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Family Leave

New York Ramping Up for 2018 Paid Family Leave Start

BNA Snapshot

- New York Gov. Cuomo (D) rolls out proposed regulations, support services for new family leave law
- Law provides paid leave for new parents, plus accommodations for illness, military deployment in family



By John Herzfeld

New York is ramping up preparations for the Jan. 1 start of paid family leave for private-sector and public employees, billed by Gov. Andrew M. Cuomo (D) as the broadest in the U.S.

Payroll deductions would begin July 1 for a temporary disability fund in the state workers' compensation insurance system, under proposed regulations issued Feb. 22. New York has set up a website and telephone hot line to answer questions about the program and also is seeking a vendor to design a family leave plan for state employees.

The law, signed by Cuomo in April, sets a four-year plan for phasing in the benefit, starting at eight weeks of leave capped at 50 percent of the average salary in the state and coming into full force in 2021 with 12 weeks of leave and a 67 percent salary replacement cap. It covers new parents, employees caring for a sick close relative and employees with a family member called up for military duty.

The proposed rules provide guidance to employers, insurance carriers and employees about their rights and responsibilities under the law. Proposed state Department of Financial Services rules allow community-based disability insurance rates to be adjusted for size of employer.

Comments on the two sets of proposed rules are due April 10.

"New York enacted the strongest paid family leave plan in the nation to ensure that no one has to choose between losing a job and missing the birth of a child or being able to spend time with a loved one in their final days," Cuomo said in a Feb. 22 statement.

State Leadership in Trump Era?

In an indirect reference to new federal policies expected under the administration of President Donald Trump, Cuomo added, "I am proud that New York is continuing to lead the country forward in the march toward economic justice." Passage of the New York law was welcomed at the time by President Barack Obama, who urged Congress to follow suit.

The New York program, described by Cuomo as a model for "other states and the nation," is mandatory for all private employers, with an option for public employers to join in the system.

The federal Family and Medical Leave Act offers only unpaid leave, and New York is the fourth state to step in with a paid leave law, Dina Bakst, co-founder and president of A Better Balance, a group that advocates for work and family protections, told Bloomberg BNA in a Feb. 23 phone interview.

The New York law will offer the longest duration when it's fully in force, with 12 weeks of paid leave, she said. California and New Jersey provide for six weeks and Rhode Island four weeks, and the wage replacement rates are similar in all four states, Bakst said.

No Employer Contribution

The benefits in New York are funded exclusively from small employee payroll deductions, with zero employer out-of-pocket contributions required, Bakst said. Studies of the impact of the California and New Jersey laws have found that they've helped employers by boosting employee morale, cutting turnover and having a positive or neutral effect on productivity, she said.

Employee rights to retain their job upon return from leave are also made clear in the New York law, Bakst said, addressing a "huge problem" of job loss associated with taking family leave. New York is also the only state to include leave to accommodate a family member's military deployment, she said.

Bakst said that Cuomo's "commitment to enforcing the law will help ensure a smooth and successful rollout." She added that her group has sought a New York law for 10 years and called its passage a landmark in efforts to provide "critical support to working families."

A spokesman for the state Business Council didn't respond Feb. 23 to a request for comment.

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For More Information

More information on the New York law is at <http://src.bna.com/mrp>. The proposed workers' compensation rules are at <http://src.bna.com/mrq>. The proposed insurance rules are at <http://src.bna.com/mrr>. The request for vendors for a program for state employees is at <http://src.bna.com/mrQ>. The State Register notice is at <http://src.bna.com/mrv>.