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KEY UPDATES FOR EMPLOYERS IN NEW YORK STATE: WHAT MADE THE BUDGET AND WHAT GOT CUT?

Insights
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Employers should get ready to comply with key workplace changes since New York lawmakers just finalized the state budget. The 2024-2025 budget – which was approved on April 20 – ushers in three significant updates impacting employers in the Empire State, while some proposed employment-related measures did not come to fruition. Here's a breakdown of what you need to know.

What Made the Budget?

The state budget includes the following three key updates for employers:

- **Prenatal leave for pregnant employees:** Employers will soon be required to provide employees with 20 hours of paid prenatal leave each year. This leave can be taken during pregnancy or for related medical appointments, procedures, tests, and discussions with healthcare providers. This leave is separate from the existing 40 or 56 hours of paid sick leave (depending on employer size) mandated by state law and can be used in hourly increments. Employees must receive their regular rate of pay when using this leave. Governor Hochul proposed this paid prenatal leave benefit as part of a broader series of initiatives to address maternal and infant mortality rates in New York. The leave – which is being lauded as the first of its kind in the nation – takes effect on January 1, 2025.
- **Paid nursing leave:** Soon nursing mothers will have the right to paid break time to express breast milk during the workday. Currently, New York law grants employees

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reasonable unpaid break time for this purpose, at least every three hours or as otherwise reasonably requested by the employee. However, starting June 19, 2024, employers must provide paid 30-minute breaks for this purpose. Additionally, employees can utilize existing paid break time or mealtime for any period exceeding 30 minutes.

- **Sunsetting of COVID-19 Sick Leave:** The budget includes a measure to repeal the state's COVID-19 related sick leave requirements. Employers are required to provide paid time off for employees who are under a mandatory quarantine or isolation order due to COVID-19. This leave obligation will end on July 31, 2025, extending a year beyond the initial proposal to sunset the law this July.

What Didn't Make the Cut?

A few employment-related initiatives were cut from the final budget, including the following:

- **No Limit on Liquidated Damages for "Frequency of Pay" Violations:** Initial budget proposals aimed to eliminate liquidated damages for late wage payments to manual workers. As we have previously [reported](#), a battle has unfolded regarding the state law mandating weekly payment of wages for manual workers. In 2019, an appellate court ruling affirmed a worker's right to sue and recover approximately half their wages as liquidated damages under this law. This decision led to a surge of individual and class-action lawsuits, exposing employers to significant financial risks for alleged untimely payment when manual workers were paid bi-weekly or semi-monthly. In a separate case earlier this year, a different appellate court rejected a private right for workers to sue for such claims. Governor Hochul introduced legislation within the state budget to eliminate liquidated damages if employees were paid at least semi-monthly. However, lawmakers rejected this proposal.
- **No Seizure of Employer Assets:** The initial budget would have given the New York Department of Labor the ability to seize employer assets to satisfy wage debts owed to employees for certain violations of wage payment regulations. This measure did not make it into the final budget.

- **No Increased Disability Protections and Benefits:**
Currently, New York employees are eligible to receive statutory short-term disability benefits when they are unable to work due to a non-work-related illness or injury. These benefits offer only wage replacement without guaranteeing any leave from work, although employees may be eligible for leave protections under other statutes such as the FMLA or ADA. The wage replacement benefits cap at \$170 per week, a figure that has remained unchanged for 35 years. Initial budget proposals included measures for both job-protected leave and an increase to wage replacement benefits, but these were not ultimately implemented.

What's Next?

The New York State budget brings some notable changes for your business to navigate. While some proposed measures did not materialize, the implemented updates add to the evolving landscape of employment laws in the state.

You should review and consider updating your policies and procedures to ensure compliance with the changes introduced by the budget, including revising your employee handbook to reflect updated requirements regarding paid parental leave and breastfeeding accommodations.

Additionally, you should educate your managers and human resources staff to ensure they understand the new requirements and their implications for your workplace.

You should also stay updated on further developments regarding the new compliance obligations.

Conclusion

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