

Pay hikes among laws

Minimum-wage workers, lawmakers get boost Jan. 1

BY MICHAEL GORMLEY
michael.gormley@newsday.com

ALBANY — Most minimum-wage workers will get about a 10 percent raise in the latest annual increase, some high-wage, highly taxed New Yorkers will get a special workaround to avoid a federal tax hike and state legislators will collect a 38 percent raise under new laws taking effect Jan. 1.

But a state judge has temporarily suspended another wide-reaching law that's also effective Jan. 1.

The law creates a variation of congestion pricing that will cost riders of taxis and ride-hailing services more to travel south of 96th Street in Manhattan. Uber and Lyft riders will pay a \$2.75 fee, while taxicab riders will pay \$2.50. Passengers in pooled rides will pay 75 cents.

A judge on Dec. 20 delayed the fee as he considered a lawsuit by the New York Taxi Workers Alliance. The alliance blames ride-hailing services and the congestion pricing increase for a spike in bankruptcies, homelessness and suicides among taxi drivers whose city medallions to operate cabs have decreased in value.

The fee is expected to raise \$525 million a year for repair of city subways and other means of transit.

Come Jan. 1, the state minimum wage on Long Island and in Westchester County will rise to \$12 an hour, from \$11 this year. The regional rate will rise to \$15 over the next three years.

Large employers in New York City with more than 11 workers will hit the \$15 minimum wage on Jan. 1, up from \$13. That is a 36 percent increase since 2015, when phased-in raises began. Employers in the city with 10 or fewer workers will have to pay at least \$13.50 an hour, up from \$12.

In the rest of the state, the minimum wage will rise to \$11.10 an hour, up from \$10.40.

"Many low-income workers will have much to celebrate as the state continues to phase in

NEW LAWS IN NEW YORK

On Jan. 1:

■ **The state minimum wage** on Long Island and in Westchester County rises to \$12 an hour, from \$11 this year.

■ **Salaries for state lawmakers** increase to \$110,000, from \$79,000, and will rise to \$130,000 by 2021. The governor's pay rises from \$179,000 in 2018 to \$200,000, increasing to \$250,000 by 2021.

■ **A state plan** aimed at easing the burden of the new federal tax bill for some highly paid New Yorkers begins to phase in. So far, 262 companies have registered for the Employer Compensation Expense Program created by Gov. Andrew M. Cuomo, a Democrat, and the State Legislature after Republican President Donald Trump signed the federal tax law that capped the deduction for state and local taxes at \$10,000.

minimum wage increases," said Ron Deutsch, executive director of labor-backed Fiscal Policy Institute think tank.

"We are beginning to see the minimum wage impact across the state as New Yorkers in the bottom quintile are finally starting to see increases in their incomes," Deutsch said. "This is good for the economy because when low-income workers have more income they spend it at businesses in their communities."

The bump comes as the state unemployment rate is 4 percent, the lowest on record. Low unemployment also drives up wages as the employers seek to attract workers.

262 employers registered

Other measures taking effect in 2019 include a state proposal aimed at easing the burden of the new federal tax bill for some highly taxed New Yorkers.

So far, 262 companies have registered for the Employer Compensation Expense Program created by Gov. Andrew M. Cuomo,



The State Capitol building in Albany. A raft of new legislation will raise New Yorkers' minimum wage

a Democrat, and the State Legislature after Republican President Donald Trump signed the federal tax law last December.

The law capped the deduction for state and local taxes at \$10,000, so that local property taxes and state income taxes paid above that level are no longer deductible. The result is that many high-income workers in states including New York will pay higher federal income taxes.

The new New York program allows companies — primarily law firms, physicians groups and other professional groups — to join a new payroll tax system.

Under a complex formula that includes tax credits, neither the employer nor the employee would pay more than they would have if the federal

law hadn't been enacted, according to state officials.

"The new federal tax laws have a disproportionate and negative impact on the tax system and economy of New York, and the state is doing everything it can to protect our residents from the adverse impacts of the law," said Morris Peters, Cuomo's budget spokesman.

"The fact that hundreds of employers have registered for the alternative Employer Compensation Expense Program shows that the business community is taking this federal tax threat seriously and many are taking this step to protect their employees," Peters said.

The tax plan will phase in beginning Jan. 1. The state won't identify the companies that have signed up or where they

are located, citing privacy and tax laws.

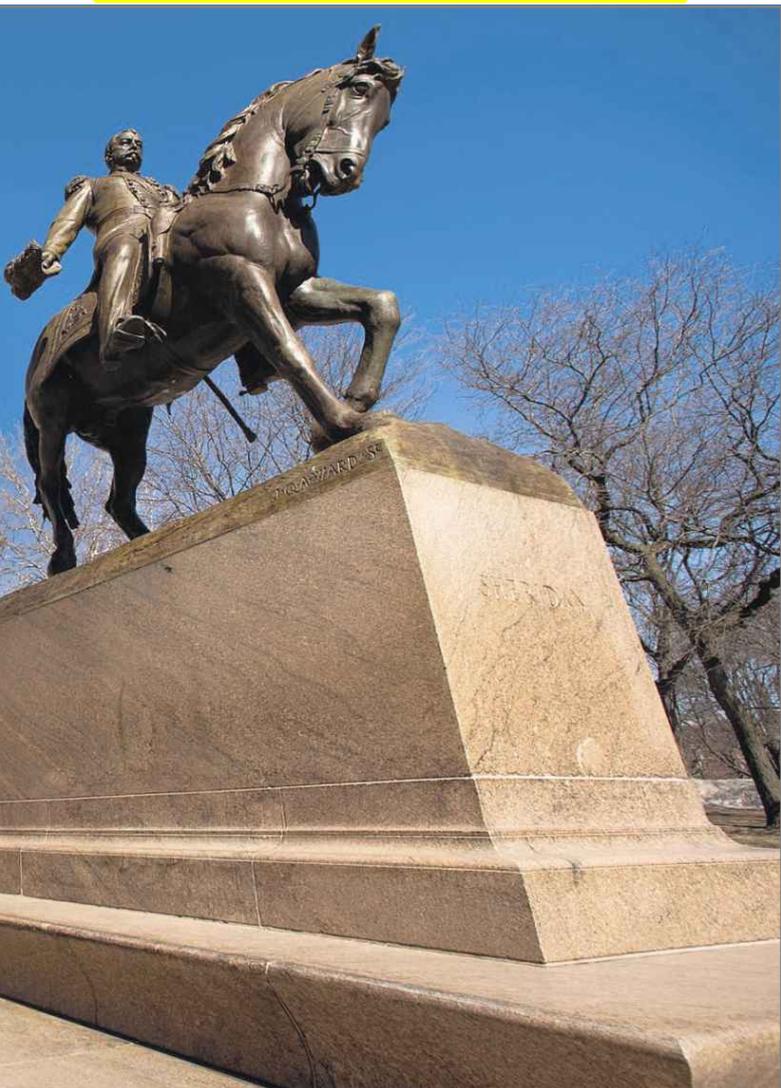
Other measures kick in

Also on Jan. 1:

■ **Raises for state lawmakers** and other top officials begin a three-year phase-in. Salaries for state lawmakers will increase to \$110,000, up from \$79,000, rising to \$130,000 by 2021. The governor's pay will rise from \$179,000 in 2018 to \$200,000 on Jan. 1, rising to \$250,000 in 2021. Elected and appointed officials in state government also will get raises.

■ **Paid family leave** that began in 2018 continues to phase in, with richer benefits. In 2019, qualified workers will be able to take up to 10 weeks of leave at 55 percent of their average weekly wage. By 2021, the law

on way



BLOOMBERG / RON ANTONELLI

by about 10 percent and lawmakers' salaries by about 38 percent.

will allow 12 weeks of paid leave at 67 percent of employees' average weekly wages.

■ The Drug Take Back Act takes effect. Consumers will see on-site collection systems at chain pharmacies with more than 10 stores. The system will include prepaid envelopes to mail unwanted medications to proper disposal sites.

■ Volunteer firefighters will get access to tax-free disability and death benefits if they are diagnosed with diseases including melanoma and cancers of the lung, prostate and breast after they become firefighters. Diseases of the lymphatic, hematological, digestive, urinary, neurological and reproductive systems also are covered. Dr. Jacqueline Moline, chairwoman of the Firemen's

Association of the State of New York, said firefighters "are exposed to an enormous variety of toxins and carcinogens in the line of duty and consequently are more likely to develop cancer than the general population. It is necessary to offer additional benefits and protections to all firefighters so that if they do develop cancer, they are not left alone."

■ The thousands of companies doing business with the state will need to have sexual harassment policies in place. The contractors also will have to document that they provide annual employee training on combating sexual harassment. The program is part of a broader sexual harassment law passed earlier this year. Most of the statute is in effect.

Chairman launches bid to rescue Sears

The Associated Press

NEW YORK — A hedge fund run by Sears chairman Eddie Lampert said it submitted a last-minute bid Friday to keep the struggling retailer from being liquidated.

The bid, valued at \$4.4 billion, still needs to be approved. A court date is scheduled for the middle of January.

Transform Holdco LLC, an affiliate of Lampert's ESL Investments hedge fund, said it hoped to keep 425 stores open and 50,000 people working. The bid includes \$1.3 billion in financing from three institutions, ESL said in a statement.

The iconic retailer, once the nation's largest department store chain, faced a deadline of Friday for bids for its remaining stores to avert closing down completely. Earlier on Friday, Sears said it was closing 80 more stores. That's in addition to the 182 stores already slated for closure, including 142 by the end of 2018 and 40 by February.

When the Hoffman Estates, Illinois-based company filed for Chapter 11 bankruptcy protection in October, it had 687 stores and 68,000 workers.

The retailer that began as a



AP / TED SHAFREY

A sign in the window at the Sears at the Livingston Mall in Livingston, N.J., on Nov. 2 promises that "This isn't goodbye."

mail-order catalog in the 1880s has been in a slow death spiral, hobbled by the Great Recession and then overwhelmed by rivals both down the street and across the internet.

Sears Holdings Corp., which also runs Kmart, joins the list of retail brands taken over by hedge funds that collapsed under the weight of debt forced upon them. Not all have made it out of bankruptcy: Toys R Us shuttered all its stores in June, about nine

months after filing for bankruptcy protection.

Under Lampert, Sears has bought time by spinning off businesses and putting on the block the brands that had grown synonymous with the company, such as Craftsman. The company's chairman and biggest shareholder, Lampert loaned out his own money and put together deals to keep the company afloat and to turn whatever profit he could for ESL hedge fund.

TRUMP: MIGRANT CHILDREN ARRIVED 'VERY SICK'

The Associated Press

President Donald Trump claimed two Guatemalan children who died in U.S. custody were "very sick" when they arrived, even though immigration authorities have said both children passed initial health checks.

Meanwhile, his Homeland Security chief visited Border Patrol agents and medical officials at the southern border amid promises of more thorough health screenings for migrant children.

The president, whose administration has faced widespread criticism over the deaths, pointed on Twitter at Democrats "and their pathetic immigration policies that allow people to make the long trek

thinking they can enter our country illegally." He also alleged both children "were very sick before they were given over to Border Patrol."

The two tweets were his first comments on the Dec. 8 death of 7-year-old Jakelin Caal and the death on Christmas Eve of 8-year-old Felipe Gomez Alonzo. U.S. Customs and Border Protection has issued detailed statements about both children's deaths.

An initial screening of Jakelin "revealed no evidence of health issues," CBP said on Dec. 14. It wasn't until several hours later that Jakelin's father, Nery Caal, told agents that she was "sick and vomiting," CBP said. Attorneys for the Caal family have also denied claims that Nery "hadn't given her water in days,"

as Trump wrote.

And CBP said Tuesday that agents logged 23 welfare checks of Felipe and his father in the first several days the two were detained. Felipe's father, Agustin Gomez, told a Guatemalan official that the boy first showed signs of illness Monday morning, the day he died.

The president's comments came Saturday afternoon, the same day Homeland Security Secretary Kirstjen Nielsen was in Yuma, Arizona, to meet with medical staff at the border. Nielsen said in a statement that "the system is clearly overwhelmed and we must work together to address this humanitarian crisis." She called on Congress to "act with urgency."