



UPDATE: New York Department of Financial Services (DFS) Releases PFL Premium Rate

Issue Date: June 2017

Since our May update, included below, DFS has confirmed that New York Paid Family Leave benefits shall be community rated to ensure that all employees are similarly treated and are not subject to cost variations based on age, gender, geographic location or any other demographic factor.

- The maximum employee contribution for NY PFL coverage will be 0.126% of an employee's weekly wage not to exceed the NY State Average Weekly Wage (NYSAWW). This equates to a maximum employee contribution of \$1.65 per week using the current NYSAWW of \$1,305.92.
- Another important update to note is the definition of part-time employees has been changed from working less than 5 days a week to less than 20 hours a week.

New York Paid Family Leave Developing Details

Issue Date: May 2017

Joining the ranks of California, New Jersey and Rhode Island, the state of New York has passed legislation that adds Paid Family Leave (PFL) benefits to the current Disability Benefits Law (DBL). All private employers with one or more employees working in New York will be required to offer PFL. Public employers are not required to offer this coverage, however. PFL benefits will begin on January 1st, 2018 and gradually increase to the full benefit by 2021, becoming the longest and most comprehensive PFL program in the nation. Below is an overview that includes additional details since our last PFL update in January of 2017.

What Is New York PFL?

PFL provides wage replacement, job protection and health benefits protection when an employee is away from work for family-related leaves relating to:

- Bonding with the employee's newborn or newly placed adoptive or foster child
- Care for a family member with a serious health condition
- Prepare for a family member's imminent call to active military deployment

Who Will Administer New York PFL?

Benefits will be provided by the state, private carriers or may be self-funded. Private insurance carriers offering DBL coverage are now required to offer PFL, so come January 1st, 2018 employers will see it automatically included in their DBL policy. Standalone PFL policies are available only for employers that self-insure their DBL coverage.

Who Is Eligible?

Full-time employees are eligible for PFL after working 26 or more consecutive weeks with their employer and part-time employees are eligible after working 175 consecutive days. Participation in the program is NOT optional for employees.

How Is New York PFL Funded?

Employees will fund this benefit through payroll deductions – employers can begin taking deductions on July 1st, 2017 and may choose to contribute on behalf of their workers. New York State will reveal the maximum employee contribution rate in June of 2017.

What Are the New York PFL Benefits and How Long Are They Paid?

Effective Date	Max % of Employee Average Weekly Wage	Cap % of NY State Average Weekly Wage (NYSAWW)	Maximum Benefit Duration
1/1/2018	50%	50%	8 weeks
1/1/2019	55%	55%	10 weeks
1/1/2020	60%	60%	10 weeks
1/1/2021	67%	67%	12 weeks

How Does New York PFL Coordinate with Other Benefits?

PFL will be used concurrently with FMLA; however, PFL benefits cannot be paid at the same time as NY DBL benefits. PFL and DBL are limited to a total of 26 weeks of benefits on a combined basis in a 52-week period, which starts on the first day the benefit is used.

Employees are not required to file a DBL claim for maternity before requesting PFL and may choose to file only a PFL claim. Another option is to file a DBL claim for maternity and then follow with a PFL claim for bonding.

Summary

The U.S., although advanced in so many ways, is in last place among developed nations when it comes to paid leave to take care of loved ones – this step towards job safety for our working population is a great advance for the state of New York. Make sure you handle it properly.

Please be aware that this does not represent legal or tax advice and is only Frenkel's interpretation of the laws, regulations and statutes. It is highly recommended that you seek the advice of your legal and tax professional as to the applicability of this information to your particular situation.