



April 19, 2021

The Honorable Andrew Cuomo
Governor of New York State
NYS Capitol Building
Albany, NY 12224

The Honorable Andrea Stewart-Cousins
Senate Majority Leader
Legislative Office Building Room 907
Albany, NY 12248

The Honorable Carl E. Heastie
Speaker of the Assembly
Legislative Office Building Room 932
Albany, NY 12248

To Governor Cuomo, Leader Stewart-Cousins and Speaker Heastie:

As the largest hospitality trade association in New York State, we are writing to you to bring an important issue to your attention. Last month, the annual notice of Unemployment Insurance rates was issued, and many of our restaurant members discovered they will have to pay substantially more in unemployment insurance than they have previously. Our members are reporting that their latest **UI premiums have doubled in some situations, resulting in significant, unforeseen increases in costs.** An increase that many restaurants simply cannot bear.

As an industry, we were also taken aback by the decision to increase rates as we thought that this issue was addressed by state legislation. Earlier this year legislation was passed and signed into law (S.1197 Persaud/A.2001A Zebrowski) that stated that no UI experience rating would be changed due layoffs by forced government shutdowns from Covid 19. The legislation rightly recognized an employer forced to make layoffs due to government shutdowns should not be penalized by any resulting increased UI costs. Furthermore, the Commissioner of Labor echoed this sentiment by issuing a similar decision earlier this year.

Now, the Administration has decided to unilaterally implement a massive UI increase to all businesses across NY, including industries like restaurants who have, and continue to be, experiencing significant government shutdowns. For restaurants just now beginning to recover as government mandated shutdowns are slowly being lifted and the weather begins to improve, this massive increase right now is utterly devastating to every restaurant in the state.

We have been in contact with NYS Department of Labor who acknowledges the increase and sent a link to their website that explains what they did: <https://dol.ny.gov/unemployment->



[insurance-rate-information](#). Restaurants across the State are hanging on by a thread and continue to need support from every corner. This increase will force many local eateries closer to the brink of extinction.

The State just received \$13 billion in discretionary Federal Stimulus funding, recently discovered \$5B in additional revenues it had not previously projected, and the state Comptroller has recently indicated Wall Street returns in 2021 will be strong. As the Governor and State Legislative Leaders look to restart the economy, they must address the unfair and massive UI rate increase on restaurants.

It is a critical and delicate time for the future of our industry. We simply cannot survive a 200 percent increase on UI rates. It is absolutely devastating to the struggling hospitality industry and requires state leaders' immediate attention. Please ask yourself: how can your local restaurant absorb a new increase to their bottom line after being closed for much of 2020? If the answer to funding UI is to put restaurants out of business, sending our employees to the UI rolls, it is a pathway to the absurd. We urge you to work immediately and collaboratively to rectify this devastating development.

Thanks for your consideration,

A handwritten signature in blue ink that reads "Melissa Fleischut".

Melissa Fleischut

President & CEO

NYS Restaurant Association

CC:

Senator Jessica Ramos, Senate Labor Committee Chair

Assemblywoman Latoya Joyner, Assembly Labor Committee Chair