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:

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

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

	that exceeds
January 2014	$10,300
January 2015	$10,500
January 2016	$10,700
January 2017	$10,900
January 2018	$11,100
January 2019	$11,400
January 2020	$11,600
January 2021	$11,800
January 2022	$12,000
January 2023	$12,300
January 2024	$12,500
January 2025	$12,800

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

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[~~January 2026 $13,000 and each year thereafter on the first day of January that exceeds sixteen percent of the state's average annual wage as determined by the commissioner on an annual basis pursuant to section five hundred twenty-nine of this article; provided, however, that in calculating such maximum amount of remuneration, the amount arrived at by multiplying the state's average annual wage times sixteen percent shall be rounded up to the nearest hundred dollars. In no event shall the state's annual average wage be reduced from the amount determined in the previous year.~~] The term "employment" includes for the purposes of this subdivision services constituting employment under any unemployment compensation law of another state or the United States.

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

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

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January 2024	$12,500
January 2025	$12,800

[~~and each year thereafter on the first day of January that exceeds eighteen percent of the state's average annual wage as determined by the commissioner on an annual basis pursuant to section five hundred twenty-nine of this title; provided, however, that in calculating such maximum amount of remuneration, the amount arrived at by multiplying the state's average annual wage times eighteen percent shall be rounded up to the nearest hundred dollars. In no event shall the state's annual average wage be reduced from the amount determined in the previous year.~~] The term "employment" includes for the purposes of this subdivision services constituting employment under any unemployment compensation law of another state or the United States.

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

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

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

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

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

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

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

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

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

§ 517-e. Qualifying period. For the purposes of this article, the term "qualifying period" shall mean the three-year period of twelve consecutive calendar quarters ending on the computation date; for an employer who has not been subject to this article during each of the twelve calendar quarters ending with the computation date, such employer shall be subject to the applicable rate for new employers under subdivision six of section five hundred eighty-one of this article; an employer is subject to this article beginning with the start of the first quarter in which the employer pays wages under this article, and ending with the end of the calendar quarter in which either the employer files closing contribution and wage reports under regulations adopted by the department, or the account is closed by the independent action of the commissioner.

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

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

2. For the purpose of computing quarterly decline quotients, the department may, by regulation, prescribe the manner in which remuneration paid in the form of annual bonuses or other lump sum payments for service performed over a period of more than three months are apportioned among the calendar quarters of the calendar year in which the service was performed.

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

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

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

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

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

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

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

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

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

2. The department shall segregate the employers into groups in accordance with cumulative annual payroll. The limits of the groups are those set out in column B of the table in subdivision three of this section. Each of these groups shall be identified by the rate class number in column A which is opposite the figures in column B which represent the percentage limits of each group. An employer shall be assigned the experience factor in column C which is opposite the rate class in which the greater part of the employer's annual payroll falls. If one-half of the employer's annual payroll falls in one class, and one-half in another, the employer shall be assigned to the lower numbered rate class. An employer shall not be assigned to a higher numbered rate class than is assigned to another employer with the same average quarterly decline quotient.

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

Cumulative annual payroll:

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

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:

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

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

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

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

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

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

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