Published on The National Law Review https://natlawreview.com

New York Paid Family Leave, Increased Benefits at a Lower Contribution Rate for 2023

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With the final quarter of 2022 approaching, New York employers should be aware of the changes to the New York Paid Family Leave ("Paid Family Leave") program set to take effect in 2023. Employers can expect an increase on the weekly benefits cap, as well as a decrease in the employee contribution rate.

Beginning in 2018 and increasing in benefits over the past few years, the Paid Family Leave program provides eligible employees with up to 12 weeks of job-protected, partially-paid time off to bond with a new child, care for a family member with a serious health condition, or to provide assistance when a family member is deployed abroad on active military service. As we <u>previously reported</u>, New York expanded the program's definition of "family member" to include "siblings," which will take effect on January 1, 2023. "Sibling" includes biological or adopted siblings, half-siblings, and step-siblings.

Increase to Maximum Weekly Benefits

Employees taking covered leave will receive Paid Family Leave insurance benefits equal to either 67% of their weekly pay, or 67% of the Statewide Average Weekly Wage ("SAWW"), whichever is less. The SAWW, which is updated annually, has been set at \$1,688.19 for 2023. Accordingly, the maximum weekly benefit available to employees will be \$1,131.08. This is an increase of \$62.72 from the maximum weekly benefit for 2022.

Decrease in Employee Contribution Rate

Although benefits under the Paid Family Leave program will cover more family members next year, the employee contribution rate will go down. Paid Family Leave benefits are funded by employees through payroll deductions. In 2023, employees will contribute 0.455% of their gross wages per pay period with the maximum annual contribution set at \$399.43. This is approximately a 17% decrease from this year. Employees earning less than the SAWW will contribute less than the maximum contribution.

Employers should update their Paid Family Leave policy to include the expanded definition of a family

member. Employers may wish to confirm that the 2023 employee contribution rate is properly updated to ensure correct payroll administration.

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National Law Review, Volume XII, Number 262

Source URL: https://natlawreview.com/article/new-york-paid-family-leave-increased-benefits-lower-contribution-rate-2023