
13 January 2014	\$10,300
14 January 2015	\$10,500
15 January 2016	\$10,700
16 January 2017	\$10,900
17 January 2018	\$11,100
18 January 2019	\$11,400
19 January 2020	\$11,600
20 January 2021	\$11,800
21 January 2022	\$12,000
22 January 2023	\$12,300
23 January 2024	\$12,500
24 January 2025	\$12,800

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

LBD13417-01-5

1 ~~[January 2026 \$13,000~~  
 2 ~~and each year thereafter on the first day of January that exceeds~~  
 3 ~~sixteen percent of the state's average annual wage as determined by the~~  
 4 ~~commissioner on an annual basis pursuant to section five hundred twen-~~  
 5 ~~ty-nine of this article; provided, however, that in calculating such~~  
 6 ~~maximum amount of remuneration, the amount arrived at by multiplying the~~  
 7 ~~state's average annual wage times sixteen percent shall be rounded up to~~  
 8 ~~the nearest hundred dollars. In no event shall the state's annual aver-~~  
 9 ~~age wage be reduced from the amount determined in the previous year.]~~

10 The term "employment" includes for the purposes of this subdivision  
 11 services constituting employment under any unemployment compensation law  
 12 of another state or the United States.

13 § 2. Paragraph (a) of subdivision 1 of section 518 of the labor law,  
 14 as amended by section 1 of part KK of chapter 56 of the laws of 2025, is  
 15 amended to read as follows:

16 (a) "Wages" means all remuneration paid, except that such term does  
 17 not include remuneration paid to an employee by an employer after eight  
 18 thousand five hundred dollars have been paid to such employee by such  
 19 employer with respect to employment during any calendar year beginning  
 20 on or before the first day of January, two thousand thirteen, except  
 21 that such term does not include remuneration paid to an employee by an  
 22 employer with respect to employment during any calendar year beginning  
 23 with the first day of

that exceeds

24		that exceeds
25	January 2014	\$10,300
26	January 2015	\$10,500
27	January 2016	\$10,700
28	January 2017	\$10,900
29	January 2018	\$11,100
30	January 2019	\$11,400
31	January 2020	\$11,600
32	January 2021	\$11,800
33	January 2022	\$12,000
34	January 2023	\$12,300
35	January 2024	\$12,500
36	January 2025	\$12,800

37 ~~[and each year thereafter on the first day of January that exceeds eigh-~~  
 38 ~~teen percent of the state's average annual wage as determined by the~~  
 39 ~~commissioner on an annual basis pursuant to section five hundred twen-~~  
 40 ~~ty-nine of this title; provided, however, that in calculating such maxi-~~  
 41 ~~mum amount of remuneration, the amount arrived at by multiplying the~~  
 42 ~~state's average annual wage times eighteen percent shall be rounded up~~  
 43 ~~to the nearest hundred dollars. In no event shall the state's annual~~  
 44 ~~average wage be reduced from the amount determined in the previous~~  
 45 ~~year.]~~

46 The term "employment" includes for the purposes of this subdivi-  
 47 sion services constituting employment under any unemployment compen-  
 48 sation law of another state or the United States.

48 § 3. The labor law is amended by adding a new section 517-a to read as  
 49 follows:

50 § 517-a. Calendar quarter. For the purposes of this article, the term  
 51 "calendar quarter" shall mean any thirteen-week period beginning on the  
 52 first day of January, April, July, or October of any year.

53 § 4. The labor law is amended by adding a new section 517-b to read as  
 54 follows:

55 § 517-b. Payroll. For the purposes of this article, the term "payroll"  
 56 shall mean all wages paid by an employer during any calendar quarter.

1 § 5. The labor law is amended by adding a new section 517-c to read as  
2 follows:

3 § 517-c. Annual payroll. For the purposes of this article, the term  
4 "annual payroll" shall mean that part of an employer's payroll for the  
5 four consecutive calendar quarters ending on the computation date.

6 § 6. The labor law is amended by adding a new section 517-d to read as  
7 follows:

8 § 517-d. Computation date. For the purposes of this article, the term  
9 "computation date" shall mean December thirty-first of the year imme-  
10 diately preceding the calendar year for which the contribution rates are  
11 effective.

12 § 7. The labor law is amended by adding a new section 517-e to read as  
13 follows:

14 § 517-e. Qualifying period. For the purposes of this article, the term  
15 "qualifying period" shall mean the three-year period of twelve consec-  
16 utive calendar quarters ending on the computation date; for an employer  
17 who has not been subject to this article during each of the twelve  
18 calendar quarters ending with the computation date, such employer shall  
19 be subject to the applicable rate for new employers under subdivision  
20 six of section five hundred eighty-one of this article; an employer is  
21 subject to this article beginning with the start of the first quarter in  
22 which the employer pays wages under this article, and ending with the  
23 end of the calendar quarter in which either the employer files closing  
24 contribution and wage reports under regulations adopted by the depart-  
25 ment, or the account is closed by the independent action of the commis-  
26 sioner.

27 § 8. The labor law is amended by adding a new section 529-a to read as  
28 follows:

29 § 529-a. Average decline quotient. 1. For the purpose of this article,  
30 the term "average decline quotient" shall mean the department shall put  
31 the employer's quarterly payrolls in chronological order beginning with  
32 the first calendar quarter in the qualifying period and ending with the  
33 last calendar quarter in the qualifying period. If an employer's payroll  
34 in a calendar quarter is less than the payroll in the preceding quarter  
35 in the qualifying period, the quarterly decline quotient shall be  
36 computed to at least nine decimal places by dividing the amount of the  
37 decline by the amount of the payroll in the preceding calendar quarter.

38 2. For the purpose of computing quarterly decline quotients, the  
39 department may, by regulation, prescribe the manner in which remunera-  
40 tion paid in the form of annual bonuses or other lump sum payments for  
41 service performed over a period of more than three months are appor-  
42 tioned among the calendar quarters of the calendar year in which the  
43 service was performed.

44 3. The department shall determine the sum of each eligible employer's  
45 decline quotients and shall weight the sum by adding to it 1.000000000  
46 for each quarter in the employer's qualifying period in which the  
47 employer has no payroll, and for each quarter that immediately follows a  
48 quarter in which the employer has no payroll. Each eligible employer's  
49 average decline quotient shall be computed to the ninth decimal place by  
50 dividing the sum of the quarterly decline quotients for the employer,  
51 weighted when required by this section, by the number of quarters in the  
52 employer's qualifying period less one.

53 § 9. The labor law is amended by adding a new section 529-b to read as  
54 follows:

55 § 529-b. Reserve rate. For the purposes of this article, the term  
56 "reserve rate" shall mean the result obtained by dividing the total

1 amount available for benefits in the fund on the computation date by the  
2 total annual payroll of employers required to pay contributions under  
3 the provisions of section five hundred seventy of this article. In  
4 calculating the reserve rate, the total amount available for benefits in  
5 the fund on the computation date shall be proportionally adjusted to  
6 reflect any increases in the benefit under this article.

7 § 10. Subdivision 1 of section 570 of the labor law, as amended by  
8 chapter 7 of the laws of 1985, is amended to read as follows:

9 1. Rate. Each employer liable under this article shall pay contribu-  
10 tions on all wages paid by [~~him~~] such employer at the rate of five and  
11 four-tenths per centum or, if applicable to the employer, at the rate  
12 provided by the provisions of [~~sections five hundred seventy-seven and~~]  
13 section five hundred eighty-one of this title. However, if contribu-  
14 tions so established exceed five and four-tenths per centum of wages  
15 paid by [~~him~~] such employer which are subject to the federal unemploy-  
16 ment tax act, they shall be reduced by that part of such excess, if any,  
17 which is caused by the provisions of paragraph (b) of subdivision one of  
18 section five hundred eighteen of this article.

19 § 11. Subdivision 2 of section 577 of the labor law is REPEALED.

20 § 12. Section 581 of the labor law is REPEALED and a new section 581  
21 is added to read as follows:

22 § 581. Experience rating. 1. The department shall determine each  
23 eligible employer's annual payroll. The department shall then put all  
24 eligible employers in the order of their average quarterly decline  
25 quotients beginning with the smallest average decline quotient and shall  
26 determine, with respect to each employer, the cumulative annual payroll  
27 during the four consecutive quarters ending with the computation date of  
28 the employer together with all employers who precede the employer on the  
29 list.

30 2. The department shall segregate the employers into groups in accord-  
31 ance with cumulative annual payroll. The limits of the groups are those  
32 set out in column B of the table in subdivision three of this section.  
33 Each of these groups shall be identified by the rate class number in  
34 column A which is opposite the figures in column B which represent the  
35 percentage limits of each group. An employer shall be assigned the expe-  
36 rience factor in column C which is opposite the rate class in which the  
37 greater part of the employer's annual payroll falls. If one-half of the  
38 employer's annual payroll falls in one class, and one-half in another,  
39 the employer shall be assigned to the lower numbered rate class. An  
40 employer shall not be assigned to a higher numbered rate class than is  
41 assigned to another employer with the same average quarterly decline  
42 quotient.

43 3. The rate of contributions for each employer is a percentage of the  
44 average benefit rate cost multiplied by the employer's experience factor  
45 set out in column C of the table in this subdivision opposite the  
46 employer's applicable rate class set out in column A plus the fund  
47 solvency adjustment surcharge required under subdivision five of this  
48 section, provided that the rate of contributions for an employer shall  
49 not be less than ninety-five hundredths per centum or more than five and  
50 four-tenths per centum. The rate of contributions for an employer in  
51 rate class twenty-one, as defined by section five hundred eighty-one-e  
52 of this title shall not be less than five and four-tenths per centum.  
53 The rate of contributions for an employer shall be rounded to the near-  
54 est one-hundredth of one per centum.

55 Cumulative annual payroll:

<u>Column A</u>	<u>Column B</u>		<u>Column C</u>
<u>Rate class:</u>	<u>At least,</u>	<u>but not less than:</u>	<u>Experience factor:</u>
<u>1</u>	<u>0</u>	<u>5</u>	<u>0.40</u>
<u>2</u>	<u>5</u>	<u>10</u>	<u>0.45</u>
<u>3</u>	<u>10</u>	<u>15</u>	<u>0.50</u>
<u>4</u>	<u>15</u>	<u>20</u>	<u>0.55</u>
<u>5</u>	<u>20</u>	<u>25</u>	<u>0.60</u>
<u>6</u>	<u>25</u>	<u>30</u>	<u>0.65</u>
<u>7</u>	<u>30</u>	<u>35</u>	<u>0.70</u>
<u>8</u>	<u>35</u>	<u>40</u>	<u>0.80</u>
<u>9</u>	<u>40</u>	<u>45</u>	<u>0.90</u>
<u>10</u>	<u>45</u>	<u>50</u>	<u>1.00</u>
<u>11</u>	<u>50</u>	<u>55</u>	<u>1.00</u>
<u>12</u>	<u>55</u>	<u>60</u>	<u>1.10</u>
<u>13</u>	<u>60</u>	<u>65</u>	<u>1.20</u>
<u>14</u>	<u>65</u>	<u>70</u>	<u>1.30</u>
<u>15</u>	<u>70</u>	<u>75</u>	<u>1.35</u>
<u>16</u>	<u>75</u>	<u>80</u>	<u>1.40</u>
<u>17</u>	<u>80</u>	<u>85</u>	<u>1.45</u>
<u>18</u>	<u>85</u>	<u>90</u>	<u>1.50</u>
<u>19</u>	<u>90</u>	<u>95</u>	<u>1.55</u>
<u>20</u>	<u>95</u>	<u>100</u>	<u>1.60</u>
<u>21</u>	<u>100</u>	<u>no limit</u>	<u>1.65</u>

4. The department shall determine the average benefit rate cost as follows:

(a) the department shall determine the amount of benefits paid to insured workers during the last three computation years, which amount shall be proportionally adjusted to reflect any increases in the benefit under this article; and

(b) the department shall divide the amount determined in paragraph (a) of this subdivision by the total wages paid by all employers required to pay contributions under this chapter during the first three of the last four computation years.

5. An employer shall pay a fund solvency adjustment surcharge if the reserve rate is less than one percent. The surcharge is a percentage equal to the difference between one percent and the reserve rate, rounded to the nearest one-hundredth of one per centum. An employer shall receive a fund solvency adjustment credit if the reserve rate is greater than one and two-tenths per centum. The credit is a percentage equal to the difference between one and two-tenths per centum and the reserve rate rounded to the nearest one-hundredth of one per centum. The solvency surcharge shall not be greater than one per centum, and the solvency credit shall not be greater than four-tenths per centum.

6. The rate for any employer who has not been liable for contributions during at least the five completed calendar quarters ending on the computation date, or because they have not paid any remuneration in the payroll year preceding the computation date, shall be ninety-five-hundredths per centum.

§ 13. The labor law is amended by adding a new section 581-e to read as follows:

§ 581-e. Rate of contribution for delinquent employer accounts. 1. Except as provided in subdivision three of this section, an employer is not eligible for a rate determination under section five hundred eighty-one of this title if, with respect to quarters before July first of the preceding calendar year:

1 (a) the employer is delinquent one thousand dollars or more in paying  
2 contributions, penalties, or interest due under section five hundred  
3 seventy of this title; or

4 (b) the employer fails to file records to the department as defined by  
5 sections five hundred seventy-one and five hundred seventy-five-a of  
6 this title.

7 2. An employer that is ineligible for a rate determination under  
8 subdivision one of this section shall pay contributions at the highest  
9 rate under section five hundred eighty-one of this title.

10 3. An employer that is delinquent under paragraph (a) of subdivision  
11 one of this section is eligible for a rate determination if the employer  
12 is current with payment under a deferred payment contract approved by  
13 the commissioner. The commissioner shall assign the highest rate under  
14 section five hundred eighty-one of this title if the employer defaults  
15 on the deferred payment contract.

16 § 14. Section 581-b of the labor law, as amended by chapter 5 of the  
17 laws of 2000, is amended to read as follows:

18 § 581-b. Contributions to the re-employment service fund. Each eligi-  
19 ble employer that is liable for contributions under this article shall  
20 each calendar quarter make an additional contribution to the re-employ-  
21 ment service fund in an amount equal to [~~seventy-five~~ twelve and one-  
22 half one-thousandths of a percent [~~(+0.075%)~~ (0.0125%)] of its quarterly  
23 taxable payroll. In any particular calendar year when contributions paid  
24 into the re-employment service fund by all eligible employers equals  
25 thirty-five million dollars, any further contributions for the remainder  
26 of such year shall be credited to the general account pursuant to  
27 section five hundred seventy-seven of this title.

28 § 15. This act shall take effect immediately; provided, however, that  
29 if section 1 of part KK of chapter 56 of the laws of 2025 shall not have  
30 taken effect on or before such date then section two of this act shall  
31 take effect on the same date and in the same manner as such chapter of  
32 the laws of 2025 takes effect.