

## STATE OF NEW YORK EXECUTIVE CHAMBER ALBANY 12224

VETO #372

December 28, 2018

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 8380-A, entitled:

"AN ACT to amend the workers' compensation law, in relation to paid family leave and bereavement"

## NOT APPROVED

This bill would amend Article 9 of the Workers' Compensation Law with respect to Paid Family Leave ("PFL") to allow time off in the event of the death of a child, parent, grandparent, grandchild, spouse, or domestic partner. Workers are entirely responsible for funding the costs of this program and, as drafted, the impact on low-wage workers would be immense. Worker's organizations such as A Better Balance have expressed significant concerns to me about this bill, and, as difficult as it is, I must heed their concerns.

There is no greater loss than the death of a close family member, and I fully understand the spirit of this bill to ensure that hardworking New Yorkers can take time to mourn the passing of a loved one. But, as drafted, this bill raises numerous concerns. First, the twelve-week benefit upon full implementation would constitute an extreme expansion of the PFL program, the cost of which would result in a dramatic burden on low-wage workers. We anticipate that the employee contribution would increase significantly as the utilization of a new class of benefits is actuarially factored into the premium rate, which is set annually.

Second, there is no stated limit on when leave can be taken. Unlike bonding leave, which is limited to 12 months from the qualifying event, no such limit would exist here. This drafting failure could lead to claims being made well beyond a year from death.

Third, more study of the impacts, especially to lower wage and middle-class workers, is needed. Our initial projections show that deductions from workers' paychecks for PFL could more than double under this bill. Statewide, the fiscal impact for workers would be in the millions annually. There may be ways to implement such a program without such a huge fiscal impact on workers.

Finally, the bill does not apply to all PFL policies. The amendment would take effect for policies issued or renewed on or after January 1, 2020, but it does not mandate that a policy issued in mid-2019 must be modified to include bereavement. Thus, there would be split experiences for employers and employees, and confusion as to when and whether the benefit applied. While it pains me to do so, for the foregoing reasons, I am constrained to veto this bill. However, I am committed to working with the Legislature in the coming legislative session to resolve these issues for the benefit of hardworking New Yorkers.

The bill is disapproved.

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