

New York State Paid Family Leave – Effective Date: January 1, 2018

What is Paid Family Leave?

New York's Paid Family Leave is a wage replacement program provided to eligible employees under the employer's mandatory NYS Disability policy. In addition to receiving partial wages, employees will also be guaranteed to be able to return to their jobs and continue their health insurance while on leave.

How is it funded?

Paid Family Leave benefits will be funded through deductions from employees. However, it will be the responsibility of the employer to pay the premium to their disability insurance provider.

Payroll Deduction for employees can begin now, but it is not yet required. The rate will be .126% per employee per week however, if the employee makes more than \$1,305.92 (Statewide Average Weekly Wage), they will max out at \$1.65 per week.

What Paid Family Leave Covers?

- Bonding with a Child – Maternity / Paternity Leave
- Care for a close relative with a serious health condition (Not yourself)
- Relieve family pressures when someone is called to active military service (not yourself)

Who must pay into PFL?

All full-time and part-time employees at private companies in New York State

Criteria for eligibility?

- Full-Time employee (works 20 or more hours per week) must be employed for 26-weeks
- Part-Time employees (works less than 20 hours per week) must be employed for 175-days

How is Leave provided?

Beginning January 1, 2018, your Disability insurance policy will be required to automatically provide PFL included with the policy. Employers that self-insure their disability policy can purchase a standalone NY Paid Family Leave policy.

Collective Bargaining Agreements:

An employer who provides paid family leave under a collective bargaining agreement (CBA) is relieved from providing Paid Family Leave if the CBA provides benefits at least as favorable as the benefits under Paid Family Leave.

Program Phase-In:

This program will be phased in over a 4 year period with the benefits increasing each year. The new maximum deduction will be determined by September 1st of each year.

Year	Max # of Weeks (in 52-week period)	Percentage of Employee Salary	Cap Percent of the State Average Weekly Wage
1/1/2018	8	50%	50%
1/1/2019	10	55%	55%
1/1/2020	10	60%	60%
1/1/2021	12	67%	67%

For more information please visit: <https://www.ny.gov/programs/new-york-state-paid-family-leave>

We also recommend you reach out to your Disability Insurance provider to determine what information, if any, they will need from you as an employer.

VanNorstrand & Hoolihan, CPA's will continue to provide information as it becomes available. There are still several aspects of this new law that have not yet been set, as there are several regulatory agencies involved in its creation. We have been in contact with the company who created our payroll system and they are currently developing the software update to allow us to do these deductions.