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:

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

ARTICLE 25-D

TRANSITIONAL WAGE INSURANCE PROGRAM

Section 863. Definitions.

863-a. Establishment of transitional wage insurance program.

863-b. Eligibility.

863-c. Amount and duration of benefits.

863-d. Claims, overpayments, and fraud.

863-e. Outreach and information.

863-f. Funding.

863-g. Rules and regulations.

§ 863. Definitions. As used in this article:

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

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

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

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

§ 863-a. Establishment of transitional wage insurance program. The department shall establish and administer a transitional wage insurance program to provide temporary supplemental payments to eligible individuals who accept new employment at a lower wage than their prior employment.

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

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

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

LBD14327-03-6

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

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

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

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

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

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

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

(a) is not engaged in new employment; or

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

3. The benefit shall equal the difference between:

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

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

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

§ 863-d. Claims, overpayments, and fraud. Claims, overpayments, fraud, outreach, and funding for transitional wage insurance benefits shall be administered, processed, adjudicated, and provided in accordance with the procedures, rules, outreach requirements, and appropriations applicable to unemployment insurance benefits under this chapter. The department shall recover any overpayment of wage insurance benefits. Any individual who knowingly makes a false statement or representation to obtain benefits shall be subject to the same penalties applicable to unemployment insurance fraud under this chapter.

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

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

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

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