

## NY DOL Indefinitely Cancels Unemployment Insurance Charges

On Jan. 14, 2021, New York State Department of Labor (DOL) Commissioner Roberta Reardon signed an [Order](#) to temporarily modify the unemployment benefit charging system and ease the burden for unemployment insurance charges incurred by all employers during the COVID-19 pandemic.

The Order provides that all unemployment benefits paid out to claimants since March 9, 2020 will be charged against New York State's general unemployment insurance account and will not be attributed to individual employers until further notice. The Order also cancels all charges made against employers' accounts since March 9 across the board—regardless of whether the employer pays unemployment insurance taxes based on an experience rating or uses the benefit reimbursement model.

From a practical perspective, this means that employers' experience ratings should not be impacted by the influx of unemployment claims they experienced due to the pandemic, though it is unclear if they will still have to pay some amount of unemployment insurance taxes.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), already provided 50% relief to self-insured nonprofits, government agencies, and Native American tribes for unemployment charges incurred between March 13, 2020 and Dec. 31, 2020. This Order provides these employers with reimbursement for the other 50% of the charges they incurred over that period. It further provides that future charges that would otherwise be charged against their accounts under normal circumstances will instead be charged to the general account until further notice.

While the New York State DOL has not elaborated on the method of reimbursement it will provide self-insured nonprofits, government agencies, and Native American tribes—for the 50% relief under the CARES Act or the retroactive 50% relief provided under this Order—it will likely take the form of a credit against future unemployment insurance benefit charges. Regardless of the method of reimbursement, employers who subscribe to the benefit reimbursement model will ultimately receive complete relief for the unemployment charges they incurred from March 9, 2020 until the DOL rescinds this Order and begins to charge employers for unemployment insurance benefits again.

Employers who receive charge statements, bills, and other documents from the DOL may continue to protest claims and alert them to fraudulent claims for benefits, and should consult with counsel to ensure they are meeting their obligations and confirm whether any future payment is due.

If you have any questions about the information presented here, please contact [Paul Buehler](#), any [attorney](#) in Bond's [Labor and Employment practice](#) or the attorney in the firm with whom you are regularly in contact.



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