

Legal Alert: Recent Changes to the New York Labor Law and Insurance Law

Governor Patterson recently signed into law several amendments to New York's Labor Law. These changes will affect employer/employee relations with regard to compensation and benefits.

Pay Rate Notification

Effective October 26, 2009, Section 195 of the New York State Labor Law requires employers to provide new hires with written notice of the employee's pay rate, overtime and scheduled payday. In order to ensure compliance, employers should make sure that their employees understand how their overtime pay is calculated and that payroll departments maintain accurate records that reflect employee work hours.

For more information about the New York Labor Law, including procedures, laws and regulations, please visit the New York State Department of Labor at <http://www.labor.state.ny.us/>.

Health Care Extension

Effective retroactively to July 1, 2009, an amendment to Section 3221 of the New York Insurance Law extends the period during which health insurance continuation coverage is available in the state from 18 to 36 months. The New York State insurance law functions much like the Federal COBRA law and covers employees who work for smaller employers. The additional 18 months of COBRA coverage is available to former employees electing continued health insurance coverage under either the State or Federal COBRA law. Former employees who have exhausted 18 months of federal COBRA coverage will be able to elect an additional 18 months under the state law for a maximum of 36 months. This amendment to the Insurance Law does not affect self-funded health plans.

This new law applies to policies or contracts issued, renewed, modified, altered or amended on or after July 1, 2009. Policies existing prior to July 1, 2009 will be revised with the new benefit on the annual renewal date. Beneficiaries will continue to pay the premiums unless there is a subsidy funded by the employer or the American Recovery and Reinvestment Act of 2009 ("ARRA"). Employers should revise their notification policies for COBRA coverage to reflect this change. Additionally, employers should also verify as to how these changes affect coverage for disabled persons under the Social Security Act and what events can terminate state continuation coverage under state law.

For more information about the New York Insurance Law, including procedures, laws and regulations, please visit the New York State Insurance Department at <http://www.ins.state.ny.us/>.

This alert is meant to provide general information only, not legal advice. Please contact Judith Moldover at Lawyers Alliance for New York at (212) 219-1800 x 250 or visit our website www.lawyersalliance.org for further information.

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