



## MEMORANDUM IN SUPPORT

### S.182 (Persaud) / A.4317 (Davila)

**AN ACT** to amend the social services law, in relation to increasing the federal poverty level requirement for recipients of social services where it concerns the one-time disregard of earned income following job entry for up to six consecutive months

The Capital Region Chamber, representing 2,600 businesses and organizations from throughout the Capital Region that employ more than 150,000 area residents, supports S.182 /A.4317, which would help to address the benefits cliff by eliminating a 200% of Federal Poverty Level income threshold from the onetime, six-month earned income disregard for job entrants having completed a public assistance employment training program, as enacted in the SFY 2023-2024 budget.

Underemployed and low-income workers in New York State often remain trapped in a cycle of poverty because the structure of social service benefits discourages economic mobility and career progression. Attention is needed from the state government to address this issue. Addressing the benefits cliff would encourage workers to pursue career advancement. It would also save taxpayer dollars by helping workers grow independent from social service benefits.

Due to the benefits cliff, workers are hesitant to accept higher-paying roles out of justifiable fear of losing benefits. Offering a six-month income disregard would mean a worker would continue receiving benefits for a short period after beginning a higher-paying job that would previously disqualify them from benefits. During this period, workers would be able to save extra income to prepare for losing benefits.

Last year's state budget created an income disregard for workers earning up to 200% of the federal poverty level – a low-income threshold that means very few New Yorkers actually benefit from this income disregard. S.182/A4317 would increase the income threshold to 400% FPL, making the income disregard accessible to workers who are actually facing the benefits cliff. This six-month disregard is a short-term investment to help workers become self-sufficient and could save the state from paying a lifetime of benefits to that worker. This legislation would encourage economic mobility, support employers, and save taxpayers money.

For the above-mentioned reasons, the Capital Region Chamber recommends the passage of this legislation.

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