May 13, 2026

Speaker Carl Heastie
Legislative Office Building, Room 932
Albany, NY 12248

Senate Majority Leader Andrea Stewart-Cousins
Legislative Office Building, Room 907
Albany, NY 12247

Assembly Minority Leader Ed Ra
Legislative Office Building, Room 933
Albany, NY 12248

Senate Minority Leader Rob Ortt
Capitol Building, Room 315
Albany, NY 12247

Dear Leaders,

We, the undersigned organizations representing tens of thousands of businesses of all sectors and sizes across New York, write to respectfully request that you reject S.172-A/A.9571, which proposes a drastic increase in short-term disability benefits. The consequences of such a drastic increase would be detrimental to the entire business community.

The health of New York's economy relies on both small and large businesses. A sudden and substantial increase in short-term disability benefits would impose an extreme financial burden on these businesses at a time of economic uncertainty and rising operational costs. Currently, New York is one of only five states that require employers to provide income replacement for employees who experience off-the-job illnesses or injuries. Historically,

short-term disability benefits have been capped at $170 per week. While some adjustment could be warranted, this bill suggests increasing benefits each year from 2028 through 2030, until the maximum benefit reaches 67% of the employee's average weekly wage, capped at 67% of the state average weekly wage for the first 12 weeks of disability leave. Based on the current state average weekly wage, benefits would rise from $170 per week to $ $1,228.53 per week, representing a staggering 600% increase over 4 years**.**

An increase of this magnitude will undoubtedly cause short-term disability insurance premiums to soar. This is due to both higher benefits amounts and increased utilization. Such an increase, along with the corresponding rise in premiums will severely impact businesses and non-profits, particularly on those operating on tight profit margins. Furthermore, the legislation mandates employers cover at least 60% of the short-term disability premium, while employee contributions are capped. This means the employer's share of responsibility will often exceed the 60% threshold, making New York the outlier in how the program is funded. Short-term disability is intended for non-work-related illnesses and injuries, yet the majority of the financial burden will fall on business owners, even though the program is unrelated to the workplace.

To cope with such a substantial increase, businesses will likely be forced to raise prices, reduce employee hours or jobs, delay investments, and/or cut services. Businesses are already suffering from enormous financial stress due to economic turmoil, rising utility bills, mandated wage increases, unrelenting increases in healthcare and liability insurance premiums, an onslaught of lawsuits, and an exodus of workers from the labor force. At a time when New York legislators are pushing an affordability agenda, an additional insurance increase of this scale, paid for by businesses, will only add to the cost-of-living crisis. Every business, large and small, will feel the impact of this bill.

Businesses are at a breaking point, and New York's struggling post-pandemic economy, coupled with its affordability crisis, can be traced to relentless regulations and demands emanating out of Albany. The state must prioritize collaboration with the business community to improve the economic climate, which starts with supporting genuine affordability initiatives that do not increase costs for Main Street.

For these reasons, we ask you to reject this legislation as drafted and consider alternative funding sources for enhanced short-term disability benefits. Thank you for your time and consideration.

Sincerely,

Associated Builders & Contractors of Empire State
Associated General Contractors New York State
Business Council of New York State
Business Council of Westchester

Capital Region Chamber
Empire State Forest Products Association
Food Industry Alliance of New York
Greater Binghamton Chamber of Commerce
Greater Rochester Chamber of Commerce
MACNY
National Federation of Independent Business (NFIB)
New York Association of Convenience Stores
New York Construction Materials Association, Inc.
New York Electrical Contractors Association
New York Farm Bureau
New York State Economic Development Council (NYSEDC)
New York State Hospitality & Tourism Association (NYSHTA)
New York State Restaurant Association
Northeastern Retail Lumber Association
Retail Council of New York State
Sheet Metal and Air Conditioning Contractors' Association
Subcontractors Trade Association
Trucking Association of New York
Upstate United

CC: Entire New York State Assembly
Entire New York State Senate