

Paid Family Leave Update: 2019 Rate and Maximum Contribution

On August 31st, New York's Department of Financial Services (DFS) published the New York Paid Family Leave (PFL) rate for the 2019 calendar year.

To predict the Family Leave Benefits claims for 2019, DFS considered all relevant factors, including but not limited to:

- Six months of paid claims experience data with runout through June 30, 2018.
- Average claim frequency
- Average claim duration
- Average weekly benefit
- Average payroll of population making payroll contributions
- Anticipated shift of claims from disability benefits to Paid Family Leave benefits
- Coverage for children born in a 12 month period prior to the submission of a claim, including children born in 2018
- Calculation of aggregate claims costs for newborn, adoptive and foster care bonding, family care and military leave
- Allocation for administrative expenses, profit and loss ratio

Accordingly, the premium rate for Family Leave Benefits for coverage beginning January 1, 2019 shall reflect the increase in benefits in 2019, determined as 0.153 % of an employee's gross wages each pay period up to and not to exceed an annual maximum employee contribution of \$107.97.

If an employee's contributions reach the annual maximum employee contribution of \$107.97 before the end of the calendar year, the employee shall not be liable for any additional contributions for that year. Employers shall collect employee contributions consistent with the new rate.

In the first year of New York Paid Family Leave (2018), eligible employees receive 50 % of their average weekly wage up to 50% of the statewide average for up to 8 weeks of leave.

In the second year of the program (2019), the maximum benefit will be 55 % of the employee's average weekly wage, up to 55 % of the statewide weekly wage for up to 10 weeks of leave.

New York States' Average Weekly Wage of \$70,569.72 per year, translates to a statewide average of \$1357.11 per week.

- Employers that provide DBL, must also provide PFL
- All employees covered under a DBL policy, will also be covered under PFL
- Employees need to give 30 days' written notice for a foreseeable leave
- Withholding employee payroll deductions for PFL is optional

