

## **e-Alert – What Employers Need to Know about New York’s Paid Family Leave**

Beginning January 1, 2018, New York will join ranks with California, New Jersey, and Rhode Island as the only states in the nation to institute a Paid Family Leave (PFL) benefit. When the benefit is fully phased in, New York will have the most comprehensive and robust Paid Family Leave program in the US.

The new PFL program provides New York employees the opportunity to bond with a child after birth, care for a sick relative, or help relieve the burden when a family member is called to active military service. The law will not only give employees the right to a leave of absence to care for a family member but will also guarantee job protection, as well as the right to continue health insurance by paying the premiums while on leave. Participation in the program is mandatory for all private employers while public employers may opt in. When it begins, PFL will cover births and adoptions that have occurred within the last 12 months — including those that occurred in 2017.

### **Who is eligible?**

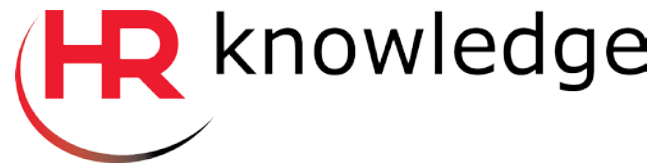
Employees who have worked full time for their employer for at least 26 consecutive weeks, or part time for 175 days are eligible for PFL. All employees will be required to participate in the program as long as they meet the eligibility requirements.

### **How does it work?**

New York’s PFL benefit will become available as a provision through the state’s existing State Disability Leave (DBL) benefit, which all private employers must carry. It will be entirely employee-funded, through small employee contributions deducted from payroll beginning in July 2017. Weekly contribution rates will be .126% of an individual employee’s weekly wage and a maximum contribution rate will be established each year, based on New York’s current average weekly wage.

### **How does Paid Family Leave work with New York’s current Disability Leave?**

When PFL goes into effect on January 1, 2018, it will be implemented as a rider into existing DBL policies. It is important to note that DBL is taken for one’s own injury or illness, whereas PFL is taken to care for someone else. Both DBL and PFL must be provided by the same insurance carrier and any employer covered by New York’s State DBL will be required to also provide PFL to its eligible employees. However, employees may not receive benefits for both PFL and DBL concurrently. The benefits must be taken separately from one another. If an employee happens to qualify for both, the combined concurrent duration may not exceed 26 weeks in a consecutive 52-week period. For example, in the event of a childbirth, a new mother may need to use DBL for medical reasons before birth and then use PFL to bond with the child after she has recovered. Conversely, New York’s Family and Disability leave benefits must be taken concurrently with the federal Family Medical Leave Act (FMLA) benefits.



### Phase-in timeline

New York's Paid Family Leave benefits will phase into full effect over the next four years. The program will start in 2018 with eight weeks of PFL coverage. Those amounts will rise over the next four years to 12 weeks of leave according to the following schedule:

- 2018 PFL Benefit: Employees may receive up to eight weeks of time off with pay equal to 50% of their average weekly wage, capped at 50% of New York State's Average Weekly Wage amount.
- 2019 PFL Benefit: Employees may receive up to 10 weeks of time off with pay equal to 55% of their average weekly wage, capped at 55% of New York State's Average Weekly Wage amount.
- 2020 PFL Benefit: Employees may receive up to 10 weeks of time off with pay equal to 60% of their average weekly wage, capped at 60% of New York State's Average Weekly Wage amount.
- 2021 and on: Employees may receive up to 12 weeks of time off with pay equal to 67% of their average weekly wage, capped at 67% of New York State's Average Weekly Wage amount.

### Next steps

We recommend that employers do the following:

- Begin preparing for the new regulation by reviewing and revising current family and medical leave policies and practices to ensure full compliance with the law's requirements, including the leave of absence and job reinstatement provisions.
- Work with DBL insurance carriers and payroll administrators to set up PFL benefits for eligible employees and begin payroll deductions on or after July 1, 2017.
- Contact us to review your current leave of absence policy to ensure it is compliant with the new law and to update your employee handbook. [Please email us](#) and an HR advisor will be happy to assist.

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