

Make Work Pay NY (S.6572/A.7278a)

Talking Points



- New Yorkers don't need to be totally unemployed to receive jobless benefits. Like every state, NY's unemployment insurance (UI) program provides "partial" benefits for workers facing reduced hours and earnings.
- ***But unlike nearly every other state***, New York's UI program bases the partial benefit amount on the number of days a claimant works instead of how much she earns that week. A worker's benefit drops 25% for each day of work, even if it's for less than an hour; a worker receives ***no benefits*** if she works four days or more.

NY's current partial UI policy strains underemployed, low-wage workers and the state's UI reserves

- A well-paid employee who works one eight-hour day at \$20 per hour (for \$160 total) receives 75% of her full UI benefit. By contrast, a low-wage worker with 20 hours spread over four days at \$8 per hour (also for \$160) is ineligible.
- Under current policy, totally unemployed workers may earn less by accepting part-time work, particularly for three days or more. For example, if someone with a full benefit of \$300 is offered a job spanning three days and paying \$200, her total income would be \$275 (\$200 in earnings plus a \$75 partial benefit). This is \$25 less than the \$300 benefit she would receive were she not working.
- As a result, New York's UI program makes fewer partial unemployment payments—and greater full payments—than neighboring states with expanded partial eligibility (9 percent per year since 2008 compared to 14 percent in NJ, CT, and PA).

Reforming NY's partial UI policy is good for the state's economy and the long-indebted UI trust fund

- [S.6572](#) and [A.7278a](#) bring New York's UI program in line with the rest of the U.S. (except North Carolina) by making two key changes:
 - Providing partial benefits based on a claimant's part-time earnings relative to her full weekly benefit; and
 - Creating incentives to get back to work by effectively ignoring some of those earnings; the remainder is then deducted from the full benefit.
- Passage of [S.6572](#) and [A.7278a](#) means underemployed, low-wage New Yorkers will no longer be shut out of our UI program and will be able to continue buying groceries and paying their bills, sustaining our local economies.
- Totally unemployed New Yorkers drawing benefits will maintain a stronger connection to work while they look for a job, potentially hastening their return to a position that's like the one they originally lost. With [S.6572](#) and [A.7278a](#), New York's lawmakers could finally make work pay for the un- and under-employed.