



OUR TECHNOLOGY IS YOUR FUTURE



New York State

PAID FAMILY LEAVE

{ AGENT / BROKER HIGHLIGHTS }

PFL EFFECTIVE DATE | 01/01/18

PFL BENEFITS DATE | 01/01/18

HIGHLIGHTS UPDATE | 08/01/17

NY STATE DISABILITY & PAID FAMILY LEAVE SERVICES
NY-PFL BULLETIN 08/01/17

POWERED BY



516.482.2696 / www.LiDAC.com

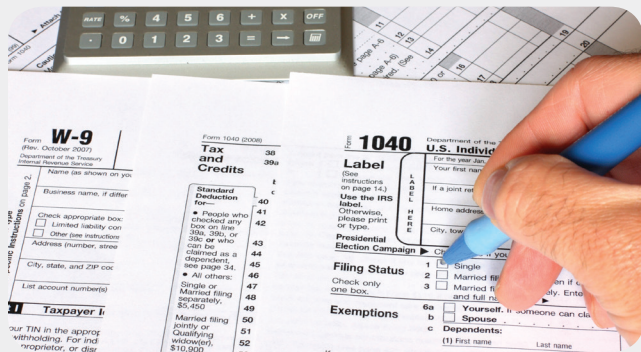
New York State Paid Family Leave

{ AGENT / BROKER HIGHLIGHTS }

INCOME TAX & WITHHOLDINGS Benefit & Contributions

SERIES VI

The New York State Department of Financial Services (DFS) and the New York State Workers' Compensation Board (WCB) have advised insurance carriers they will not be answering questions related to taxability. Rather, the departments will follow the New York State Department of Taxation and Finance and the Internal Revenue Service's (IRS) guidance on these questions. Some Insurance carriers are seeking further ruling and / or guidance from the IRS.



CONTRIBUTIONS

PFL employee contributions **are to be taken on a post-tax basis**. This is likely based on the IRS ruling in relation to California's family leave program that employee contributions are deductible as a state income tax.

- **State income taxes are paid with post-tax dollars;** therefore, the employee contributions are paid from post-tax dollars.
- **Contributions would then be deductible** for taxpayers who itemize.

TAXATION

Federal Income Tax

- > The PFL benefits are treated similar to unemployment compensation, and may be subject to Federal income tax. *Ask your tax Advisor*

State Income Tax

- > The PFL benefits will be exempt and **may not** be, subject to New York State income taxation.

W2 Preparation

- > The PFL benefits paid by an insurance carrier **are reportable** on W2s, or on 1099G forms, if PFL Benefits are paid by a government agency, such as the NY State Insurance Fund.

Social Security and Medicare (Employ-EE: FICA)

- > The PFL benefits paid to an employee **may not** be subject to Social Security and Medicare (FICA) taxes.

Social Security and Medicare (Employ-ER: FICA)

- > The employer **would not** pay a FICA match for any paid family leave benefits to employees.

Note: The PFL benefits are in the nature of unemployment and disability benefit, and are not considered wages paid from an employer. *Prior to advising employees ask your tax advisor.*