

## Client Alert

### **New York State Set to Raise Minimum Wage & Implement Paid Family Leave Benefits**

April 5, 2016 – Last week, the New York State legislature passed a budget that includes a plan to raise the hourly minimum wage throughout the State of New York over the next few years. The approved budget deal also includes a plan to implement certain paid family leave for employees who work in New York which, when fully implemented, will result in up to 12 weeks of paid family leave to care for a newborn or a seriously ill family member based on a set formula. As such, New York will join California, New Jersey and Rhode Island as the only States to offer guaranteed paid family leave benefits.

#### **Increases to the Minimum Wage Rate in New York:**

The minimum wage increases do not take effect immediately. Rather, the hourly minimum wage rate will gradually increase over the next few years, based on the location and size of the employer. The table below summarizes the increases that will go into effect, likely at the end of each calendar year:

	2016	2017	2018	2019	2020	2021
Fast-Food Employees in NYC	\$12.00	\$13.50	\$15.00			
Fast-Food Employees outside NYC	\$10.75	\$11.75	\$12.75	\$13.75	\$15.00	
NYC Employers with 11 or more Employees	\$11.00	\$13.00	\$15.00			
NYC Employers with 10 or fewer Employees	\$10.50	\$12.00	\$13.50			
Employers in Nassau, Suffolk and Westchester	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00
Upstate New York (North of Westchester)	\$9.70	\$10.40	\$11.10	\$11.80	\$12.50	

Further increases in upstate New York are still possible after 2020, however, state officials plan to first analyze certain economic factors such as inflation before additional increases are implemented.

**Paid Family Leave:**

The passed budget also includes a plan for paid family leave. Similar to the minimum wage increases, the paid family leave benefits will be phased in gradually over the next few years. Starting in 2018, employees who have been employed for six months will be eligible to take up to 8 weeks of employee-funded paid family leave to care for a newborn child or a family member with a serious health condition or to relieve family pressures when someone is called to active military service. Employees will initially collect up to 50% of their pay, capped at 50% of the statewide average weekly wage. By 2021, when the paid family leave program is fully operational, employees will be eligible to take up to 12 weeks of leave and will receive up to 2/3 of their average weekly pay, capped at 2/3 of the statewide average weekly wage. Employees are eligible for the paid leave program after having worked for the employer for six months. All employees in the State will have 70 cents a week deducted from their paycheck to fund the leave program. That amount will eventually be increased to \$1.40 per week. By so doing, the State (to which the amounts deducted shall be remitted) will fund workers' paid leave; rather than it being funded by the employer.

If you require any additional information about these new employment laws, or any other employment-related issue, please contact:

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