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The New York State Department of Financial Services has announced the contribution rate under the New York Paid Family Leave (“PFL”) law effective January 1, 2023, will be reduced by **10%** and be set at **.455%** of weekly wages.

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 (“NYAWW”). For 2023:

- NYAWW in effect will be **\$1,688.19**, an increase of 5.9% from the 2022 NYAWW of \$1,594.57. The annualized NYAWW is **\$87,785.88**.
- The maximum annual employee contribution will be \$399.43 (\$423.71 in 2022).

The PFL benefit is 67% of an employee’s Average Weekly Wage (up to the NYAWW) payable for 12 weeks. For 2023:

- The maximum weekly PFL benefit will be **\$1,131.08** (\$1,068.36 in 2022).
- The maximum annual PFL benefit payable for 12 weeks will be **\$13,572.96** (\$12,820.32 in 2022).

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.
- If an employee begins continuous leave in 2022 and the leave extends into the 2023, the benefit is based on the rate in effect on the first day of leave (i.e., in 2022) and is not recalculated at the 2023 rate.
- If an employee begins intermittent leave in 2022 and the leave extends into the following year and there is at least a three-month lapse in days taken under NYPFL, the leave is considered a new claim under the law in 2023 and the benefit is calculated at the 2023 rate.

Employer Action

Employers should prepare for the 2023 New York PFL contribution and benefit changes that begin in January. PFL 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 New York Workers’ Compensation Board.