



New York State Comptroller
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Economic and Policy Insights

New York's Paid Family Leave Program

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New York State recently began providing 12 weeks of fully paid parental leave for certain State employees to bond with a newborn, adopted or foster child. The State’s parental leave policy builds on a prior program enacted in 2016 that greatly expanded paid family leave for employees statewide and increased the share of private workers eligible for the benefit in New York to at least 88 percent in 2021 — compared to 23 percent nationally.

Analysis of claims data from the initial four years of the program indicates:

- Participating insurers approved over 550,000 claims and paid over \$2.2 billion in cash benefits to eligible employees.
- Bonding with a newborn child generated over 80 percent of all payments and more than 70 percent of all claims by claim type.
- Women filed and received about two-thirds of all program claims and payments.
- Service employees — such as health care, education, information and legal services workers — accounted for nearly 45 percent of all claims by industry.
- Employees earning less than \$40,000 per year accounted for the greatest number of claims, with the number generally decreasing as income rises, suggesting paid family leave is a particularly important benefit to low- to moderate-income employees.

Paid Family Leave Program Spurs Large Boost in Coverage

New York’s Paid Family Leave (PFL) provides paid time off for eligible employees who are caring for a family member with a serious health condition; bonding with a newborn, or newly adopted or foster child; or assisting a family member deployed abroad on active military service.¹ The program began providing benefits on January 1, 2018; maximum weeks of leave and percentages of weekly benefit payments were phased in over four years by January 1, 2021.

PFL is an enhancement of previously available benefits. The federal Family and Medical Leave Act (FMLA) of 1993 provides eligible workers with *unpaid* leave for a limited set of family caregiving needs, but does not require private employers to provide paid leave.² Workers who are covered by the Americans with Disabilities Act may qualify for unpaid leave in certain cases, and New York’s disability benefits law (DBL) provides cash benefits for employees who are unable to work due to *their own* non-job-related illness/disability or injury that happened off the job. PFL was enacted in April 2016 as an addition to the State’s short-term DBL, and provides *paid leave* for employees to bond with or care for someone else.³ New York was the fourth state to offer family leave insurance — following California (2004), New Jersey (2009) and Rhode Island (2014).⁴

As a result of the State’s PFL program, the percentage of New Yorkers with access to paid family leave benefits in 2021 —the last year for which New York, regional and national data are available— was much higher than comparable percentages for the Northeast Census Region and the United States as a whole, as shown in Figure 1.

FIGURE 1
Access to Paid Family Leave, 2015 and 2021

	2021	2015
New York State	88%	NA
Northeast Census Region	29%	14%
United States	23%	12%

Note: New York State percentage is calculated using total non-farm employment.
Sources: U.S. Bureau of Labor Statistics National Compensation Survey, NYS Department of Financial Services, NYS Labor Department, and OSC analysis

Paid Family Leave Is an Employee-Funded Benefit

The New York State Department of Financial Services (DFS) supervises and regulates all PFL insurance carriers. In addition, in collaboration with DFS, the State Workers’ Compensation Board (WCB) approves self-insured employers, PFL-related regulations, PFL outreach and communications, enforcement and compliance, PFL discrimination, and other administrative functions.⁵

Most employees who work for private employers based in New York are eligible for paid family leave coverage.⁶ “Covered employers” are required to provide coverage for all of their full- and part-time employees, except for employees who have signed a waiver.⁷ Under current PFL policy, covered employees become eligible to take PFL once they have met minimum time-worked requirements: full-time employees working a regular schedule of 20 or more hours per week are eligible after 26 consecutive weeks of employment; part-time employees working a regular schedule of less than 20 hours per week are eligible after working 175 days. Employees may take up to 12 weeks of PFL in every 52-week period and continue to have their health insurance benefits, are guaranteed the same or a comparable job after their leave ends, and cannot be discriminated or retaliated against for requesting or taking PFL.

Benefit payments are funded by employees through payroll deductions that employers use to pay for premiums on policies provided by participating insurance carriers.⁸ DFS sets the deduction rate every year as a percentage of employee wages. For 2023, the deduction rate is 0.455 percent of employee wages per pay period, not to exceed an annual maximum employee contribution of about \$399.⁹ Rates are determined by DFS based on review of claims,

demographic, financial and other PFL benefits data, among other factors, consistent with actuarial principles.¹⁰ Employers are responsible for collecting employee payroll contributions, providing a waiver to employees who qualify for one, paying for PFL insurance using the employee contributions, and reporting employee contributions on W-2 tax forms.¹¹

As shown in Figure 2, in the first year of the program in 2018, employees were eligible to take up to 8 weeks of paid leave in every 52-week period and receive half of their weekly wage up to half of the State average weekly wage. Leave times and wage percentages were fully implemented in 2021 and, for each succeeding year, cannot exceed 12 weeks and 67 percent of the employee’s average weekly wage up to the same percentage of the State average weekly wage (\$1,688 in 2023).

FIGURE 2
PFL Weeks of Leave, Benefits and Payroll Deductions / Contributions by Year, 2018–2023

	2018	2019	2020	2021	2022	2023
Weeks of Leave	8	10	10	12	12	12
Percentage of Employee Average Weekly Wage	50%	55%	60%	67%	67%	67%
NYS Average Weekly Wage	\$1,306	\$1,357	\$1,401	\$1,450	\$1,595	\$1,688
Maximum Weekly Wage Benefit	\$653	\$746	\$841	\$972	\$1,068	\$1,131
Employee Payroll Deduction Percentage	0.126%	0.153%	0.270%	0.511%	0.511%	0.455%
Maximum Employee Contribution	\$86	\$108	\$197	\$385	\$424	\$399

Sources: NYS DFS and NYS WCB

While every employee pays the same rate, payroll deductions depend on how much an employee earns: those earning less pay lower amounts; those earning more pay higher amounts and are eligible for higher benefits. Figure 3 illustrates PFL payroll deductions, as well as potential benefit payments, at different income levels in 2023.

FIGURE 3
PFL Payroll Deductions and Benefit Payments for 2023

Employee Weekly Wage	Weekly Payroll Deduction	Annual Payroll Deduction	Weekly Benefit	Maximum Total Benefit
\$519 (about \$27,000 per year)	\$2.36	\$122.72	\$347.73	\$4,172.76
\$1,000 (about \$52,000 per year)	4.55	236.60	670.00	8,040.00
\$1,688.19 (about \$87,000 per year) or more	7.68	399.43	1,131.08	13,572.96

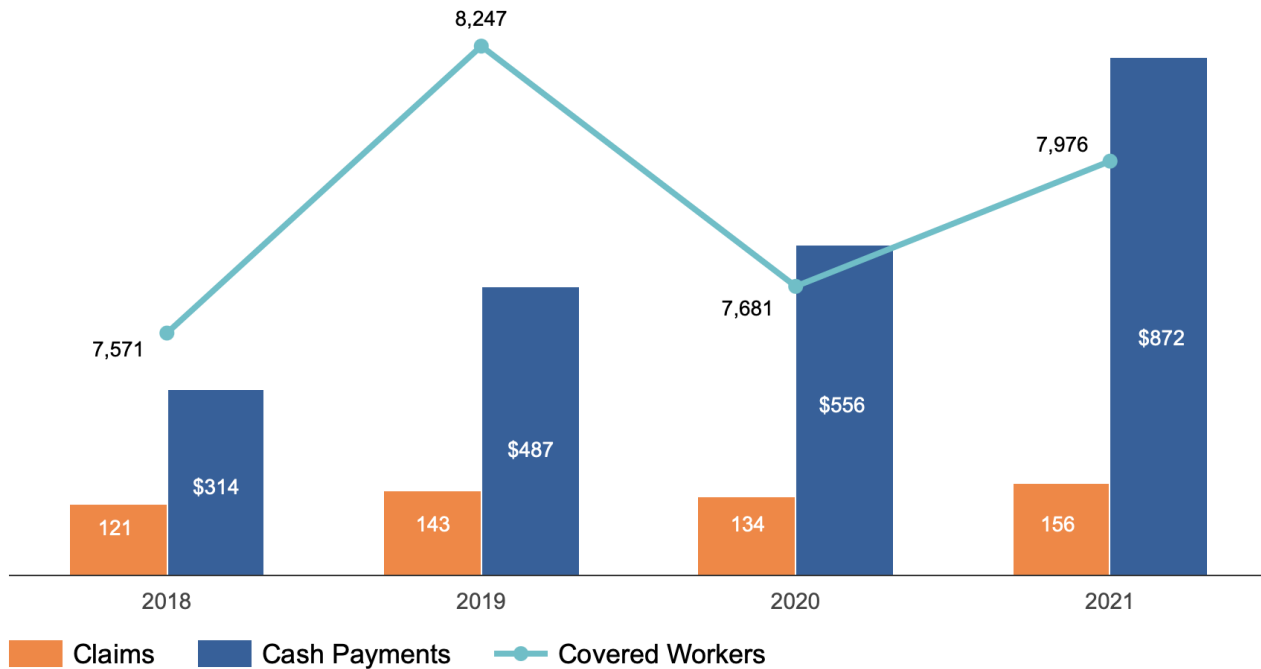
Source: NYS WCB

For example, employees earning about \$27,000 a year will pay \$2.36 per week (\$519 in gross wages multiplied by 0.455 percent), and would receive \$347.73 in payments per week, up to a maximum total benefit of \$4,172.76, for up to 12 weeks of paid family leave. Covered employees earning the State average weekly wage of \$1,688 (about \$87,000 a year) or more will pay 0.455 percent of their gross wages each pay period until they reach the maximum of about \$399. When taking the benefit, these employees will receive just over \$1,131 per week, up to a maximum total benefit of \$13,573 for 12 weeks of paid family leave.¹²

Use of NY Paid Family Leave Program Between 2018 and 2021

In 2021, almost 8 million workers were covered under PFL, with \$872 million paid on approximately 156,000 claims. Between 2018 and 2021, payments increased steadily, reflecting the four-year ramp-up in the program’s weeks of leave and maximum weekly cash benefits, as shown in Figure 4.

FIGURE 4: NYS Paid Family Leave Program, 2018-2021, Claims and Covered Workers (in thousands); and Cash Payments (in millions)

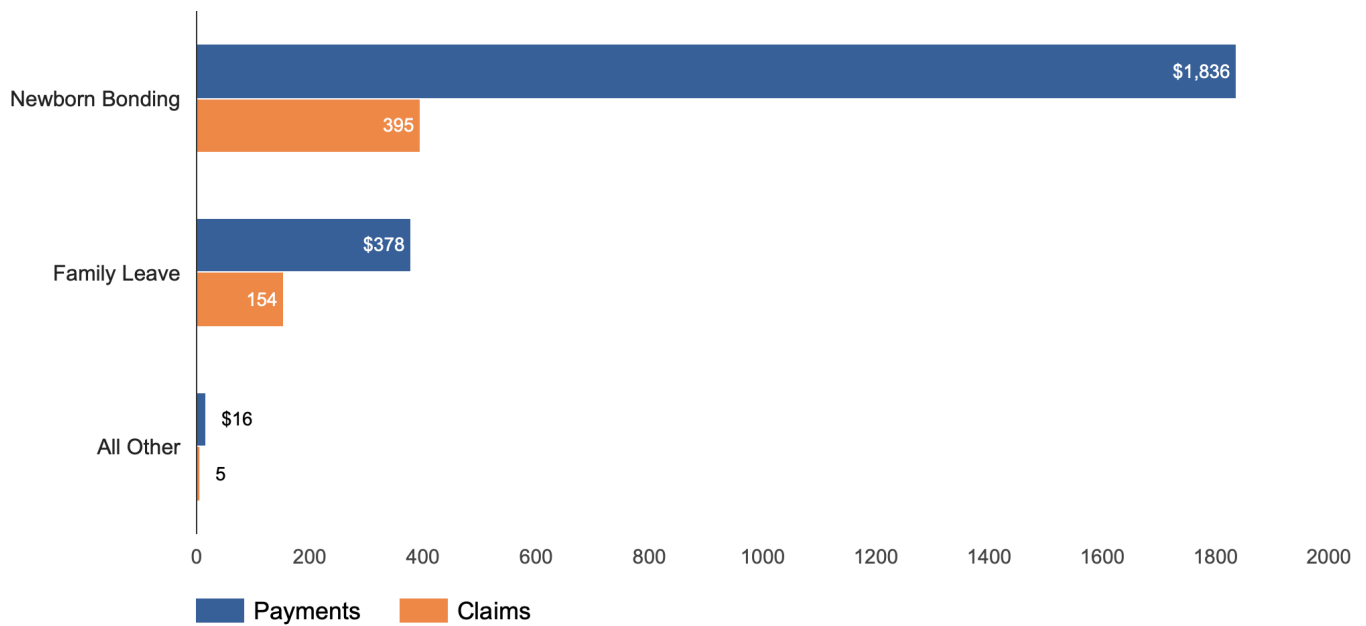


Source: NYS DFS

In 2020, the pandemic led to “an overall reduction in the utilization of paid family leave benefits, as well as a reduction in the number of New York State covered workers,” according to DFS.¹³ Despite these reductions, PFL utilization rates (claims divided by covered workers) increased from 1.6 percent in 2018 and 1.7 percent in 2019 and 2020 to about 2 percent in 2021.

As shown in Figure 5, bonding with a newborn child accounted for over 395,000 or 71.4 percent of all PFL claims from 2018 through 2021, and more than \$1.8 billion or 82.4 percent of all PFL payments over the same time-period. Family leave accounted for most of the rest of PFL claims and payments, with nearly 154,000 or 27.8 percent of all claims and \$377.6 million or 16.9 percent of all payments over the four-year period. Women filed 65 percent of all claims and received 68 percent of all payments in the first four years of the program.

FIGURE 5
PFL Claims (in thousands) and Payments (in millions) by Claim Type, 2018–2021

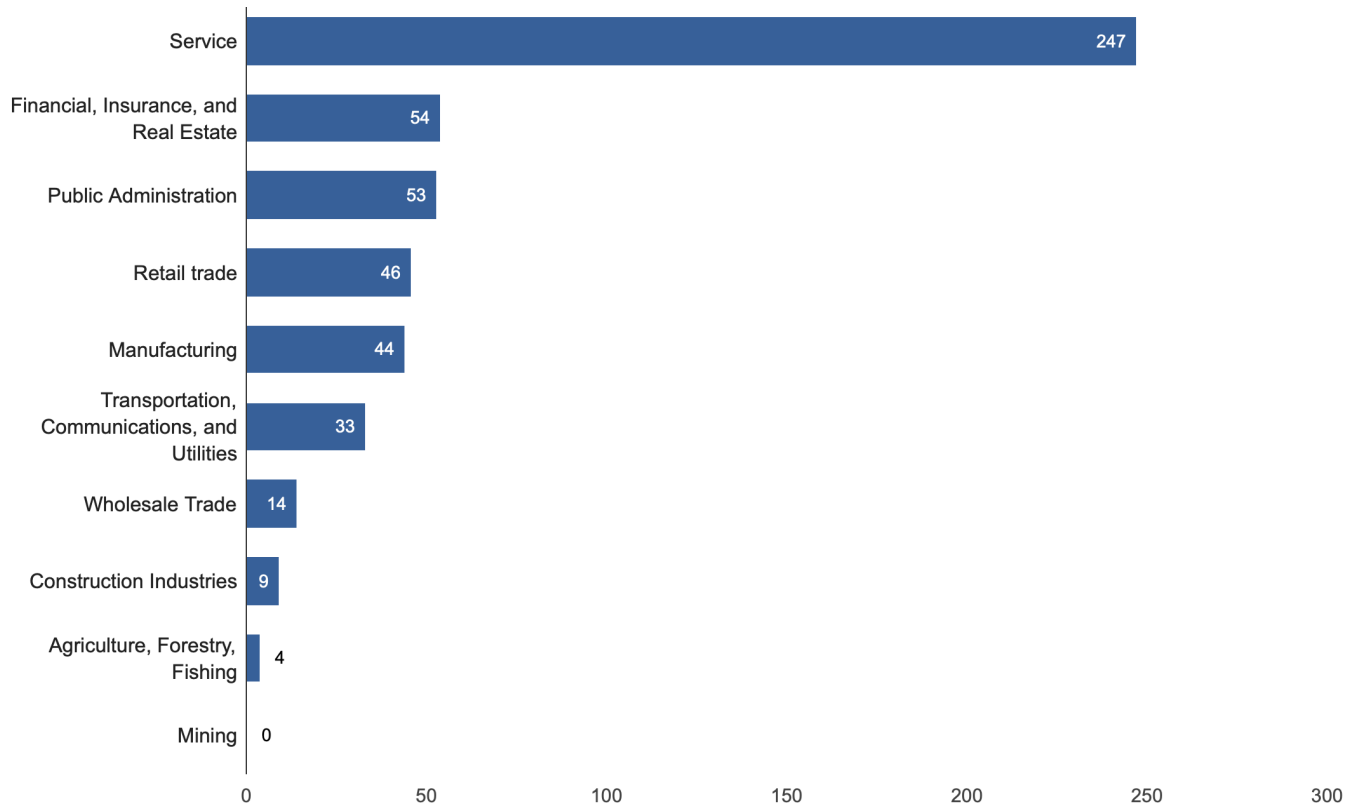


Note: All Other includes adoption bonding, foster child bonding, deployment on active military service and missing data not supplied by the insurance carriers participating in the program.

Source: NYS DFS

Employees in service industries accounted for the greatest number of PFL claims by industry—over 247,000 or 44.7 percent of all claims—in the first four years of the program, as shown in Figure 6. According to DFS, service industries include employees at hotels, health, legal and education companies, museums, art galleries, and engineering and accounting firms. In 2021, service industry jobs made up about 40 percent of all private industry employment in New York, according to State Labor Department data.

FIGURE 6
PFL Claims (in thousands) by Industry, 2018–2021

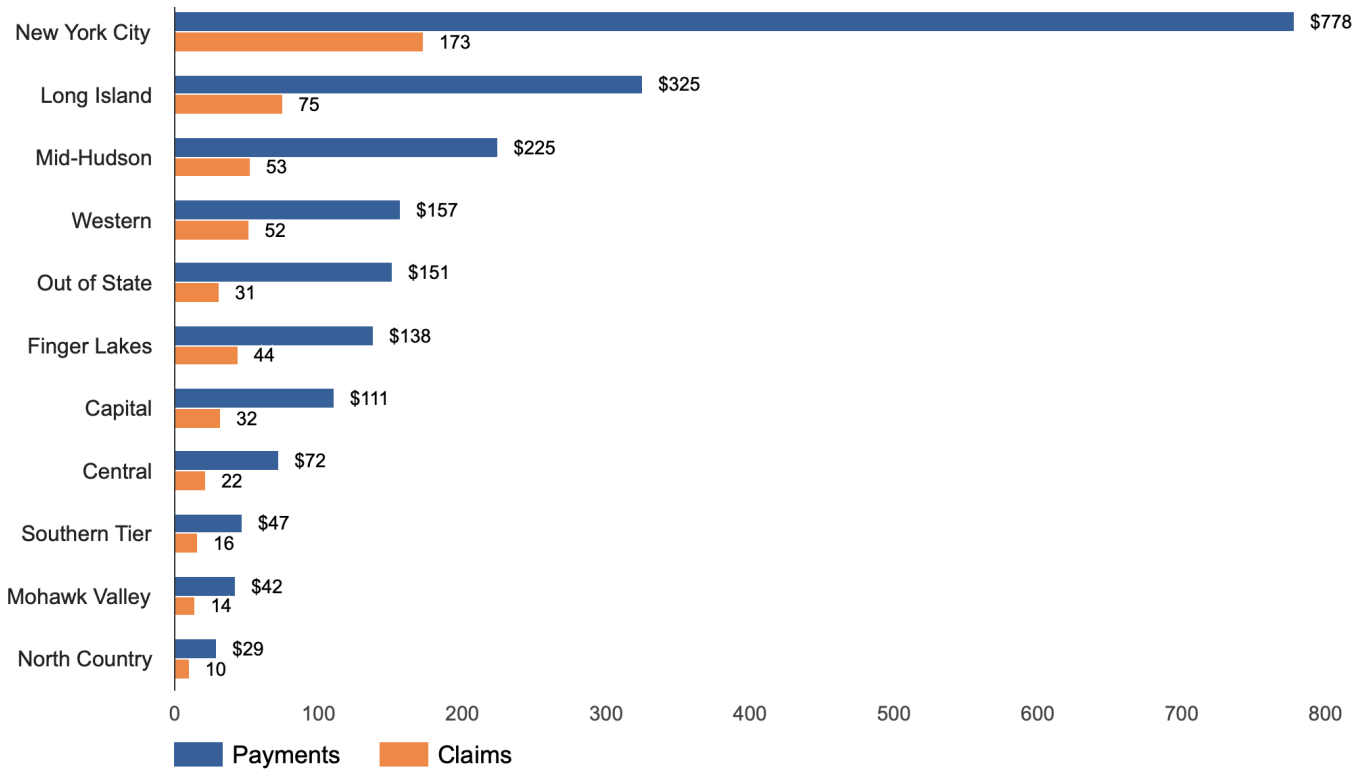


Note: The total number of claims by industry reported to DFS for 2018 through 2021 is 552,678. This number includes 49,048 missing claims, data for which was not supplied by the insurance carriers participating in the program. In addition, the number of industry claims does not equal the total number of claims paid by the program—553,743—because of matching issues involving certain identification data, according to DFS.

Source: NYS DFS

Employees have benefitted from PFL across the State, as shown in Figure 7. While New York City accounted for the greatest share of PFL transactions—31 percent of all claims and 35 percent of all payments—in the first four years of the program, these percentages are less than the City’s share of the State’s overall population and private sector employment during those years—43 percent and 48 percent, respectively. PFL transactions in all other regions of the State were generally proportional to their population and employment numbers.

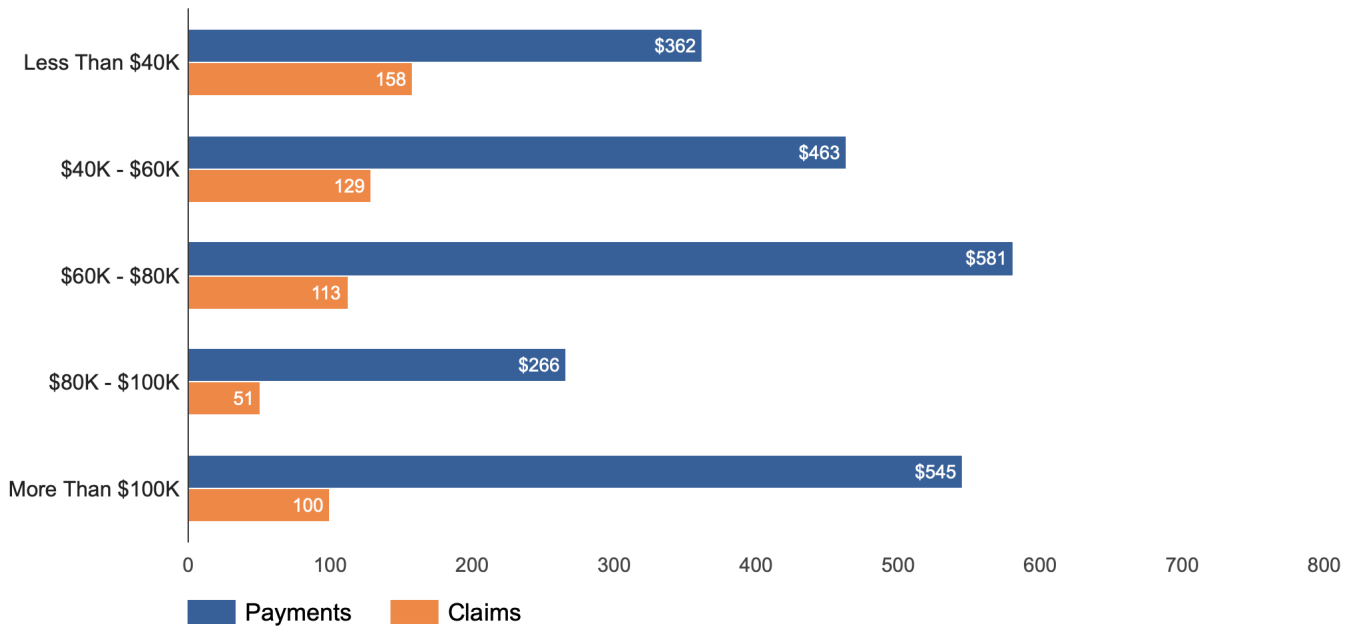
FIGURE 7
PFL Claims (in thousands) and Payments (in millions) by Region, 2018–2021



Source: NYS DFS

As shown in Figure 8, employees in the lowest wage band—those earning less than \$40,000 per year—accounted for the greatest number of PFL claims in the first four years of the program. According to DFS, most claimants earn below the state average wage, which DFS reported as \$75,409 in 2021.¹⁴ Claimants in the \$60,000–\$80,000 wage range received the most PFL payments, more than \$581 million, from 2018 through 2021. The number of claims generally decrease as income rises, suggesting PFL is an important benefit particularly to low- to moderate-income employees.¹⁵

FIGURE 8
PFL Claims (in thousands) and Payments (in millions) by Wage Band, 2018–2021



Source: NYS DFS

Conclusion

New York’s PFL program has provided a meaningful benefit for millions of New Yorkers to care for their loved ones, particularly for low-wage workers who may not have had access to paid leave previously. The State should continue to build on this success by ensuring that employers are aware of their responsibilities and that workers are aware of the benefits of PFL and the employment and health insurance protections that come with the benefit.

While the overwhelming majority of private workers are covered, many public employees do not receive the same coverage; public employers are not mandated to provide PFL but may opt into the program.¹⁶ Union-represented public employees may be covered if the benefit has been negotiated through collective bargaining. Among State employees, PFL is available for some Management/Confidential (M/C) employees, State employees represented by District Council 37, and some United University Professions employees.¹⁷

Separate from PFL, the State of New York recently began to provide up to 12 weeks of paid parental leave (PPL) for more than 10,000 non-unionized executive branch State workers to bond with a newly born, adopted, or fostered child, and does not require any contribution from these employees.¹⁸

Endnotes

- 1 New York State Paid Family Leave (NYS PFL), 2018 Year In Review, available at https://www.governor.ny.gov/sites/default/files/atoms/files/PFL_EOYReport_2018_FINAL.pdf.
- 2 Congressional Research Service, “Paid Family and Medical Leave in the United States,” updated June 13, 2022, available at <https://crsreports.congress.gov/product/pdf/R/R44835>.
- 3 Under State law, DBL and PFL benefits cannot be taken at the same time. If an employee has an event that qualifies for leave under both FMLA and NYS PFL, and the employer is covered under both laws, the employer can require them to run concurrently. The major differences between the FMLA and NYS PFL are summarized at NYS PFL, “Paid Family Leave and Other Benefits,” available at <https://paidfamilyleave.ny.gov/paid-family-leave-and-other-benefits>.
- 4 Congressional Research Service (CRS), “Paid Family and Medical Leave in the United States,” updated June 13, 2022, available at <https://crsreports.congress.gov/product/pdf/R/R44835>. The CRS document indicates four other states—Connecticut, the District of Columbia, Massachusetts, and Washington—have active programs, while four additional states—Colorado, Delaware, Maryland, and Oregon—await implementation.
- 5 New York State Department of Financial Services (DFS), *New York State Paid Family Leave Report 2018–2021*, available at https://www.dfs.ny.gov/reports_and_publications/pfl.
- 6 Exceptions include licensed ministers, priests or rabbis; persons working for not-for-profit organizations in a professional or teaching capacity; and golf caddies, although private employers may voluntarily cover them. See NYS PFL, “Eligibility, Who is eligible for Paid Family Leave?,” available at <https://paidfamilyleave.ny.gov/eligibility>.
- 7 Private employers that employ one or more persons in the State on each of 30 days in any calendar year become a “covered employer” under the PFL program four weeks after the 30th day of such employment. Coverage is also required for domestic or personal employees working 20 or more hours per week for one employer. Employees may waive their family leave benefits if their regular employment schedule is 20 hours or more per week, but they will not work 26 consecutive weeks, or if their regular employment schedule is less than 20 hours per week and the employee will not work 175 days in a 52 consecutive week period.

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- 8 For 2023, DFS authorized 24 insurance companies to issue standalone PFL policies or policy riders attached to existing DBL policies.
 - 9 The 2023 premium is 11 percent lower than the rates for 2021 and 2022, due in part to DFS calculations that a 0.005 percent COVID surcharge collected in the rates for 2021 and 2022 is sufficient to cover 2023 COVID-19 claims paid under Chapter 25 of the Laws of 2020, which provided employees in New York job-protected paid sick leave and other benefits during a mandatory or precautionary order of quarantine or isolation due to COVID-19. See Chapter 25 of the Laws of 2020, available at https://assembly.state.ny.us/leg/?default_fld=&leg_video=&bn=A10153&term=2019&Summary=Y&Memo=Y&Text=Y.
 - 10 DFS, “Decision on Premium Rate for Paid Family Leave Benefits and Maximum Employee Contribution for Coverage Beginning January 1, 2023,” available at https://www.dfs.ny.gov/apps_and_licensing/health_insurers/pfl_rate_decision_2023.
 - 11 NYS PFL, *Cost and Deductions*, available at <https://paidfamilyleave.ny.gov/cost>.
 - 12 NYS PFL, *New York Paid Family Leave Updates for 2023*, available at <https://paidfamilyleave.ny.gov/2023>.
 - 13 DFS, “Decision on Premium Rate for Paid Family Leave Benefits and Maximum Employee Contribution for Coverage Beginning January 1, 2022,” available at https://www.dfs.ny.gov/apps_and_licensing/health_insurers/pfl_rate_decision_2022.
 - 14 The DFS report on the first four years of the paid family leave program lists State average wages of \$67,908 in 2018; \$70,570 in 2019; \$72,861 in 2020; and \$75,409 in 2021.
 - 15 DFS indicates if the >\$100K grouping also was disaggregated in \$20,000 intervals, the \$80,000-100,000 wage band would be larger than each one of those groupings.
 - 16 NYS PFL, “Eligibility: Who is eligible for Paid Family Leave?”, available at <https://paidfamilyleave.ny.gov/eligibility>.
 - 17 The benefit is available to State Management/Confidential (M/C) employees in Bargaining Units 06, 18, 46, 66, and 98, State employees represented by District Council 37, United University Professions (UUP) employees in Bargaining Unit 08 and unclassified Management/Confidential (SUNY MC13) employees. See New York State Department of Civil Service (DCS), “Paid Family Leave—New York State Employees,” available at <https://www.cs.ny.gov/pfl/>.

18 According to the State Department of Civil Service, this benefit is available to more than 10,000 unrepresented executive branch State employees who work full-time or at least 50 percent part-time to bond with a newly born, adopted, or fostered child, effective February 14, 2023. See DCS, Attendance and Leave Manual Policy Bulletin 2023-01, Section 21.12, February 2023, available at https://www.cs.ny.gov/attendance_leave/PoIBull23-01.cfm.

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