



**NEW MEXICO
BUSINESS COALITION**

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Governor Michelle Lujan Grisham
490 Old Santa Fe Trail Room 400
Santa Fe, NM 87501

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RE: Request for New Mexico Business UI Relief

Dear Governor Lujan Grisham,

New Mexico Business Coalition (NMBC) is asking for your assurance that the recent Public Health Emergency Declaration will not only protect the public and workers, but also employers. Your emergency declaration is being used to waive medical care costs to the public and waive existing rules for employees to receive COVID-19 related unemployment benefits. To protect businesses during this health crisis, the rules which increase unemployment taxes employers pay based on the number of workers who file claims and the balance of the state's reserve fund, should also be waived.

The New Mexico Department of Workforce Solutions employs a formula for business payments that uses a multiplier based on employee claims charged against an employer over the past three years. There is also an additional 'Excess Claims Premium' that is applied to employers with 'high benefit claims,' which increases the amount of unemployment tax even more. With numerous events cancelled and businesses being forced to limit operations, large scale reductions in hours available to employees will occur and necessarily cause a surge in employee unemployment insurance claims.

The Public Health Emergency Declaration you made and subsequent orders by various Cabinet Secretaries make it clear that New Mexicans will be 'held harmless' for any COVID-19 related medical charges and that rules for workers to receive unemployment benefits will be waived. The same 'hold harmless' emergency protection and waiver of normal rules needs to be extended to employers who could otherwise be hit with enormous unemployment tax increases for the next three years.

I look forward to hearing from you on this important issue that will afford small and large employers in our state a ray of hope and the assurance that they will not be penalized with soaring unemployment taxes because of circumstances they have no control over.

My best,

Carla J. Sonntag

The New Mexico Business Coalition (NMBC) is a statewide nonpartisan, probusiness organization and state affiliate for the National Association of Manufacturing. NMBC focuses on improving the business environment for companies and the quality of life for all New Mexicans.