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*The Commonwealth of Massachusetts*

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## **House Passes Unemployment Insurance Rate Freeze Legislation *Protects Job Creation from large per-employee assessment increase***

State Representative Denise Andrews (D-Orange) joined her colleagues in the Massachusetts House of Representatives in unanimously passing legislation to halt a scheduled increase in the unemployment insurance assessment that all employers pay.

The Commonwealth's unemployment insurance system is funded completely from employer contributions. The law governing unemployment insurance requires that, as the fund is depleted, employer contributions increase.

"This legislation will help reduce the financial burden on businesses throughout the Commonwealth at a time when many of them are still struggling to emerge from the recession," said Representative Cheryl Coakley-Rivera, House Chairwoman of the Joint Committee on Labor and Workforce Development.

"Going forward, unemployment reform will be necessary. We will need creative solutions for balancing individual and employer needs," shared Rep. Denise Andrews. "We need to replenish the unemployment trust fund, but such an increase at this moment would put at risk needed job growth. As job creation increases, so too should employer assessments until the fund is replenished. It is important for people to understand that workers will continue to receive the same benefits under this plan. Massachusetts has never reduced worker benefits as a result of insolvency of the trust fund."

Without this rate freeze, employers would face, on average, a per-employee increase in the cost for unemployment insurance of 35%. Under this plan, which passed in the Senate last week, the assessment will only be allowed to rise by 10%.

Though the rate freeze will still result in an increase in payments by employers due to other unemployment insurance payment adjustment factors, the freeze will save on average \$167 per employee. “I am committed to policies and actions that support economic growth and adequate support to those who have lost their jobs,” noted Andrews.

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