



NEW YORK PAID FAMILY LEAVE 2020 CONTRIBUTION AND BENEFIT MAXIMUMS ANNOUNCED

The New York State Department of Financial Services has announced the [contribution rate and benefit schedule](#) under the New York Paid Family Leave (“PFL”) law effective January 1, 2020. More information about the 2020 contributions and benefits, including benefits for leave that overlaps two calendar years can be found on the [New York PFL website](#).

Contributions

Employee contributions for PFL are calculated as a percentage of an employee’s gross wages per pay period up to the maximum contribution based on the annualized New York State Average Weekly Wage (“AWW”). For 2020, the contribution percentage has been set at **.27%** and the New York State AWW in effect will be **\$1,401.17** (announced earlier this year by the New York State Department of Labor). Therefore, the maximum annual employee contribution for 2020 will be **\$196.72** [.27% x \$1,401.17 x 52]. A comparison to the 2019 contribution amounts is shown below.

	2020	2019	Percentage Change
Contribution Percentage	.27%	.153%	76.4%
NYS Average Weekly Wage	\$1,401.17	\$1,357.11	3.2%
Annualized NYS Average Weekly Wage	\$72,860.84	\$70,569.72	3.2%
Maximum Annual Contribution	\$196.72	\$107.97	82.2%

Benefits

Beginning January 1, 2020, the PFL benefit will increase to **60%** (55% in 2019) of an employee’s Average Weekly Wage (up to the New York State AWW) and will be payable for **10 weeks** (10 weeks in 2019). Therefore, the maximum weekly benefit for 2020 will be **\$840.70** (60% x \$1,401.17) with the maximum annual benefit in 2020 increasing to **\$8,407.00** (\$840.70 x 10 weeks). A comparison to the 2019 benefit levels is shown below.

	2020	2019	Percentage Change
Benefit Percentage	60%	55%	20.0%
Weeks Payable	10	10	00.0%
Maximum Weekly Benefit	\$840.70	\$746.41	12.6%
Maximum Annual Benefit	\$8,407.00	\$7,464.10	12.6%

The following should be noted:

- The maximum amount of PFL and disability leave under the New York Disability Law (“DBL”) that may be taken in a *52-consecutive week period* is limited to 26 weeks.
- The Superintendent of the NYS Department of Financial Services has the discretion to delay the scheduled PFL benefit increase if it is determined the increase may negatively impact employees, employers, insurers and the overall economic climate¹. For 2020, the Superintendent has determined the 2020 PFL benefit increase is appropriate and therefore, will be implemented as scheduled and noted above.

Employers can now plan for the 2020 PFL contribution and benefit increases that become effective in January.

¹Factors the Superintendent may consider to delay an increase in the scheduled increase to the PFL benefits include the following: (1) the current cost to employees of the family leave benefit and any expected change in the cost after the benefit increase; (2) the current number of insurers issuing insurance policies with a family leave benefit and any expected change in the number of insurers issuing such policies after the benefit increase; (3) the impact of the benefit increase on employers’ business and the overall stability of the program to the extent that information is readily available; (4) the impact of the benefit increase on the financial stability of the disability and family leave insurance market and carriers; and (5) any additional factors that the Superintendent deems relevant.

ADDITIONAL INFORMATION

For specific questions concerning information contained in this Client Alert, please contact your USI-Chernoff Diamond consultant. Information contained in this Client Alert is not intended to render tax or legal advice. Employers should consult with qualified legal and/or tax counsel for guidance with respect to matters of law, tax and related regulation. Chernoff Diamond is a Division of USI Insurance Services that provides comprehensive consulting and administrative services with respect to all forms of employee benefits, risk management, qualified and non-qualified retirement plans, M&A due diligence, private client services, and compensation and human resources. For additional information about our services, please contact us at 516.683.6100 or mail@chernoffdiamond.com.