

# Amendments to New York's Disability Benefits Law



## What is NY PFL?

As of January 1, 2018, all employers who offer statutory disability insurance coverage (DBL) to their New York employees are also required by law to offer statutory paid family leave (PFL) coverage through the same policy.

## Am I required to offer NY statutory STD and paid family leave for my employees?

Yes. Currently, private employers with employees working in New York State are required to offer statutory short term disability insurance (NY Disability Benefits Law, DBL, coverage). Additionally, as of January 1, 2018 private employers will also be required to offer New York paid family leave coverage to those same employees working in New York State.

## How do I update MetLife coverage to comply with the new regulation?

Effective January 1, 2018, MetLife will renew your contract to include paid family leave coverage along with your statutory short term disability insurance.

## What is the NY Paid Family Leave plan design?

The NY Paid Family Leave law provides an increasing benefit over a four year period from 2018 to 2021. The benefit duration, benefit amount, and maximum benefit are scheduled to increase over that four year period. A combination of NY DBL and NY PFL may not exceed 26 weeks during any 52 consecutive calendar weeks.

## What are the projected fees/rates for the benefit?

The insured rate for NY PFL, which is a community rate set by the state, is 0.126% of an employee's wages, up to the maximum based on the state's average weekly wage. The average wage is set annually in July for the following year. The estimated maximum annual cost is \$1.65/week or \$85/year based on the current average weekly wage of \$1,306. MetLife will not add a load to the community rate to create a new premium due for PFL business and is dependent upon the administrative process, reporting, and other requirements yet to be issued in the final WCB regulations.

## 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.

## Who will be covered under NY PFL?

All employees working for a covered employer with at least one employee, not including the owner, are eligible once they meet a minimum employment threshold. Employees eligible for NY DBL are also eligible for NY PFL, except that in order to be entitled to benefits, full-time employees must be employed for at least 26 consecutive weeks and part time employees must be employed at least 174 days before the leave commences.

## When can an employee take paid family leave?

Beginning January 1, 2018, an employee is eligible to take paid family leave to provide care for a family member with a serious health condition, to bond with the employee's child during the first twelve months after the child's birth, adoption or foster care placement, or for a qualified military exigency of a family member as defined by the FMLA.

## 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.

### **Can a company payroll deduct the community rate premium and an additional sum to pay for the administrative costs associated with administering PFL?**

No, under no circumstances may any employee be required to bear any additional cost above the maximum contribution rate allowed by law and the employer may not collect any contributions above the maximum rate allowed.

### **Can the employer pay the premium and not withhold from the employees' wages?**

Yes. An employer may choose to pay the premiums on behalf of employees.

### **If the employer has their own corporate leave program, do they also need to offer NY PFL?**

Yes. NY PFL will still need to be offered even if a company has their own leave plan.

### **Who is responsible if premiums collected do not support the actual experience?**

For fully insured business, a carrier will be responsible for claims that exceed the premiums. For self-insured ASO, the customer is responsible in the event claims payouts exceed premiums collected.

### **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.

### **When will implementation for NY PFL begin?**

The NY PFL implementation process will begin later this summer. Look for more information from your client service consultant.

### **Where can I get a complete list of the self-insurance guidelines?**

For the complete list of the guidelines, visit the NY State Workers' Compensation Board website at <http://www.wcb.ny.gov/PFL/pfl-regs.jsp>.

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