

COMPLIANCE ALERT

New York Paid Family Leave Rate Change and Benefit Improvements Set for 2023

September 30, 2022

Action Required:

- Ensure deduction amount for the premium contributions will be updated.
- Ensure your insurance carrier will update their policy forms.
- Communicate the upcoming changes to employees.

The New York Department of Financial Services (DFS) recently [announced](#) the 2023 premium and contribution rates for New York Paid Family Leave (NYPFL) benefits, as well as other [benefit improvements](#). Notably, even though benefits will be expanding to cover more family members in 2023, employees' premium contribution rate will go down.

For 2023, employees will contribute 0.455% of their gross wages each pay period (down from 0.511% in 2022) toward NYPFL premiums. The maximum annual employee contribution (or "contribution cap") for 2023 will be \$399.43. This is \$24.28 less than 2022.

What Do Employers Need to Do Now to be Prepared for the Rate Change and other Changes?

Employers should do the following to be prepared for next year's premium rate change:

- If your organization collects contributions from payroll deductions, ensure that the deduction amount for the premium contributions will be updated—specifically, you should begin working with your insurance carrier, payroll provider and other vendors now to make sure that they will be updating their internal systems to reflect this change;
- Check with your organization's insurance carrier to make sure that it is following the required process with the state of New York to update their policy forms to reflect the premium rate change and benefit improvements;
- Communicate the upcoming change in deduction amounts to employees; and
- Review your insurance, benefits, leave of absence, paid time off and other relevant policies now to ensure that they remain compliant with the updated contribution structure and benefit improvements for 2023. ■

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This contribution cap is equivalent to 0.455% of the New York State Average Weekly Wage (NYSAWW) of \$1,688.19 (annualized to about \$87,000 a year). Employees earning less than the current NYSAWW will contribute less than the annual contribution cap of \$399.43, consistent with their actual wages.

Premiums should be withheld from an employee's gross wages until the annual contribution cap is reached, and if this occurs prior to the end of the calendar year, then the employee is not responsible for making any additional contributions for the remainder of the calendar year.

What are the Leave Benefits in 2023?

In 2023, employees will be entitled to up to 12 weeks of leave at 67% of their average weekly wage, capped at \$1,131.08 per week, or 67% of the NYSAWW. This is \$62.72 more than the maximum weekly benefit for 2022. The duration of the leave benefits (12 weeks) remains the same as for 2022.

Which new Family Members are Eligible for Benefits in 2023?

In 2023, the list of family members for whom eligible employees can take NYPFL to care for will include siblings with a serious health condition. This includes biological siblings, adopted siblings, stepsiblings and half-siblings. These family members can live outside of New York State, and even outside of the country.

What are the Reasons to Take New York Paid Family Leave?

Eligible employees are entitled to paid leave from work for:

- Providing care, including physical or psychological care, to their family members due to a family member's serious health condition;
- Bonding with their newborn children during the first year of the child's life, or in the case of adoption or foster care placement, for the first year after the placement of a child with the employee; and
- Any qualifying reason provided for under the federal Family and Medical Leave Act arising from the employee's child, parent, spouse, or domestic partner being on active military duty, or being notified of an impending call or order to active military duty.

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**If you have any additional questions, please
call your Corporate Synergies Account Manager
or 866.CSG.1719.**