



July 18, 2017

1 Beacon Street, 16th Floor  
Boston, MA 02108

[www.aimnet.org](http://www.aimnet.org) | 617.262.1180 | fax 617.536.6785

Representative Paul Brodeur, House Chair  
Senator Jason M. Lewis, Senate Chair  
Members of the Joint Committee on Labor & Workforce Development  
State House, Boston, MA

**Re: Bills related to unemployment insurance and reform of the system**

Dear Chairmen Lewis, Brodeur, and Members of the Committee:

On behalf of Associated Industries of Massachusetts (AIM), I write to thank you and the Legislature for the recent adjustments to the 2018 unemployment insurance (UI) rates for calendar years 2018 and 2019. Without these changes, employers would be subject to Schedule F rates in 2018, which would trigger substantially higher contribution rates from employers. Thanks to your action, employers will pay a total of \$334M less than they would under the statutorily triggered rates.

AIM believes that providing support to those who have lost their jobs through no fault of their own is important; but controlling employment costs is also vital to creating the very jobs workers need across the Commonwealth. Historically, the business community has worked together with the Senate, House, and the Administration to ensure the prudent maintenance of the UI trust fund, which has never failed to pay out benefits.

For this issue, AIM would like to highlight various proposals to reform the Massachusetts system as means to improve our state's competitiveness. AIM has also long sought comprehensive Unemployment Insurance reforms. Just last week CNBC released its state-by-state cost of doing business ranking, which identified Massachusetts cost of doing business as a "risk of business rebellion."<sup>1</sup>

Unemployment Insurance costs (along with healthcare and energy) are the key drivers of Massachusetts high cost of doing business. We believe that Unemployment Insurance reforms are a key part of achieving a strong business climate, which is why AIM has prioritized this issue within the association's *Blue Print for the Next Century*.<sup>2</sup>

AIM wishes to express our positions regarding a variety of legislation currently pending before this Committee. A list of those bills and positions are listed below. In particular, AIM supports the following reforms:

- An expanded rate table and reforms related to duration and eligibility to make rates more dependent on the hiring and firing record of individual companies;
- A reduction in the maximum duration of benefit weeks from 30 to 26 and an increase to the time people must work before collecting benefits;

---

<sup>1</sup> CNBC Poll: [http://www.cnbc.com/2017/07/11/top-states-for-business-10-massachusetts.html?s\\_campaign=talkingpoints:newsletter](http://www.cnbc.com/2017/07/11/top-states-for-business-10-massachusetts.html?s_campaign=talkingpoints:newsletter)

<sup>2</sup> AIM BluePrint for the Next Century: [http://www.aimnet.org/userfiles/files/AIM\\_MABlueprint\\_2\\_0\\_pgs\\_wb\\_2016-wbs\(1\).pdf](http://www.aimnet.org/userfiles/files/AIM_MABlueprint_2_0_pgs_wb_2016-wbs(1).pdf)

- Maintenance of the current one-year window for determining the experience rating of employers;
- Prohibition on the ability of self-employed “persons of influence” to lay themselves off on a seasonal basis to collect unemployment benefits.

AIM also wishes to be on the record as opposing any amendment to create a new employment fund, capitalized by an increase in a per-employee tax on businesses, and directed to community-based job training organizations.

Thank you in advance for considering AIM’s positions. Please contact me directly at [keh@aimnet.org](mailto:keh@aimnet.org) or 617-262-1180 should you have any questions.

Sincerely,



Katherine E. Holahan  
 Vice President, Government Affairs  
 Associated Industries of Massachusetts

<b>Bill Number and Title</b>	<b>AIM’s Position</b>
H. 1016 – <i>An Act relative to business owners unemployment insurance benefits</i>	Support
H. 1020 – <i>An Act relative to willingness to work requirements for unemployment benefits</i>	Support
H. 1029 – <i>An Act relative to unemployment rate consistency</i>	Support
S. 994 – <i>An Act relative to unemployment insurance</i>	Support
S. 2078 – <i>An Act to modernize the Commonwealth’s administration of unemployment insurance</i>	Support
H. 1012 – <i>An Act amending the unemployment insurance law for workers with fluctuating work schedules</i>	Oppose
H. 2368 – <i>An Act providing for the retention of retail workers</i>	Oppose
H. 2376 – <i>An Act relative to unemployment insurance</i>	Oppose
H. 3133 – <i>An Act to protect locked out employees</i>	Oppose
S. 1003 – <i>An Act amending the unemployment insurance law for workers with fluctuating work schedules</i>	Oppose
S. 1028 – <i>An Act to protect locked out employees</i>	Oppose
S. 1056 – <i>An Act providing for the retention of retail workers</i>	Oppose