

# STATE OF NEW YORK

4477--A

2025-2026 Regular Sessions

## IN SENATE

February 5, 2025

Introduced by Sen. RAMOS -- read twice and ordered printed, and when printed to be committed to the Committee on Labor -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the labor law, in relation to employers' obligations to report wages for the purposes of unemployment benefits, the payment of unemployment benefits, and employer penalties for non-compliance

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

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

3 1. Rate. Each employer liable under this article, including those  
4 employers liable pursuant to the presumption in subdivision one of  
5 section five hundred seventy-two of this title, shall pay contributions  
6 on all wages paid by [~~him~~] such employer at the rate of five and four-  
7 tenths per centum or, if applicable to the employer, at the rate  
8 provided by the provisions of sections five hundred seventy-seven and  
9 five hundred eighty-one of this title. However, if contributions so  
10 established exceed five and four-tenths per centum of wages paid by  
11 [~~him~~] such employer which are subject to the federal unemployment tax  
12 act, they shall be reduced by that part of such excess, if any, which is  
13 caused by the provisions of paragraph (b) of subdivision one of section  
14 five hundred eighteen of this article.

15 § 2. Section 572 of the labor law, as amended by chapter 726 of the  
16 laws of 1953, is amended to read as follows:

17 § 572. [~~Notice~~] Presumption of liability. 1. Notwithstanding any other  
18 provision of law, upon the initial determination of a claim for bene-  
19 fits, if the department determines that any person is or was an employee  
20 within the meaning of this article, there shall be a presumption that  
21 such determination applies to all others performing similar services for  
22 the employer and such employer has become liable for contributions for

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

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1 all such employees under section five hundred seventy of this title  
 2 and/or section six hundred seventy-four of the tax law. Upon final adju-  
 3 dication of any initial determination finding a claimant to be an  
 4 employee, the reporting and contributions required under this title  
 5 shall be made on all wages paid to such claimant and all others perform-  
 6 ing similar services for the employer. The employer's obligation to  
 7 contribute for such employees shall continue until the employer success-  
 8 fully rebuts the presumption in a final adjudication of a future claim  
 9 involving a claimant performing similar services for the employer. The  
 10 presumption and obligations in this subdivision shall apply to all  
 11 determinations already rendered and all future determinations.

12 2. Any employer who has become liable for contributions shall notify  
 13 the commissioner of [~~such~~] the fact [~~immediately~~] and shall give infor-  
 14 mation concerning [~~his~~] their operations and persons employed by [~~him~~]  
 15 them to the commissioner no later than five business days after they  
 16 become liable.

17 § 3. Subdivision 4 of section 575 of the labor law, as renumbered by  
 18 chapter 639 of the laws of 1954, is renumbered subdivision 3 and a new  
 19 subdivision 2 is added to read as follows:

20 2. Upon any determination by the department, a referee of the unem-  
 21 ployment insurance appeal board, or the board that a claimant is an  
 22 employee under this article, the employer shall be considered an employ-  
 23 er of such claimant and all those performing similar services for the  
 24 employer. The employer's obligation to report earnings pursuant to this  
 25 article and regulations of the commissioner shall continue unless and  
 26 until reversed by administrative or judicial review and all further  
 27 appeals have been exhausted.

28 § 4. Section 575-a of the labor law, as added by chapter 5 of the laws  
 29 of 2000, is amended to read as follows:

30 § 575-a. Penalties relating to wage information. In the case of a  
 31 failure by an employer to provide complete and correct wage reporting  
 32 information on a quarterly combined withholding, wage reporting and  
 33 unemployment insurance return required by paragraph four of subsection  
 34 (a) of section six hundred seventy-four of the tax law, such employer  
 35 shall, unless it is shown to the commissioner's satisfaction that there  
 36 was good cause for such failure to comply, be liable as provided for in  
 37 subdivisions one and two of this section. Lack of knowledge or a misun-  
 38 derstanding regarding the presumption established in subdivision one of  
 39 section five hundred seventy-two of this title shall not constitute good  
 40 cause for failure to comply with the provisions of this section.

41 1. [~~When the non-compliance is discovered through an examination of an~~  
 42 ~~employer's records, the] The employer shall be liable for a penalty in  
 43 the following amount for each employee who is not included in the return  
 44 or for whom the required information is not reported accurately:~~

45 (a) for the first failure for any calendar quarter in any eight  
 46 consecutive calendar quarters [~~, one dollar for each employee, not to~~  
 47 ~~exceed one thousand dollars];~~

48 (i) for employers with ten employees or less, twenty-five dollars for  
 49 each employee;

50 (ii) for employers with more than ten but less than fifty employees,  
 51 fifty dollars for each employee; and

52 (iii) for employers with fifty or more employees, one hundred dollars  
 53 for each employee;

54 (b) for the second failure for any calendar quarter in any eight  
 55 consecutive calendar quarters [~~, five dollars for each employee, not to~~  
 56 ~~exceed two thousand dollars];~~

1 (i) for employers with ten employees or less, fifty dollars for each  
 2 employee;

3 (ii) for employers with more than ten but less than fifty employees,  
 4 one hundred dollars for each employee; and

5 (iii) for employers with fifty or more employees, two hundred dollars  
 6 for each employee;

7 (c) for any subsequent failure in any calendar quarter in any eight  
 8 consecutive calendar quarters~~, twenty-five dollars for each employee,~~  
 9 ~~not to exceed five thousand dollars.~~

10 ~~2. In those instances where a failure to comply is discovered in~~  
 11 ~~relation to a specific claimant's claim for benefits, the penalty shall~~  
 12 ~~be twenty-five dollars for each such occurrence.~~

13 ~~3. If]:~~

14 (i) for employers with ten employees or less, one hundred dollars for  
 15 each employee;

16 (ii) for employers with more than ten but less than fifty employees,  
 17 two hundred dollars for each employee; and

18 (iii) for employers with fifty or more employees, four hundred dollars  
 19 per employee.

20 2. Upon an employer's first violation of this section, if such employ-  
 21 er provides complete and correct wage reporting information within thir-  
 22 ty days after the department sends notice of such failure to the employ-  
 23 er, then the penalty provided for by subdivision one of this section  
 24 shall be abated.

25 ~~[4.]~~ 3. The penalties imposed and collected pursuant to this section  
 26 shall be credited to the special fund established pursuant to section  
 27 five hundred fifty-two of this article.

28 4. Upon an employer's failure to report complete and correct wages of  
 29 their employees, the commissioner shall provide written notice to the  
 30 employer as provided in section five hundred seventy-one of this title.  
 31 After providing such notice, if the employer does not file a correct and  
 32 sufficient report within thirty days, the commissioner shall apply to  
 33 the supreme court of the state of New York for an order requiring the  
 34 employer to provide such wage reporting information.

35 5. Any of the following parties may seek an order in any court of  
 36 competent jurisdiction requiring an employer to provide complete and  
 37 correct wage reporting information to the commissioner for all of their  
 38 employees:

39 (a) Any claimant, for whom the presumption established in subdivision  
 40 one of section five hundred seventy-two of this title applies, who  
 41 receives a monetary benefit determination which indicates that one or  
 42 more of their employers has failed to report their wages; and

43 (b) Any employee who fails to receive a notice or wage statement  
 44 pursuant to section one hundred ninety-five of this chapter, for whom  
 45 the presumption established in subdivision one of section five hundred  
 46 seventy-two of this title applies.

47 Any claimant or employee who prevails on such a claim shall be enti-  
 48 tled to attorney's fees and costs, but no other damages.

49 § 5. Subdivision 4 of section 570 of the labor law, as amended by  
 50 chapter 726 of the laws of 1953, is amended to read as follows:

51 4. Fraud. If any part of any deficiency is due to fraud with intent to  
 52 avoid payment of contributions to the fund, ~~[fifty]~~ one hundred per  
 53 centum of the total amount of the deficiency, in addition to such defi-  
 54 ciency, shall be assessed, collected, and paid in the same manner as if  
 55 it were a deficiency. As used in this section, the term "fraud" shall  
 56 include any instance where an employer failed to pay contributions and

1 the employer knew or should have known that its employees were covered  
2 by the unemployment insurance law. Instances where an employer shall be  
3 deemed to have known its employees were covered by the unemployment  
4 insurance law shall include, but not be limited to, any situation where:

5 (a) an employer or any of its related entities have been found by the  
6 unemployment insurance appeal board to be the employer of employees  
7 providing similar services;

8 (b) an employer or any of its related entities have been found by the  
9 department to be the employer of employees providing any of the same  
10 services; and

11 (c) an employer has failed to cooperate with the department during an  
12 audit or investigation regarding its obligations under this article.

13 § 6. Subdivision 2 of section 597 of the labor law, as amended by  
14 chapter 589 of the laws of 1998, paragraph (b) as amended by chapter 413  
15 of the laws of 2003, and paragraph (d) as added by section 18 of part 0  
16 of chapter 57 of the laws of 2013, is amended to read as follows:

17 2. Obtaining information necessary for determinations. (a) When filing  
18 an original claim, each claimant shall furnish to the commissioner all  
19 information which the commissioner shall require concerning [~~his or her~~]  
20 such claimant's prior employment.

21 (b) Whenever a claimant's base period includes a completed calendar  
22 quarter for which a wage data report is not due or has not been received  
23 and the claimant provides information as required by the commissioner,  
24 the commissioner shall determine such claimant's entitlement and benefit  
25 rate using the information the claimant provided for such quarter.  
26 However, in those instances where the claimant is unable to provide such  
27 information to the commissioner's satisfaction, the commissioner may  
28 request the employer to provide the amount of remuneration paid to such  
29 individual. The commissioner shall notify each base period employer upon  
30 the establishment of a valid original claim, of such claim. If an  
31 employer provides new or corrected information in response to the  
32 initial notice of monetary entitlement, adjustments to the claimant's  
33 benefit rate and adjustments to the employer's experience rating account  
34 shall be prospective as of the date such information was received by the  
35 department.

36 (c) The commissioner shall issue a monetary benefit determination to  
37 the claimant within one week of an application for benefits. The mone-  
38 tary benefit determination shall include notice to the claimant that, if  
39 the determined amount of benefits payable to the claimant does not  
40 reflect the claimant's full earnings, such different amount may have  
41 occurred because the employer did not report or did not fully report  
42 their wages. The monetary benefit determination shall also notify the  
43 claimant that they should provide proof of earnings for the relevant  
44 period in order to properly determine the claimant's monetary eligibil-  
45 ity. Anytime a claimant provides proof of earnings from a party previ-  
46 ously determined to be an employer under this article, the commissioner  
47 shall issue a revised determination within three business days of  
48 receipt of the claimant's proof of earnings. In all other cases, the  
49 commissioner shall complete an investigation regarding whether the  
50 claimant's earnings are wages earned in covered employment and issue a  
51 determination regarding the additional earnings within forty-five days.  
52 In the event of an investigation, the commissioner shall provide the  
53 claimant with no less than fourteen days' notice of any deadlines to  
54 respond pursuant to such investigation. Where the employer has failed to  
55 keep payroll records pursuant to subdivision four of section one hundred

1 ninety-five of this chapter, there shall be a presumption that the  
2 claimant's good faith estimate of such claimant's earnings are correct.

3 (d) Notwithstanding paragraph (b) of this subdivision, adjustments to  
4 the claimant's benefit rate and adjustment to the experience rating  
5 charges to the employers' accounts will be retroactive to the beginning  
6 of the benefit claim in the following circumstances:

7 (i) the new or corrected information results in a higher benefit rate,  
8 or

9 (ii) the new or corrected information results in the claimant's fail-  
10 ure to establish a valid original claim, or

11 (iii) the amount of the previously established benefit rate was based  
12 upon the claimant's willful false statement or representation.

13 [~~(d)~~] (e) Notwithstanding any provisions of this article, unless a  
14 commissioner's error is shown or the failure is the direct result of a  
15 disaster emergency declared by the governor or president, an employer's  
16 account shall not be relieved of charges resulting in an overpayment of  
17 benefits when the commissioner determines that the overpayment was made  
18 because the employer or the agent of the employer failed to timely or  
19 adequately respond to a request for information in the notice of poten-  
20 tial charges or other such notice requesting information in relation to  
21 a claim under this article, provided, however, that the commissioner  
22 shall relieve the employer of charges the first time that the employer  
23 fails to provide timely or adequate information, if the employer  
24 provides good cause for such failure as determined by the commissioner.

25 "Timely" shall mean a response is provided in the time period speci-  
26 fied in the notice as prescribed by the commissioner.

27 The term "adequately" shall mean that the employer or its agent  
28 submitted information sufficient to render a correct determination.

29 This prohibition for relief of charges shall apply to all employers  
30 under this article including employers electing payment in lieu of  
31 contributions.

32 § 7. Paragraph (b) of subdivision 1 of section 620 of the labor law,  
33 as amended by chapter 554 of the laws of 2010, is amended to read as  
34 follows:

35 (b) When the initial determination of a claim for benefits, upon which  
36 a hearing has been requested, involves the question whether any person  
37 is or was an employer within the meaning of this article and is or was  
38 liable for the payment of contributions under this article, or the ques-  
39 tion whether an employer has fully complied with the obligations imposed  
40 by this article, written notice of the hearing shall be given to such  
41 persons or employer, either personally or by mail, and thereupon [~~he,~~  
42 ~~she~~] such persons or such employer shall be deemed a party to the  
43 proceeding, entitled to be heard. Upon such notice having been given,  
44 the referee may then decide such question or questions and any other  
45 issue related thereto, and [~~his or her~~] such referee's decision shall  
46 not be deemed limited in its effect to the immediate claimant making the  
47 claim for benefits but shall be deemed a general determination of such  
48 questions with respect to all [~~those employed by~~] others performing  
49 similar services for such person or employer for all the purposes of  
50 this article, and such decision shall be conclusive and binding upon the  
51 claimant and such person or employer, subject, however, to the right to  
52 appeal hereinafter provided.

53 § 8. This act shall take effect immediately.