

SINCE 1976



# THE D.B.L. CENTER LTD.

NICHE INSURANCE SPECIALIST

As a working New Yorker, you generally enjoy a pretty wide range of benefits—from health insurance to (sometimes) paid vacation days. As we look at how Paid Family Leave will add to and enhance these benefits, we need to take a closer look at another existing benefit extended to most employees in New York to fully understand it: Statutory short-term Disability Benefits, or DBL.

## What is DBL?

Provided for by Article 9 of the Worker s Compensation Law, DBL provides paid time off for employees who injured themselves off the job or have a serious illness that requires a sustained period of time away from work.<sup>1</sup> For a maximum of 26 weeks, eligible employees can receive cash benefits of 50% of their average weekly wage, up to the current maximum benefit allowed (\$170/week).<sup>2</sup>

## How PFL and DBL Relate

When Paid Family Leave goes into effect on January 1, 2018, it will be implemented as a rider into existing DBL policies, so any employer covered by DBL will be required to provide PFL to their eligible employees. This also means that both DBL and PFL must be from the same insurance carrier.

Employers who are exempt from DBL, such as municipalities can choose to provide stand-alone Paid Family Leave.

Sole proprietors and partners in LLCs/LLPs can get voluntary Paid Family Leave coverage similar to how they obtained their voluntary DBL coverage.

Therefore, in today's post we will highlight some of the essential features, commonalities, and differences between the two.

## So, how do they compare?

### PFL Expert Tip:

**The key differentiator between PFL and DBL is that DBL is taken for YOUR OWN injury or illness, where Paid Family Leave is taken to care for someone else, for example, a member of your immediate family like a child or parent, or bonding with a newborn after delivery.<sup>3</sup>**

Eligibility requirements are quite different between DBL and PFL:

	<b>DBL</b>	<b>PFL</b>
<b>Full-time definition</b>	<i>Persons working the amount of hours that constitute the specific employer's normal work week</i>	<i>Persons working 20+ hours/week</i>
<b>Full-time employees</b>	worked at least 4 consecutive weeks for any covered employer(s)	Employed at least 26 consecutive weeks at their current employer

<b>Part-time employees</b>	Completed at least 25 work days at any covered employer(s)	Completed at least 175 work days at their current employer
<b>Personal or domestic employees</b>	work at least 40 hours a week (if they work 30 or more days in a calendar year for you)	
<b>Transferability of Qualification Period</b>	Yes, if an employee changes jobs from one covered employer to another, their time worked at the previous employer counts. However, if their previous job was at an exempt employer without voluntary coverage, they have to satisfy the qualification period at their new covered employer.	No (If an employee changes jobs from one covered employer to another, their time worked at the previous employer does not count.)
<b>What counts towards the qualification period</b>	Approved vacation, personal, sick time Other time away from work but still considered an employee as long as their PFL coverage is paid for	
<b>What does not count towards the qualification period</b>	n/a	Time out on DBL

Here's how DBL and PFL benefits compare:

	<b>DBL</b>	<b>PFL</b>
<b>Benefit Payouts</b>	50% of your average weekly wage (AWW) to maximum of \$170/week	PFL provides 50% of your AWW capped at 50% of NY's AWW in 2018 and gradually increased to up to 67% of the AWW capped at 67% of NY's AWW once fully implemented in 2021.
<b>Waiting Period</b>	7 days (no benefit is paid for the first 7 days of your illness or disability)	none (your benefits kick in on the first day of the qualified leave event)
<b>Maximum Leave Duration</b>	26 weeks in a consecutive 52-week period	8 weeks beginning in 2018 and increasing to a maximum of 12 weeks in 2021 in a consecutive 52-week period
	You <b>can't take DBL and PFL at the same time</b> , i.e. receive benefits for both concurrently. They have to be taken in sequence. And if you qualify for both, the combined duration may not exceed 26 weeks in a consecutive 52-week period.	
<b>Job Protection While On Leave</b>	None	Yes, even for employers with less than 50 employees. Employers must provide the same position, or one comparable in wages and

		benefits, to employees returning from PFL
<b>Benefit Offsets</b>	Benefits are not reduced by PTO such as vacation time, i.e. you can collect DBL benefits while using paid vacation days	You can't receive PFL benefits while out on PTO or using sick/vacation days

Lastly, here are some noteworthy items to compare for employers:

	<b>DBL</b>	<b>PFL</b>
<b>How It's Funded</b>	Employer pays the premium to the carrier (unless self-insured) and has option to recoup cost through employee contributions (capped at state-set maximum contribution levels)	
<b>Maximum Employee Contributions</b>	\$0.60/week	<p><b>0.126%*</b> of the employee's weekly wage (capped at New York State's current average weekly wage of \$1,305.92**).</p> <p><b>This translates into a 2018 maximum contribution of \$1.65/week.</b></p> <p><i>*Determined each year by September 30 by the NYS Department of Financial Services - starting 2018</i>  <i>**NY Department of Labor releases the annually updated statewide AWW by March 31.</i></p>
<b>Employer reimbursement</b>	Yes, if the employee receives salary continuation while out	

### **DBL and Maternity Leave**

Perhaps one of the most common reasons employees will use Paid Family Leave is to welcome a new addition to their family. And since the qualifying events surrounding motherhood often overlap situations covered by both DBL and what will be Paid Family Leave, it's important to outline where maternity leave (or PFL) will start and where DBL would end.

For example, a condition like bed rest for an expecting mother would be covered under DBL, since it's the mother's own "disability." She would be able to file a DBL claim for the time she was on bedrest prior to birth and recovery after birth (typically 6 weeks for normal delivery and 8 weeks for C-section). When her child is born, Mom can choose whether to use DBL for her recovery first or use Paid Family Leave for bonding with her newborn.