



May 18, 2021

Senator Patricia Jehlen
Chair, Joint Committee on Labor and Workforce
Development
State House, Room 424
Boston, MA 02133

Representative Josh Cutler
Chair, Joint Committee on Labor and Workforce
Development
State House, Room 167
Boston, MA 02133

Dear Chairwoman Jehlen and Chairman Cutler,

On behalf of the Greater Boston Chamber of Commerce and our 1,300 member companies, I am writing to oppose legislation that expands eligibility standards for the unemployment insurance (UI) system because such an expansion would jeopardize UI Trust Fund solvency. As the state recovers from the pandemic, the UI Trust Fund solvency should be the main concern for this Committee. Trust fund solvency should be addressed by using federal funds to replenish the fund and, once employment returns to normal levels, by reforming work and duration standards for UI benefits.

The Treasury Department's interim final rule on state and local fiscal recovery funds provides an opportunity to rebuild the depleted fund as the state moves away from the worst of the pandemic. The Chamber urges the Legislature and the administration to dedicate up to \$2 billion to the fund to defray the severe unemployment insurance increases for employers.

Even if there is an infusion of federal funds, and despite recent legislation to freeze UI rates, employers have higher UI taxes in 2021, including a new temporary excise tax, because the state must close the UI Trust Fund deficit. Massachusetts already has among the most generous eligibility requirements in the country and expanding the eligibility formula further will increase the burden on employers working through an economic recovery.

In fact, the state's UI trust fund has for years been ill-prepared to weather a recession, as explained in the [Chamber's Road to Economic Recovery](#) brief. The brief recommends tying the benefit duration period to the state unemployment rate and account for time worked in determining eligibility and/or benefits. Massachusetts offers the longest duration period for benefits of all 50 states and is the only state in the country that does not require a minimum amount of time worked to determine either UI eligibility or to calculate the weekly benefit. Reforms to eligibility and benefit calculations are needed to address the long-term needs of the system.

The Chamber looks forward to working with the Committee to implement meaningful changes to the unemployment system after we have navigated the economic recovery.

Sincerely,

A handwritten signature in black ink that reads 'James E. Rooney'.

James E. Rooney
President and CEO
Greater Boston Chamber of Commerce

CC: Joint Committee on Labor and Workforce Development