



Issued date: 09/10/20

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, 2021 as follows:

- The contribution rate increases to 0.511% of weekly wages, up to a maximum annual contribution of \$385.34.
- The maximum weekly benefit increases to 67% of average weekly wages payable for 12 weeks and will be capped at \$971.62.

Additional details are provided below.

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 2021, the contribution percentage has been set at 0.511% (includes a 0.005% risk adjustment for COVID-19 quarantine claims) and the New York State AWW in effect will be \$1,450.17. Therefore,

based on these amounts the maximum annual employee contribution for 2021 will be \$385.34. A comparison to the 2020 contribution amounts is as follows:

	2021	2020	Percentage change
Contribution Percentage	0.511%	0.27%	89.3%
NYS Average Weekly Wage	\$1,450.17	\$1,401.17	3.5%
Annualized NYS Average Weekly Wage	\$75,408.84	\$72,860.84	3.5%
Maximum Annual Contribution	\$385.34	\$196.72	96.1%

Benefits

Beginning January 1, 2021, the PFL benefit will increase to the final phased-in maximum 67% of an employee's Average Weekly Wage (up to the New York State AWW) payable for 12 weeks. Therefore, the maximum weekly benefit for 2021 will be \$971.61 (the maximum annual benefit in 2021 increases to \$11,659.32). A comparison to the 2020 benefit levels is as follows:

	2021	2020	Percentage change
Benefit Percentage	67%	60%	12.0%
Weeks Payable	12	10	20.0%
Maximum Weekly Benefit	\$971.61	\$840.70	15.6%
Maximum Annual Benefit	\$11,659.32	\$8,407.00	15.6%

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 climate. For 2021, the Superintendent has determined the 2021 PFL benefit increase is appropriate and therefore, will be implemented as scheduled and noted above. This is the final year of the scheduled PFL increases that became effective in 2018.

Employer Action

Employers should prepare for the 2021 New York PFL contribution and benefit increases that begin in January. Paid Family Leave coverage will typically be added as a rider on an employer's existing disability insurance policy although benefits can be provided through a self-funded plan approved by the state Workers' Compensation Board.

