



NYSIA
New York Self-Insurers Association

2026 ANNUAL MEETING

LEGISLATIVE UPDATE

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Agenda

- 2025 Legislature
- 2025 Legislation
 - Vetoed
 - Signed
- Notable Legislation

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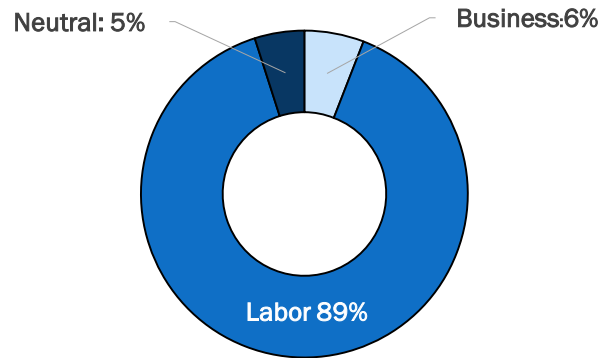
2025 NYS Legislature

- One Party Control
- 18,800 Bills Introduced
134 WC Bills
- 856 Bills Passed Both Houses
- Executive Action
- State Budget

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2025 Workers' Compensation Bills

Labor Bills Dramatically Transform the WC Landscape



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2025 Legislation

Signed



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Mental Stress – A.1677/S.755

Amends WCL § 10 to Eliminate Case Law Requirement For Mental Stress Injuries

SIGNED – February 14, 2025 (Effective June 4, 2025)

Limits the short-lived removal of the “stress greater than defense” by requiring additional elements.

- Explicitly enumerated conditions diagnosed using DSM
- Disorder arose out of extraordinary work-related stress that is attributable to a distinct work-related event or events that are:
 - Directly related to the employment and
 - Occurring during the performance of the employee’s job duties

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Paid Family Leave Expansion – A.4727/S.50

Amends WCL § 203 to Extend PFL Benefits

SIGNED – December 19, 2025 (Effective date January 1, 2027)

Extends Paid Family Leave benefits to employees in construction businesses who work for multiple employers.

- Employees who perform construction, demolition, reconstruction, excavation, rehabilitation, repairs, renovations, alterations or improvements.
- Work for multiple employers.
- Employed for at least 26 of the last 39 weeks by any covered employer which is signatory to a collective bargaining agreement.

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2025 Legislation

Vetoed

8

Redefinition of Permanent Total Disability S.2537 / A.2748

Amends WCL §15 to Redefine Permanent Total Disability

VETOED – December 12, 2025

Redefines Permanent Total Disability to Include the Inability to Perform the Full Range of Sedentary Work or Approval for Federal Social Security Disability Benefits

- Adopts federal SSDI standard in determining Permanent Total Disability
- Usurps WCB authority
- Abrogates employer's due process rights
- Imputes a rigid and narrow definition of sedentary work
- Shifts costs from the federal social security system to New York employers
- Cost estimate \$800 million to \$2.6 billion

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Pharmacy Network S.4926/A6887

Amends WCL § 13 to Allow for the Use of Non-Network Pharmacies

VETOED – December 5, 2025

Allows workers' compensation claimants to use any in-state pharmacy that is registered with the NYS Department of Education when the following are present:

- Carrier refuses to provide payment or authorization for approved medication;
- Carrier fails to reauthorize medication by:
 - failing to respond to a reauthorization request;
 - Medical reports have not been filed for reauthorization or the filed medical report contains a defect;
 - Medication has been previously reauthorized, but the carrier denies reauthorization based upon the treatment guidelines;
 - IME denies reauthorization or MMI has been reached; and
 - Case in process of settlement

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Fraud Assessment Commission S.7950-A/A.8429-A

Amends WCL §§ 151-a & 151-b to Establish a Fraud Assessment Commission

VETOED – December 5, 2025

Creates a Fraud Assessment Commission that will advise the Workers' Compensation Board Chair and Investigator General on necessary assessments and allocation of funds to support local prosecutors in the investigation of workers' compensation fraud.

- 10 member commission appointed by the Governor
 - 3 from a bona fide labor organization
 - 2 members from self-insured employers
 - 2 members from insured employers
 - 2 members from insurers
 - 1 claimant attorney
- Funded by an additional assessment to affected employers
- 50% of fund distributed to DA offices for the purposes of investigating and prosecuting WC Fraud.

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Direct Recovery S.5170/A.3351

Amends CPLR to Permit Recovery Against a Third-Party Defendant

VETOED – December 19, 2025

Allows a plaintiff to recover against a third-party defendant in certain cases.

- Plaintiff's judgement remains unsatisfied thirty days after it has been served on the defendant
- Defendant has a cause of action for contribution or for contractual or common law indemnification which has not been reduced to judgment
- Plaintiff may attach, or take an assignment from the defendant and prosecute the cause of action in the plaintiff's own name or in the name of the defendant and recover a judgement against third-party defendant
- "This section shall not authorize direct recovery against a third-party defendant in those circumstances in which the third-party claim against that third-party defendant would have been barred by the provisions of WCL § 11, and does not otherwise permit a plaintiff to bring a cause of action against a third party if such third party was the plaintiff's employer at the time of the incident or injury.

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Notable Legislation



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Major Reform Reintroduced

Access to Treatment – S.6217/A.3127

- Amends WCL § 13-a(5)
- Defines the list of “pre-authorized procedures” as the floor for treatment as opposed to the ceiling.

Elimination of Labor Market Attachment- S.6376/A.8482

- Amends WCL § 15
- Wholesale elimination of an injured worker’s obligation to attach to the labor market.

Extreme Hardship – S.3948/A.3723

- Amends WCL § 35
- Broadly defines extreme hardship.

Redefinition of Temporary Total Disability - A.8132

- Amends WCL § 15(2)
- Redefines temporary total disability as the inability to perform pre-injury employment or modified/light duty work offered by employer.

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Notable Legislation

Bill Number(s)	Status	Impact
A.5894A S.6912A	Passed Assembly 5/29/25	Authorized Provider Expansion – WCL § 13(b) Allows mental health counselors, marriage and family therapists, and psychoanalysts to diagnose and treat psychological injuries.
A.949 S.998	Passed Assembly 5/21/25	Telehealth for Mental & Behavioral Health – WCL § 13-m Allows telehealth visits for psychological testing, treatment, and counseling.
A.8480 S.8131	Passed Assembly 6/9/25	Balance of Classification Payable to Beneficiaries – WCL § 15(4) Requires posthumous non-schedule awards payments to a claimant’s beneficiaries in the even of an unrelated death.
A.3542 S.4509	Passed Senate 6/11/25	Redefines a Carrier’s Credit Against PPD Payments - WCL § 15(3)(w) Credit for payments in excess of 130 weeks benefits <u>paid</u> as opposed to any payments made 130 weeks post accident.
A.84 S.172	Passed Senate 3/4/25	Short Term Disability Increase – WCL § 204 Progressively increase weekly short term disability benefits from 2027 to 2030, culminating in a 620% increase based on the 2026 SAWW.

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Notable Legislation

Bill Number(s)	Status	Impact
A.5809 S.4832	Passed Senate 3/18/25	WCB Supplemental Reporting – WCL § 153-a Requires a more detailed annual report: modernization recommendations, total claims, award data, length of time between filing and award/decision, number of frivolous appeals by employers, etc.
A.1038 S.4816	Passed Senate 4/9/25	Lyme Disease and Other Tick Borne Illnesses – WCL § 3(2) Lyme Diseases and Other Tick-Borne Illnesses are Occupational Diseases.
A.7558 S.4467	Passed Senate 6/11/25	Direct Deposit Enrollment for Beneficiaries – WCL § 25 Requires enrollment in direct deposit for beneficiaries of death benefits.
A.5799 S.2499	Passed Senate 5/28/25	Paid Family Leave Employment Discrimination - WCL § 120 & 203-b Request for reinstatement not necessary to file a complaint for unlawful discrimination.
A.5319A S.4468A	Passed Senate 6/12/25	Paid Family Leave Expansion for Stillbirth – WCL § 201 Extends PFL benefits to include persons recovering from stillbirth after 20 th week of gestation.

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THANK YOU!

Annette Malpica
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New York Self-Insurers Association

Paul M. Zaragoza
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NYC Law Department

“The law, changed and changeable on slight provocation, loses its sanctity and authority.”

– Calvin Coolidge

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November 12, 2025

Hon. Kathleen C. Hochul
Governor of the State of New York
Executive Chamber
Albany, New York 12224

Dear Governor Hochul:

The New York Self Insurers Association (NYSIA), an organization representing the interests of large, self-insured employers, strongly opposes the above-referenced bill, which is now before you for executive action.

NYSIA members include, Walmart, The City of New York, Port Authority of New York and New Jersey, Consolidated Edison of New York, New York Power Authority, New York University, Syracuse University, Columbia University, Cornell University, Rochester Regional Health, UPS, Marriott, Wegmans Food Market, and Cooper Companies. Collectively, these members hire and employ hundreds of thousands of employees working in the State of New York.

The bill, if signed, would amend the Workers' Compensation Law's (WCL) to expand the definition of "permanent total disability" (PTD) to mean an injured employee's (i) inability to perform the full range of sedentary work or (ii) approval for federal social security disability benefits (SSDI) as a result of a compensable accident or occupational disease. As a consequence, one of the last surviving cost-saving measures achieved by the Legislature's landmark 2007 reforms would be rolled back, eviscerating the negotiated benefit cap for partially disabled claimants, and radically increasing costs throughout the workers' compensation system. Moreover, contrary to the conclusory justifications offered in the sponsor memo, the bill would directly result in an increase in litigation, which would create additional difficulties for and burdens on injured workers seeking workers' compensation benefits for a casually related permanent partial disability.

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A.2748 by M. of A. Bronson
S.2537 by Sen. Ramos

AN ACT to amend the workers' compensation law, in relation to eligibility for classification as permanent total disability

Background

In 2007, Labor and Business negotiated the most comprehensive workers' compensation reform legislation that conferred significant benefits to both injured workers and employers. Injured workers were guaranteed a weekly rate increase from the \$400.00 per week rate to the current rate of \$1,222.42 per week (a 200% increase). In return, claimants who were permanently partially disabled were made subject to a benefit cap of up to 10 years. The negotiated terms were priced out to ensure viability of the system where injured workers received higher triple tax-free benefits while employers and carriers continue to do business in one of the costliest workers' compensation systems in the country.

Currently, whether an employee has a permanent partial disability or a permanent total disability is a medical question that the Workers' Compensation Board (the Board) answers by evaluating medical opinions offered by medical experts. This common sense, longstanding focus on injured employees' medical conditions ensures that they receive wage replacement and medical benefits that are adequate and appropriate in their individual circumstances, utilizing a fair and just application of the WCL.

Reasons to Disprove the Bill

First, this bill would serve to undermine the jurisdiction and fact-finding authority of the Board, subvert its well-established procedures for evaluating permanent disabilities, and inject new uncertainty (and an increase in litigation) in claims administration. Federal SSDI and the New York State Workers' Compensation system are two fundamentally distinct programs with vastly different rules, procedures, and benefits. For example, SSDI determinations can be made within five months of an injury, whereas the NYS Workers' Compensation system logically requires a claimant to have reached maximum medical improvement, a medical standard that generally occurs two or more years after the injury date. Critically, SSDI is routinely awarded for non-work-related disabilities, whereas the existence of a work-related disability is condition precedent for the entitlement to any benefits under the NYS WCL. While the bill attempts to address this by stating that SSDI must have been awarded "as the result of a compensable accident or occupational disease, it entirely fails to acknowledge the fact that SSDI determinations do not specify whether such approval is partially or wholly the result of the work injury.

Second, it is deeply concerning that the bill abrogates the due process rights afforded to employers under the WCL and its associated rules, regulations, and procedures. Federal SSDI determinations are made by Social Security Administration personnel, in a non-adversarial setting, without employer or carrier participation. Allowing federal SSDI determinations as presumptive evidence of a total disability under state law denies employers and carriers the right to cross-examine medical providers, produce conflicting evidence, or scrutinize a claimant's testimony. Employers and carriers would no longer be afforded the opportunity to participate in a process which could both negatively impact the availability of their workforce and create an obligation to pay lifetime wage-replacement benefits at a total benefit rate. Notably, ceding control over NYS Workers' Compensation Board determinations to the federal Social Security Administration also results in an improper shifting of costs from federal taxpayers to New York State employers, as SSDI offsets state workers' compensation benefits.

Third, the broad and ambiguous definition of sedentary work unnecessarily imposes a narrow and rigid standard to an incredibly broad and diverse workforce. The criteria used to define “sedentary work” reduces general employability to a purely physical formula, ignoring vocational, functional, and rehabilitative factors; all of which are considered when the Board makes holistic determinations regarding loss of wage-earning capacity. This inflexible standard removes significant discretion from the Board’s fact-finding authority and would result in claimants being classified as permanently and totally disabled even when they retain the capacity to perform meaningful, gainful work in other forms. This would remove any incentive to return to work in any capacity. Moreover, the lack of durational limits on compensation for a permanent total disability could cause this perverse incentive to persist indefinitely.

Last, enacting legislation with far reaching consequences without fully understanding the ultimate cost would be grossly irresponsible. The Sponsor Memo notes that the fiscal implication of the bill is “To Be Determined.” Without a comprehensive and thoughtful cost analysis, this bill should not have passed both chambers. As noted by the Business Council of New York State in opposition to this bill, data published by the Department of Financial Services and the Workers’ Compensation Board shows that while approximately 25% of workers’ compensation claimant receive SSDI benefits, only about 1% of workers’ compensation claimants who receive SSDI benefits are classified as permanently totally disabled by the Board. This bill would immediately entitle the other 99% of claimants that receive SSDI to be classified as permanently totally disabled, resulting in not only a sharp increase in rate of weekly compensation, but a potential exponential increase in the duration of those benefits. Notably, this does not contemplate the increase in SSDI applications and resulting PTD classifications that would occur once the added incentive of lifetime workers’ compensation benefits at a total rate are introduced. Nor does it consider the increase in permanently totally disability classifications that result from the aforementioned narrow and rigid definition of “sedentary work.” As such, at the very least, a cost analysis by NYCIRB should be a condition precedent to considering the bill.

Accordingly, NYSIA urges that this bill be disapproved.

The NYSIA Board of Managers