



New York law provides for paid family leave and minimum wage increase; income tax reduction under consideration

New York Governor Andrew M. Cuomo [announced](#) on April 4, 2016 that he signed into law one of ten FY 2016-17 budget bills that will gradually increase the statewide minimum wage to \$15 per hour and provide for 12-week paid family leave paid for through employee payroll deduction.

Another budget bill passed by the State Assembly on March 31, 2016, but not yet signed into law by the governor, will provide for a personal income tax cut.

Minimum wage increase

Part K of A 9006C/S6406C provides for a gradual increase in the state minimum wage to \$15, implemented by geographical area, as follows:

- For workers in New York City employed by businesses with at least 11 employees, the minimum wage will rise to \$11 at the end of 2016, then another \$2 each year after, reaching \$15 on 12/31/2018.
- For workers in New York City employed by businesses with 10 employees or fewer, the minimum wage will rise to \$10.50 by the end of 2016, then another \$1.50 each year after, reaching \$15 on 12/31/2019.
- For workers in Nassau, Suffolk and Westchester Counties, the minimum wage will increase to \$10 at the end of 2016, then \$1 each year after, reaching \$15 on 12/31/2021.
- For workers in the rest of the state, the minimum wage will increase to \$9.70 at the end of 2016, then another \$0.70 each year after until reaching \$12.50 on 12/31/2020—after which will continue to increase to \$15 on an indexed schedule to be set by the Director of the Division of Budget in consultation with the Department of Labor.

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Beginning in 2019, an annual analysis of the economy in each region and the effect of the minimum wage increases statewide will be conducted to determine whether a temporary suspension of the scheduled increases is necessary.

Paid family leave

Part SS of A 9006C/S6406C provides for paid family leave that, when fully phased- in, will provide employees with 12 weeks of paid family leave when caring for an infant, a family member with a serious health condition or to relieve family pressures when someone is called to active military service.

The program will be funded entirely through employee payroll deduction, similar to the current disability insurance deduction, with no matching employer contribution. According to the bill language, on June 1, 2017, the financial services section of the Workers' Compensation Board will set the amount of the employee contribution for calendar year 2018. Thereafter, the payroll deduction amount will be set on September 1 for the following calendar year.

Family leave benefits will be phased-in beginning in 2018 at 50% of an employee's average weekly wage, capped to 50% of the statewide average weekly wage, and fully implemented in 2021 at 67% of their average weekly wage, capped to 67% of the statewide average weekly wage. Employees will be eligible to participate after having worked for their employer for six months.

To view the bill, go to <http://public.leginfo.state.ny.us/navigate.cgi>, and type A9006 in the search box (checking the boxes for status, summary and text).

Proposed income tax cut beginning January 1, 2018

Another budget bill (A9009C/S6409C) that has not yet been signed by the governor will lower personal income tax rates.

With the middle class tax cuts of 2012, rates were lowered from 6.85% to 6.45% for taxpayers in the \$40,000-\$150,000 income bracket, and to 6.65% in the \$150,000-\$300,000 income bracket.

Per the governor's March 31, 2016 [press release](#), under the budget bill (Part TT), the rates will drop even further beginning in 2018 and will continue to drop eventually to 5.5% when the cuts are fully phased in.

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