

Unemployment Insurance Reform for Claimants

About Unemployment Insurance

Unemployment Insurance provides benefits to workers who lose their job through no fault of their own. Every state has its own Unemployment Insurance system overseen by the federal government. To be eligible for benefits, workers must: have earned a certain minimum amount of money before they lost their job; be ready, willing and able to work; and look for work and be able to prove it. The program is funded by employer contributions.

On March 29, 2013, Governor Cuomo signed much-needed legislation reforming the system. Some of the changes affect new claims. Others affect current claims. The Department of Labor is charged with making sure claimants know the new rules and enforcing compliance with them.

Why Reform Was Needed

For claimants, the most compelling reason was that current Unemployment Insurance benefit rates for workers are low when compared to the rest of the country (thirty-one states have a higher maximum benefit than New York). The Unemployment Insurance system had become out of sync with the current costs of living, as benefits to workers have been stagnant since 1999.

What Reform Accomplishes

- **Increases Benefit Rates.** The weekly maximum and minimum benefit rates will increase. These changes will bring benefits into alignment with other states, so New York State remains competitive. Beginning October 6, 2014, the minimum weekly benefit rate will increase from \$64 to \$100. Beginning October 6, 2014, the maximum benefit rate will increase from \$405 to \$420 and will continue to increase each year thereafter.
- **Reduces Layoffs.** The Shared Work Program provides an alternative to laying off workers by providing partial Unemployment Insurance benefits to employees during temporary declines in business. The reform measures extend the program to businesses with as few as two employees and also include part-time employees. Also, benefits are now available for up to 26 weeks. As a result of changes in state law, this expanded program will be able to run through August 2015, when the federal reimbursement is scheduled to end.

- **Encourages Claimants to Return to Work Quicker.** Reform encourages claimants to return to work quickly, rewards behavior that increases the likelihood of finding work, and discourages long periods of unemployment.
- **Prevents Fraud.** New fraud detection and prevention measures will help combat Unemployment Insurance fraud, which depletes the fund that is used to pay you benefits when you need them.
- **New Penalty for Fraud.** Pursuant to a federal requirement, a new penalty will be imposed for fraud. Beginning October 1, 2013, if you misstate information about your claim, you could be charged a 15% penalty or \$100 fine, in addition to having to pay back past benefits and being penalized on future benefits. This is in addition to criminal penalties that may be imposed. We are required to collect benefits not paid back by civil action or judgment. You are responsible for properly filing. Please read your Unemployment Insurance handbook and ask questions if you have them. We are here to assist: <https://labor.ny.gov/ui/claimantinfo/ContactInfo.shtm>.
- **Strengthens Work Search Requirements.** Beginning January 1, 2014, the regulations that require all individuals collecting benefits to conduct weekly work search activities will be expanded. Such activities may include working with Career Center staff to develop individualized work search plans and maintaining records of work search activities to produce to the Department of Labor. These new requirements will be announced on our web site and through our other communications with you by December 31 as they are finalized.
- **Dismissal or Severance Pay.** If your dismissal or severance pay is greater than the maximum benefit rate, you will not be able to collect benefits.

PROTECT *all Workers*

ASSIST *the Unemployed*

CONNECT *Employers and Workers*