

LABOR AND EMPLOYMENT INFORMATION MEMO

SEPTEMBER 22, 2025

Unemployment Benefits Increase 72% in New York, Effective October 1, 2025

Unemployment Insurance (“UI”) benefits in New York will increase to a maximum of \$869 per week, effective Oct. 1, 2025 (up 72% from \$504, weekly).

As part of this year’s budget, New York state used tax revenues to pay off its UI Trust Fund debt – amounting to almost \$7 billion – which then allowed state officials to substantially increase benefits for eligible workers in an expedited manner. More information from New York state can be found [here](#).

Governor Hochul commented that this change “puts money back in the pockets of business owners,” as well as further supports unemployed individuals. It is true that employers should no longer receive annual “Interest Assessment Surcharge” bills, with the state’s UI Trust Fund now solvent, and that employers will face new, reduced contribution rates. But New York also raised the taxable wage base for UI contribution payments from employers in the coming years and the total cost of UI claims paid by New York will of course increase significantly moving forward.

No doubt employers across the New York will follow the impact of these changes very closely. Among other things, nonprofitmaking institutions that have elected New York’s UI “benefit reimbursement” option (i.e., by reimbursing New York dollar-for-dollar on approved and paid UI claim) should carefully evaluate their claims history and plan for any projected increased costs. In certain circumstances, it may be less costly for nonprofitmaking institutions to pay contributions under New York’s “experience rating” model instead.

If you have any questions or would like additional information, please contact [Adam Mastroleo](#) or the Bond attorney with whom you are regularly in contact.

