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For Immediate Release

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### VT Businesses May Qualify for State UI Tax Relief Relating to Federal Disasters

The Vermont Department of Labor is announcing a potential benefit to Vermont employers who may have been impacted by storm related layoffs in any of the 3 federally declared disasters in 2011. The Vermont Legislature just passed legislation to provide partial State Unemployment Tax Act (SUTA) relief to Vermont employers impacted by the federally declared disasters of 2011 (i.e. the April and May 2011 flooding events, and Hurricane Irene in August 2011). Those storms impacted employer operations across the state, and 14 counties were cited in the federal disaster declaration(s): Addison, Bennington, Caledonia, Chittenden, Essex, Franklin, Grand Isle, Lamoille, Orange, Orleans, Rutland, Washington, Windham, and Windsor Counties. If any or all of those 3 events resulted in employee layoffs, the legislation provides up to 8 weeks of SUTA Tax relief to the Employer's UI Tax Rate, but only if the layoffs were directly related and immediately following a disaster.

The three covered disaster incidents are as follows:

1. Storms & Flooding
  - a. Disaster Incident Begin Date: April 23 to May 9, 2011
  - b. Counties: Addison, Chittenden, Essex, Franklin, Grand Isle, Lamoille, and Orleans
2. Storms & Flooding
  - a. Disaster Incident Begin Date: May 26 & 27, 2011
  - b. Counties: Caledonia and Washington.
3. Hurricane Irene
  - a. Disaster Incident Begin Date: August 27, 2011
  - b. Counties: Addison, Bennington, Caledonia, Chittenden, Franklin, Lamoille, Windham, Orange, Orleans, Rutland, Washington, and Windsor

Employers seeking to apply for the SUTA relief for up to 8 weeks must complete an application to the Department of Labor. The Department mailed information to employers in the 14 counties that were under federal disaster declarations. The deadline for the application is June 10<sup>th</sup>.

Prior to this legislation, Vermont did not have a disaster relief provision in its statutes. The legislation enacted will provide up to 4 weeks of relief for future disaster events. "The House Commerce Committee determined that a cautious approach to these issues was appropriate given the fact that the UI Trust Fund still needs to accumulate up to \$160M to meet federal "solvency" guidelines. The costs relating to this UI relief are estimated to be up to \$8.6 million against the UI Trust Fund, which socializes the costs against all employers, whether impacted by the disasters or not. The legislators have taken a prudent and fair approach to the request for assistance from the businesses that were impacted by these disasters", said Labor Commissioner Annie Noonan.

For more information, check out the Vermont Department of Labor website at [www.labor.vt.gov](http://www.labor.vt.gov), (see link on the front page <http://www.labor.vermont.gov/VTSUTADisasterRelief> ).