



New York State Department of Labor
Unemployment Insurance Division
State Office Campus
Albany, NY 12240

July 2011

IMPORTANT NOTICE TO EMPLOYERS

Regarding an Interest Assessment Surcharge in 2011

The recent national recession led to record high levels of unemployed workers receiving unemployment insurance benefits. As a result, since 2009 New York State has borrowed over \$3 billion from the federal Unemployment Insurance (UI) Trust Fund. The American Recovery and Reinvestment Act (also known as the Recovery Act) provided interest-free loans to New York and other states with insolvent Trust Funds during calendar years 2009 and 2010. Thus far, Congress has not extended the interest-free loan provisions into 2011. As it stands now, New York must pay approximately \$95 million in interest on these loans to the federal government by September 30, 2011.

In order to pay the interest due for 2011 on these federal loans, New York State is required by state law to assess a temporary charge on employers, called an Interest Assessment Surcharge (IAS). Should Congress extend the interest-free loan provision, we will either credit your account or refund the money paid.

New York's Interest Assessment Surcharge rate for 2011 is 0.25%. Each employer's surcharge amount is determined by multiplying the total taxable wages in the most recently completed payroll year (October 1, 2009 through September 30, 2010) by the IAS rate of 0.25 percent. Therefore, the maximum amount that most employers will be assessed is \$21.25 per employee. Payment of the IAS is **due by August 15, 2011**.

If you have any questions, please call the Employer Accounts Adjustment Section of the UI Division at 1-888-899-8810.