PAID FAMILY LEAVE (PFL) OVERVIEW

In February 2017, New York State passed the Paid Family Leave Act. Paid Family Leave (PFL) is intended to allow qualified employees in New York State the ability to take paid time off to care for a close relative with a serious health condition, assist a qualified family member who is called to active military service, or bond with a newborn or newly placed child. PFL benefits will be available to eligible employees on or after January 1, 2018. The PFL Act also guarantees that employees can return to their job and maintain health insurance (with continued contribution to the premium).

This document is intended to provide an initial overview of Paid Family Leave. Details about the rules for and administration of this leave are still in development. If there are any discrepancies between this document and subsequent policies or procedures, the subsequent documents control.

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Paid Family Leave Use

- Provide physical or psychological care for a family member with a serious health condition. In addition to spouses and domestic partners, “family member” includes children, parents, grandparents, and grandchildren, all of which are broadly defined to include in-laws, “step” relationships, and in loco parentis relationships.
- Bond with a child during the first 12 months following the birth, adoption, or foster placement of the child.
- Attend to a qualified military exigency (as defined under the Family Medical Leave Act) arising from the service of a spouse, domestic partner, child, or parent in the U.S. Armed Forces. Child and parent are broadly defined.
Paid Family Leave Eligibility

- Employee whose regular schedule is 20 hours or more per week and has worked for at least 26 consecutive work weeks preceding the first full day family leave begins, or Employee whose regular schedule is less than 20 hours per week and has worked 175 days preceding the first full date the leave begins.
- Each employee is only eligible for 8 weeks of PFL (increases to 10 weeks in 2019, and 12 weeks after 2021).
- Each employee is only eligible for a combined total of 26 weeks of disability and PFL in one 52-week period.

Example: I have taken 20 weeks of disability for my own health issues. I now have a family member with a serious health issue. I would only be eligible for 6 weeks of PFL based on my utilization of disability in the prior 52 weeks.

Weeks of Paid Leave & Benefit Amount

Paid Family Leave is designed to phase in over four years, starting January 1, 2018.

Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Weeks per Benefit Year</th>
<th>Max % of Employee Salary</th>
<th>Cap % of State Average Weekly Wage (AWW)</th>
<th>State Average Weekly Wage (AWW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/2018</td>
<td>8</td>
<td>50%</td>
<td>50% of 2018 AWW</td>
<td>$1305.92 50% $652.96</td>
</tr>
<tr>
<td>1/1/2019</td>
<td>10</td>
<td>55%</td>
<td>55% of 2019 AWW</td>
<td>TBD</td>
</tr>
<tr>
<td>1/1/2020</td>
<td>10</td>
<td>60%</td>
<td>60% of 2020 AWW</td>
<td>TBD</td>
</tr>
<tr>
<td>1/1/2021</td>
<td>12</td>
<td>67%</td>
<td>67% of 2021 AWW</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Employees may take the maximum benefit length in any given 52-week period. The maximum payment will cap at the percentage of the state average weekly wage, as determined by New York State. The maximum weekly PFL benefit an employee can receive for the first year (2018) is $652.96. The average weekly wage will be determined each year by NY State.
Employee Obligations under Paid Family Leave

- PFL is funded by employee contributions through a payroll deduction.
- The cost of this benefit is shared by workers throughout the State via a small payroll deduction set by the State. In 2018, the rate will be 0.126 percent of an eligible employee’s weekly wage, capped at $85.56 per year (0.126 percent of the NYS average wage). This percentage will be determined each year by New York State along with the state average weekly wage.

Example: A fulltime employee who makes $15.00 per hour has a weekly wage of $600.00 per week. The employee’s contribution for PFL would be .756 cents per week (600 X .00126).

- Employees must provide the employer with at least 30 days’ advance notice before the leave is to begin if the event is foreseeable, or give notice as soon as practicable where there is an unforeseen event. Employees are responsible for submitting all applicable application forms and accompanying documentation and must receive approval from the PFL vendor prior to taking the leave (where the leave is foreseeable).

- Contributions to PFL are not optional for most employees.

Waiver Options

- Employees who have a work schedule that will not allow them to become eligible for PFL can waive the fee along with waiving their eligibility for PFL.
- Employees considering a waiver should proceed with caution, because if the employee does become eligible for PFL in the future, their waiver will be revoked and they will be legally obligated to make PFL contributions back to their hire date.
Employees Who Need to Vote for PFL

- While the UR’s goal is to provide all employees access to PFL, due to a quirk in the law that applies to nonprofits and educational institutions, certain groups of employees are excluded from coverage.
- Specifically, employees of charitable or educational institutions employed in a teaching or professional capacity are excluded. See list of job codes in this link.
- The UR, however wants all of our employees to have access to the benefits and protections of the law and plans to include these employees as part of our PFL program.
- The UR’s goal will fund PLF benefits for all employees in the same manner, through the modest employee payroll deductions described in the PFL law. However, the law indicates that excluded employees cannot be included in a benefit that is funded through a payroll deduction unless a majority of this group actually wants the benefit.
- We are implementing an efficient process that will allow these employees state whether they want to participate in PFL, in hopes that we can show the state that the majority (more than 50%) of this excluded group would like to participate in this benefit option.
- This vote has to be conducted only once, not every year.

How We Are Preparing

- Monitoring updates from NY State regarding interpretations of the regulations.
- Developing policy and FAQ guide along with a website with this information.
- Scheduling informational sessions about PFL with supervisory groups.
- Developing information to be shared with employees about the new benefit and policy.
- Educating HR Business Partners so they can assist with questions.