

NY Paid Family Leave Broker Update

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Navigating life together

NY Paid Family Leave (NY PFL) Introduction

What is it?

Effective January 1 2018, new paid family leave benefits will be available to almost all employees working within New York State. NY PFL includes paid time off to care for a new child or sick family member or to take care of certain exigencies arising from the active military service of a family member.

How is it Funded?

NY PFL will be a 100% Employee paid offering. Carriers will be limited to the community rate (0.126% per dollar of an employee's weekly income up to NY AWW). Estimated \$1.60/week or \$85 annually.

What is the proposed State Implementation Plan?

Coming soon

Effective Date	Paid Family Leave Per 52-Week Calendar Period	Paid Leave Implementation Plan	Estimated Approximate Maximum Benefit*	Expected Utilization rate**
1/1/2018	8 weeks	at least 50% of EE's average weekly wage	\$653	1.20%
1/1/2019	10 weeks	at least 55% of EE's average weekly wage	\$718	1.30%
1/1/2020	10 weeks	at least 60% of EE's average weekly wage	\$784	1.40%
1/1/2021	12 weeks	at least 67% of EE's average weekly wage	\$875	1.40%

*Maximum payout based on current 2016 average weekly wage of \$1306. The 2017 AWW in July 2017 to apply to PFL for 2018

**Utilization Rate estimate is based on California Utilization rates.

NY PFL and DBL must be offered together

- NY PFL will be covered under an employer's DBL policy, and both benefits must be provided by the same carrier
 - If the Employer has a self-insured ASO DBL then they can choose ASO or Fully Insured PFL
 - Fully Insured DBL must also have the PFL Fully Insured
- Both benefits are mandatory for covered employees
- NY DBL and NY PFL benefits cannot be collected at the same time
- Combined, DBL and PFL must not amount to more than the 26-week benefit max during any 52 consecutive calendar weeks

NY PFL Employer Requirements

NY PFL has specific requirements that all private employers will need to understand to support the new benefit

- Employers will be required to cover all eligible employees
 - Community Rate per Employee is 0.126% per dollar of an employee's weekly income up to NY AWW
 - Estimated at \$1.65/week or \$85 annually
 - New PFL quotes will be available later this summer
 - Employers can choose to pay premiums using payroll deduction or they can fund the benefit themselves
 - Billing will be done in arrears to allow for the payroll deduction option
- If an employee is eligible for both NY PFL and FMLA, the leaves benefits must be taken concurrently
- Employers with company sponsored leave program (such as Maternity, Paternity, Family care paid leaves) will need to coordinate how their private company offering interacts with the NY PFL benefit
- If an employee is receiving PFL benefits, the employer may permit the employee to choose to use PTO or vacation time to receive a full salary while on leave. Employers *may not require* that employees use such accrued, unused PTO benefits while receiving PFL benefits.
 - An employer covered by FMLA that designates a concurrent period of family leave may charge an employees accrued PTO in according with the FMLA provisions.
- Employers that choose to Self-Insure PFL may have an expedited timeline as they have the option to begin payroll deductions in July.
 - PFL regulations define some differences in administration between self-insured and fully insured plans

NY PFL will complement existing NY benefits

Successful implementation of NY PFL will work in harmony with NY DBL and FMLA

	NY PFL ¹	DBL ¹	FMLA
Qualifying Leaves³	<ul style="list-style-type: none"> • Child Bonding² • Care for seriously ill qualifying relative • Exigency related to active military duty 	Employee's own disability	<ul style="list-style-type: none"> • Employee's own serious health condition • Child bonding • Care for seriously ill qualifying relative • Exigency related to active military duty
Paid Leave (2017 wage estimates)	Yes Estimate max \$653	Yes Max \$170	<ul style="list-style-type: none"> • No
Leave duration	8 weeks in 2018 ¹ growing to 12 weeks in 2021	Up to 26 weeks ¹	Up to 12 weeks in most cases
Minimum work period necessary to be eligible	Full Time (20hrs+ / week) - 26 consecutive weeks Part Time (<20 hrs/week) – working 175 Days	4 consecutive weeks	1 year
Minimum number of hours worked for eligibility	None	None	1,250 hours in the past 12 months
Can eligibility requirement be met with another employer?	Must be with the same employer	Any covered employer	Must be with the same employer

1. NY PFL and NYDBL combined cannot exceed 26 weeks in a 52 week period; and a claimant cannot collect both NYPFL and NYDBL at the same time
2. NY PFL – Child Bonding claim can be initiated directly after delivery
3. Family members qualifying for family care leave are not identical under NY PFL and FMLA and therefore the two leaves will not always run concurrently and will depend on each request's unique circumstances. Ex.: Grandparent is a qualifying relative under NY PFL, but not FMLA. See slide 6 for full list of qualifying relatives under NY PFL.

State PFL trends

The New York law compared to other statutory PFL plans

	New York	New Jersey	California	Rhode Island
Weekly benefit (2017 wages)	50%-67% up to ½ NYSAWW* \$648	67% up to \$633	55% up to \$1,173	~ 60% up to \$817
Maximum length	8 weeks in 2018 growing to 12 weeks in 2021	6 weeks	6 weeks	4 weeks
Employee cost	0.126% of first \$67,912 of pay*	0.08% of first \$32,600 of pay	0.9% of first \$110,902 of pay	1.2% of first \$64,200 of pay
Disability Coverage	Separate NYDBL, but the 2 benefits must be covered together by employer	Disability is separate	Disability is included	Disability is included
Qualifying Relative	Spouse Domestic partner Child Parent Parent-in-law Grandparent Grandchild	Spouse Domestic partner Child Parent	Spouse Domestic partner Child Parent Parent-in-law Grandparent Grandchild Sibling	Spouse Domestic partner Child Parent Parent-in-law Grandparent

*The NY PFL premium each employee pays will vary based on earnings but will be no more than the maximum Employee Cost. Maximum cost for NY PFL is estimated using the 2016 New York State's Average Weekly Wage (NYSAWW) of \$1306. x 52 weeks estimated as \$67,912 annually. The NYSAWW is adjusted annually on July 1st.

MetLife's New NY Paid Family Leave Benefit

Starting January 1, 2018, MetLife will not support New York DBL and PFL for employers with fewer than 100 overall benefits eligible employees, as well as markets where MetLife could not provide an integrated customer experience with other benefits offered by MetLife.

Accordingly, for:

Non-continuing coverage: MetLife has entered into an agreement with ShelterPoint to offer DBL and PFL coverage to help minimize the inconvenience to customers impacted by the non-continuation of their coverage with us. ShelterPoint will be reaching out to these customers with information on the new option available to them.

Continuing Coverage: We will automatically update customers' current DBL insurance coverage to include the required PFL coverage, effective on January 1, 2018. Premium collections for PFL coverage will begin on January 1st at the set community rate of 0.126% of an employee's average weekly wage — which is estimated to be a maximum of \$1.65 per week based on the current NY statewide average weekly wage.

Next Steps: Formal letters will be sent to brokers about our strategy on July 28, even for those on this call. Customer letters will be sent to each customer based on which category they fall into August 4.

MetLife Progress and Next Steps

MetLife Progress

- Initiated system solutions for regulatory system support required for 1/1/2018 and beyond
- Premium rates and guidelines from NY Financial Services Dept.
 - Final regs published 6/1
 - Quoting to begin this summer
- Claims intake and guidelines final regulations from Workers' Compensation Board
 - Final regulations published 7/19

Next Step and Key Dates

- **July** – Self Insured Employers can begin Payroll deductions. MetLife quoting available
- **August** – Current customer's individual PFL Implementations begin
- **August/September** – Customized draft work instructions and plan summary document created for each Customer
- **October** – Customers may need to notify employees of new PFL benefits and upcoming payroll deduction
- **November/December** – Claims, CSC, and Customer Procedural training including scripting and reporting.
- **January 1, 2018** – Start date

Frequently Asked Questions

Regulations state providers can begin collecting premiums on July 1, 2017. Will I receive a bill from MetLife in July?

No. Customers should begin remitting premium to MetLife beginning in January 2018 at the set community rate of 0.126% of an employee's average weekly wage — which is estimated to be a maximum of \$1.65 based on the current NY statewide average weekly wage.

Will PFL benefits offset current corporate leave plans?

It is important to understand all corporate benefit leaves that overlap with PFL (Child Bonding, Care for sick family member, Military exigency) so that the employee is not overpaid or underpaid their benefit. NY PFL is not an offset to the employer plan and the employer plan is not an offset to NY PFL. NY PFL will still need to be paid. For example, if the employer offers a 100% benefit, we can either issue the NY PFL benefit to the employee and the employer can reduce their payment or we can reimburse the employer for the NY PFL benefit.

What will employers and employees receive in regards to the PFL coverage?

Employers will receive the NY PFL policy rider attached to their existing NY DBL coverage policy. Employers are responsible for providing their employees with information on NY PFL in the same manner that they provide information about DBL benefits. Employers are required to post notices in the workplace stating that the employer has provided for the payment of PFL benefits.



FAQ Slipsheet

Questions?



Thank you for joining.

Contact your Account Executive with
additional questions.

