NEW YORK, June 10, 2021 -- This week, New York’s legislature and Governor Cuomo announced a historic deal to fix the state’s worst-in-the-nation unemployment insurance rules for part-time work that were disproportionately hurting low- and moderate-income workers, especially Black and Brown workers, and holding back New York’s economic recovery. Senator Jessica Ramos and Assemblymember Al Stirpe championed this long overdue reform.

Unlike in virtually all other states, New York’s unemployment insurance rules arbitrarily and sharply reduce an individual’s benefits when they return to work part-time a few hours a day spread over several days. The poorly designed policy unduly complicates decision-making by employers and workers considering a partial return to work, hurting hundreds of thousands of part-time workers across the state.

The new pair of measures (S7148 and S1042), collectively revamp New York’s partial unemployment system so that it reduces benefits based on earnings the worker receives from part-time employment, rather than the arbitrary days-worked approach. Currently, the system disincentivizes part-time work by taking away almost all unemployment benefits when a person works just a few hours per week spread out over three or four days.

The new law also establishes an earnings disregard equal to one-half of a worker’s weekly UI benefit. It puts New York on a par with its five neighboring states and a total of thirteen states nationally and the District of Columbia, which all provide for comparable or more generous partial unemployment benefits. The reform especially reduces the heavy burden on part-time workers whose hours are spread over three or four days per week.

In addition, the law requires New York State’s Department of Labor to implement an immediate interim fix by allowing workers to work up to 10 hours a week without reduction in part-time unemployment benefits, up from the current 4 hours. The full reforms implemented in the new law are scheduled to take effect by April 2022.

This historic reform is a meaningful step for New York economic recovery and for the 600,000 workers who currently receive part-time unemployment benefits. More than two-thirds of recipients come from low- and moderate-income industries including accommodations, food services, healthcare, social assistance, and retail and more than half are workers in Black and Brown communities.

“Making critical updates to New York State’s antiquated Partial Unemployment Insurance system is a huge win for working families across our state. By changing the way we calculate eligibility we are ensuring New Yorkers who are working part-time or being called back to work at reduced hours can do so knowing that they will be able to provide for their families no matter how many days and hours of work they are offered each week,” said State Senator Jessica Ramos, the bill’s Senate sponsor.

“For far too long, New York’s unemployment insurance benefits wrongfully penalized claimants seeking part-time work,” said Assemblymember Al Stirpe, the bill’s Assembly sponsor. “These arbitrary regulations have made it incredibly difficult for many part-time workers to make ends meet. After the significant challenges of the pandemic, our state should not have a system with a disincentive to part-time work built in. Instead we should have a system that helps our families get back on their feet and encourages economic recovery and growth.”

Central to New York’s recovery is getting people back to work, said Senate Majority Leader Andrea Stewart-Cousins. “Expanding and increasing part-time unemployment insurance benefits will encourage New Yorkers to seek out and secure meaningful part-time work, while ensuring their income is supplemented appropriately to help them get back on their feet. This legislation passed by the New York State Senate Majority stands up for working-class New Yorkers whose hours were cut due to the pandemic or who were left unemployed and will help them in returning to the workforce. I thank Senator Jessica Ramos and Assemblymember Al Stirpe for championing this critical legislation, which will support New York’s economic recovery.”

“My colleagues and I in the Assembly Majority believe in putting New York families first and we know that unemployment benefits are a lifeline for families, especially during this health and economic crisis,” said Assembly Speaker Carl Heastie. “Many workers have faced a reduction in their hours or are only able to find part-time work, and this legislation ensures that they can take that work without losing their unemployment benefits. This change is critical as families and businesses work to get back on their feet. I would also like to thank Assemblymember Al Stirpe for commitment to getting this bill across the finish line.”

Throughout the pandemic, New York’s stingy partial unemployment rule has been denying urgently needed benefits to workers whose hours have been cut -- and now that the pandemic is easing it’s punishing workers who return to work part-time. NELP thanks Senator Ramos, Assemblymember Stirpe, and the legislative leadership for championing this long overdue common-sense reform, and Governor Cuomo for supporting it, said Paul Sonn, State Policy Program Director at the National Employment Law Project.
Our research makes it clear that the reform will benefit both the unemployed, incentivizing them to take on part-time work and moderately increase their total income, and employers and the economy overall, supporting a return to work that helps businesses and allows workers to keep their skills current and mitigating the adverse effects of prolonged periods of high unemployment," said James Parrott, Director of Economic and Fiscal Policies at the Center for New York City Affairs at The New School.

With the passage of this legislation, New York State moves from one of the worst to one of the best states for part-time workers supporting the most vulnerable and essential workers in our economy. This new system allows more part-time workers to collect unemployment at a time when they need it the most," said Nicole Salk, Senior Staff Attorney, Legal Services NYC.

New York has transformed an outdated and unfair part-time Unemployment Insurance system to the benefit of our clients and all hard-working New Yorkers who will no longer be penalized for obtaining part-time work. We applaud State Senator Ramos and Assemblymember Stirpe for their leadership on this important reform," said Young Lee, Director of the Employment Law Unit at The Legal Aid Society of NYC.

With the majority of partially unemployed workers being low and moderate income workers who are disproportionately people of color, this long overdue reform to the unemployment insurance system will help reduce material hardship for people who want to return to work. We are grateful for the leadership demonstrated by Senator Ramos, Assemblymember Stirpe, and the Governor in making this vital reform a reality," said Jason Cone, Chief Public Policy Officer of Robin Hood.

We are proud to be part of the coalition that fought for and won big improvements for New York’s unemployed workers," said Stuart Appelbaum, President of the Retail, Wholesale and Department Store Union (RWDSU).

Many non-essential retail workers were laid off during the pandemic and are returning to what are now part-time jobs. These workers and countless others will now be able to return to work part-time without losing their entire unemployment benefit. As a result of the leadership of Senator Ramos and Assemblymember Stirpe, New York will have a faster economic recovery from the pandemic and tens of thousands of unemployed workers will be able to get back to work and still provide for their families.

As a statewide legal services organization, we handle many cases where a worker inadvertently loses all of their benefits simply by working a few extra hours. The effect of the cliff is devastating and unfair. We applaud Senator Ramos, Assemblymember Stirpe and the Governor for implementing this historic reform," said Kristin Brown, President and CEO of the Empire Justice Center.

This historic legislation will benefit thousands of New Yorkers who seek to sustain themselves during this time of economic uncertainty, while also creating a more economically just unemployment system for the future. NCLEJ applauds Senator Ramos and Assemblymember Stirpe for supporting low-wage workers and passing this bill," said Jarron McAllister, Penn Law Fellow at the National Center for Law and Economic Justice.

As an organizing project centered around the impacts of COVID, we believe that passing this bill will greatly improve New York State’s recovery, including getting people back to work. We thank Senator Ramos, Assemblymember Stirpe, and all of the legislative leadership for their work on this bill and for Governor Cuomo for signing it," said Paul Getsos, Project Director of United Together Stronger Tomorrow.