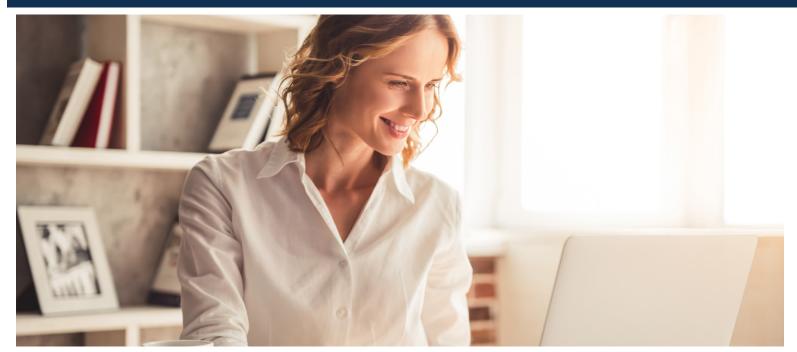


New York Paid Family Leave

Tax Guidance Issued

www.cbplans.com / 732-992-1500



Issued date: 09/12/17

On August 25, 2017, the State of New York's Department of Taxation and Finance ("NYDTF") issued much needed guidance related to the taxability of benefits received under the New York Paid Family Leave ("NYPFL") program, which becomes effective on January 1, 2018.

The guidance answers certain fundamental tax treatment questions and states:

- Benefits paid to employees will be taxable non-wage income that must be included in federal gross income;
- Taxes will not automatically be withheld from benefits; employees can request voluntary tax withholding;
- Premiums will be deducted from employees' after-tax wages;
- Employers should report employee contributions on Form W-2 using Box 14 State disability insurance taxes withheld;
 and
- Benefits should be reported by the State Insurance Fund on Form 1099-G and by all other payers on Form 1099-MISC.

We will continue to keep you apprised.

For additional information, visit: https://www.tax.ny.gov/pdf/notices/n17_12.pdf