

Cannabis Retail Businesses: Insurance You Need for Your Employees

Employers in New York State are required to have Unemployment Insurance, Workers' Compensation Insurance, Disability Benefits Insurance, and Paid Family Leave Insurance.

What Is Unemployment Insurance?

Unemployment Insurance is a federally mandated and regulated program, but eligibility and payment amounts are determined by the state. The program is administered by the NYS Department of Labor. As a general business, you must enroll on the first day of the calendar quarter in which you pay wages of \$300 or more. You can register for Unemployment Insurance here:

<https://dol.ny.gov/register-unemployment-insurance-0>.

Unemployment Insurance is temporary income that helps support workers who lose their jobs through layoffs, furloughs, a company shutdown, or other qualifying events. It does not apply to employees who are discharged for cause.

To learn more about NYS Unemployment Insurance, go to:

<https://dol.ny.gov/unemployment/employer-unemployment-insurance-information>

How Is Unemployment Insurance Funded?

Unemployment benefits are funded through taxes that employers pay on behalf of their employees. The amount an employer pays into the Unemployment Insurance system depends on the wages an employee is paid, amounts already contributed to the fund, and the amount any former employees have been compensated from the Unemployment Insurance Fund.

Who Pays Workers' Unemployment Insurance Benefits?

Employers pay into the Unemployment Insurance Fund for each worker. When an employee is laid off, Unemployment Insurance payments are made by the NYS Department of Labor directly to the laid off employee.

What Is Workers' Compensation Insurance?

Workers' Compensation Insurance protects employees who are injured on the job to help them return to gainful employment as soon as possible after an injury or illness. The injured worker may receive income replacement, medical care, and/or rehabilitation costs. It is administered by the NYS Workers' Compensation Board.

How Is Workers' Compensation Insurance Funded?

As an employer, you are required to purchase Workers' Compensation Insurance for your employees. ***The New York State Insurance Fund, a state agency, has a special program offering the required insurance to cannabis employers.*** You can get more information and a quote for coverage here: <https://ww3.nysif.com/cannabis/index>

Who Pays Injured Workers Eligible for Workers' Compensation Benefits?

The Workers' Compensation Board pays eligible employees directly for their injuries.

Why Is Workers' Compensation Important to My Business?

Workers' Compensation Insurance is required to protect employees who are injured on the job by paying medical bills and providing wage replacement. In return for this protection, workers give up their right to sue their employer for causing the injury. The idea is to limit lawsuits and protect workers when they suffer a workplace injury.

Workers Compensation Insurance, which prevents workers from suing their employers for on-the-job injuries, protects businesses from the expense of a lawsuit and subsequent payment of damages. Without coverage, just one employee's lawsuit can bankrupt a business.

What Is Disability Benefits Insurance?

Disability Benefits Insurance provides up to 26 weeks of temporary benefits payments to workers disabled by an off-the-job injury or illness. This includes disabilities arising from pregnancy.

Disability Benefits Insurance protects both the employee and the employer if the worker can no longer do their job due to illness or injury. The employee is protected from financial hardship during the recovery period by provision of temporary income; the employer is protected by ensuring that a skilled employee can recover and return to work.

Where Do I Purchase Disability Benefits Insurance?

Cannabis businesses can purchase the required insurance from **the New York State Insurance Fund, which has a special program offering the required insurance to cannabis employers**, at: <https://ww3.nysif.com/cannabis/index>

How Is Disability Benefits Insurance Funded?

An employer may fund disability insurance through employee payroll deductions, meaning the employer collects money from an employee's wages for this insurance coverage. Employers may choose to provide the insurance at no cost to its employees.

Who Pays the Disability Benefits?

Disability benefits are paid by the insurance company, rather than the employer, providing financial flexibility that allows the business to hire a temporary replacement without incurring more labor costs.

What Is Paid Family Leave Insurance?

Paid Family Leave Insurance is NYS required insurance that pays some of an employee's salary while the employee is on leave to bond with a new child, care for a loved one with a serious health condition, or help relieve family pressures when someone is on active military duty outside the country. The employee retains their job and returns to work when the leave is over.

How Is Paid Family Leave Funded?

The employer collects money from employee wages through payroll deductions to pay for this insurance coverage. **Cannabis businesses can purchase the required insurance from the NYS Insurance Fund**, the same agency that offers Workers' Compensation Insurance and Disability Benefits Insurance for cannabis employers, at: <https://ww3.nysif.com/cannabis/index>

Who Pays the Paid Family Leave Benefit?

These benefits are paid by the insurance company, rather than the employer, providing financial flexibility that allows the business to hire a temporary replacement without incurring additional labor costs.