

April 16, 2021

The Honorable Charles Baker, Governor
Commonwealth of Massachusetts
Office of the Governor
Massachusetts State House, Room 280
Boston, MA 02133

Dear Governor Baker,

On behalf of the 11,000 members of the Massachusetts Society of Certified Public Accountants, thank you for signing recent legislation that provided critical financial relief to small businesses that received Paycheck Protection Program loans and froze the employer's unemployment insurance (UI) contribution rate. As you know, the Massachusetts Unemployment Insurance Trust Fund system experienced record-high unemployment claims last year, therefore increasing solvency rates far beyond expectation. As thousands of businesses receive significant first quarter rate notices from the Department of Unemployment Assistance, I implore you to act with urgency to offset the unanticipated surge in rates impacting thousands of businesses by injecting federal stimulus dollars to address the UI Trust Fund's insolvency.

Unfortunately, the 2021 solvency rate of 9.23%, which is a 1,591% increase from just last year, more than offsets any benefit of the rate freeze for our small business community that was recently signed into law. I understand that the solvency rates are also dictated by statute and am hopeful that a legislative fix can be worked through that process soon. However, because of the severity of this issue and the impact these rates will have on so many small businesses across Massachusetts, I urge you to consider dedicating a portion of the federal funds from the CARES Act or the American Rescue Plan Act to help offset the rate increases.

As trusted financial advisors to thousands of Massachusetts-based small businesses, many of whom received Paycheck Protection Program loans and the critical tax relief through your actions in signing the recent COVID relief legislation, our members continue to see their clients grapple with increases in their first quarter estimated payments, which are due in just a few weeks. The 9.23% employer contribution rate to the solvency fund would further cripple, and perhaps shutter, these struggling businesses.

Again, thank you for your quick action to freeze the UI rates and for your support of critical relief for the thousands of Massachusetts small businesses struggling to stay open, and for your continued leadership throughout this trying year. I am hopeful a solution to offset the unanticipated surge in the solvency rates will be acted upon as soon as possible.

Please do not hesitate to contact me or my staff if we can be of any assistance to you.

Sincerely,



Amy Pitter
President & CEO