

Private Insurance Options in States with a Paid Family Leave Law

California (CA UI Code, §§ 3251-3272):

- Permits employers to offer private, short-term disability insurance to its employees as an alternative to the mandatory SDI coverage known as a “voluntary plan.”
- A voluntary plan may be established with mutual consent of the employer and a majority of its employees.
 - Employees may choose the State plan even though a voluntary plan is available through its employer.
- Employer can self-insure or obtain coverage through an insurer.
- A voluntary plan must provide both disability and family leave coverage.
- Must meet the following requirements:
 - Individuals will have same rights as under State program
 - Voluntary plan must offer at least one right or benefit that is greater than the state program and cannot be more restrictive than state program;
 - Must receive same amount and duration of benefits as under state program;
 - Voluntary plan must change to meet an increase in rights or benefits required by an amendment to state law; and
 - Cost to employees can be no greater than cost of state program.

New Jersey (N.J.S.A. § 43:21-32):

- A voluntary plan may be established with mutual consent of the employer and a majority of its employees if the employees are required to make contributions.
- Employer can self-insure or obtain coverage through an insurer.
- Must meet the following requirements:
 - Eligibility for benefits cannot be more restrictive than state plan;
 - Must provide same amount and duration of benefits as under state plan;
 - Employees cannot be required to contribute more than under state plan; and
 - Must cover employees and individuals who stopped employment with employer no more than two weeks prior to claim, unless transferred to a new employer.

New York (N.Y. Workers’ Compensation Law § 211):

- Provide insurance through State fund, with insurance carrier, or through self-insurance.
- Coverage for paid family leave will most likely be added to an existing disability benefits policy.
- Employers may elect to provide a more generous policy that required by law.
- Unlike other states, New York’s system is part of the workers’ compensation law.