

**Question:** My client is leasing its employees from a professional employer organization (PEO.) Does New York law still require the business to carry Disability Benefits Law (DBL) and Paid Family Leave (PFL) insurance coverage?

**Answer:** Yes. According to the [New York State Workers Compensation Board's website](#):

Disability and Paid Family Leave benefits coverage **is required for both** leased and non-leased employees. Employees contracted through a Professional Employer Organization (PEO) are deemed to be employees of the "client" company that is paying to lease them. A PEO assumes a dual employer relationship with their client. The client generally recruits and hires its employees and contracts with the leasing firm to handle the payroll, taxes and benefit packages for its employees. The PEO must be licensed by the New York State Department of Labor.

Clients of PEOs may be covered by either of the following methods:

- Each client of a leasing firm may purchase its own disability and Paid Family Leave benefits insurance policy to cover its leased employees (as well as any non-leased employees). Proof of coverage must be filed electronically by the insurance carrier using the client legal entity name and FEIN.
- The PEO may obtain a disability and Paid Family Leave benefits insurance policy in the name of the client which would cover the leased employees only. Since the coverage is only covering a class of employees it must be filed manually with the Boards Plans Acceptance Unit at [PAU@wcb.ny.gov](mailto:PAU@wcb.ny.gov) using form DB-820/829. The coverage must be filed by the insurance carrier using the client legal entity name and FEIN. The PEO information may be provided as the Policyholder. Carriers may contact the Board's Forms Department to obtain this form.