

New York Sets Maximum Employee Contribution for Paid Family Leave

The New York Paid Family Leave Law, which becomes effective January 1, 2018, will, when fully phased in, result in eligible employees being entitled to up to 12 weeks of paid family leave when they are out of work for certain qualifying reasons. As discussed in the New York Labor and Employment Law articles from [May 25, 2017](#) and [March 13, 2017](#), the paid family leave program is intended to be funded entirely through employee payroll deductions and employers are not required to fund any portion of this benefit. The proposed regulations issued by the New York Workers' Compensation Board provide that employers are permitted, but not required, to begin to collect weekly contributions on July 1, 2017. Under the statute, the New York Department of Financial Services was tasked with setting the maximum employee contribution by June 1, 2017, and annually thereafter.

On June 1, 2017, the Superintendent of Financial Services issued its [decision](#) setting the maximum employee contribution at 0.126% of an employee's weekly wage, up to and not to exceed 0.126% of the statewide average weekly wage (SAWW). The SAWW, which was set by the New York State Department of Labor on March 31, 2017, is currently \$1,305.92. So, for example, if an employee's weekly wage amounts to \$1,000.00, the maximum payroll deduction for PFL would be \$1.26 for that week. For employees who make more than the SAWW of \$1,305.92, the PFL deduction will be capped at \$1.65 per week (0.126% of \$1,305.92). As a reminder, the SAWW is calculated annually on March 31st based on the previous calendar year, so the maximum PFL employee contribution will likely increase in March 2018.

We will continue to provide updates on the PFL, including the status of the proposed regulations, as information becomes available.

If you have any questions about this Information Memo, please contact [Christa Richer Cook](#), [Kerry W. Langan](#) or any of the [attorneys](#) in our [Labor and Employment Law Practice](#), or the attorney in the firm with whom you are regularly in contact.



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