

STATE OF NEW YORK

9442

IN SENATE

March 12, 2026

Introduced by Sen. GONZALEZ -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to establishing a four-day work week pilot program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. This act shall be known and may be cited as the "four-day
2 reduced employment and wellness for time improvement and managed effi-
3 ciency (FREE TIME) act".

4 § 2. The labor law is amended by adding a new section 171 to read as
5 follows:

6 § 171. New York smart work week pilot program. 1. Notwithstanding any
7 other law to the contrary, the department shall establish the New York
8 smart work week pilot program to promote, incentivize and support the
9 use of a four-day work week by qualifying employers and to study the
10 benefits and impacts of such work arrangements on participating employ-
11 ees and employers.

12 2. For the purposes of this section, the following terms shall have
13 the following meanings, unless the context clearly requires otherwise:

14 a. "Four-day work week" shall mean a situation where employees receive
15 a meaningful reduction in actual work hours without any reduction in
16 overall pay.

17 b. "Qualifying employer" shall mean an employer operating in the state
18 that enters an agreement to participate in the New York smart work week
19 pilot program pursuant to this section.

20 3. Within one year of the effective date of this section, the depart-
21 ment shall begin accepting applications from employers to participate in
22 the pilot program. The department shall publicize and promote applica-
23 tion materials throughout the state and online to make application to
24 the pilot program accessible to all employers in the state. In addition
25 to any other information required by the department, such applications
26 by qualifying employers shall include:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 a. a detailed proposal to establish and implement a four-day work week
2 for the qualifying employer's workforce or a division of the qualifying
3 employer's workforce;

4 b. a detailed proposal to transition the qualifying employer's work-
5 force or a division of the qualifying employer's workforce from a five-
6 day work week to a four-day work week. Such proposal shall:

7 (i) apply to at least thirty employees; and

8 (ii) affirm the qualifying employer's commitment to the program
9 requirements and agree to submit any required surveys or reports as
10 requested by the department; and

11 c. any other information required by the department.

12 4. Based on the information provided in the application required
13 pursuant to subdivision three of this section, the department shall
14 select qualifying employers from the applicant pool to participate in
15 the pilot program. The department shall make every effort to select
16 qualifying employers of diverse sizes, occupations, industry sectors and
17 geographical locations to participate in the pilot program and to
18 include veteran-, women- and minority-owned businesses and businesses
19 owned by persons with disabilities. Employers in the public sector may
20 participate in the pilot program but shall not be eligible for tax cred-
21 its pursuant to subdivision nine of this section.

22 5. Upon selection to participate in the pilot program, qualifying
23 employers shall enter into an agreement with the department providing
24 that:

25 a. the qualifying employer shall develop and implement a plan to tran-
26 sition its designated employees, which shall be no less than thirty, to
27 a four-day work week;

28 b. employees of a qualifying employer that transition to a four-day
29 work week shall not receive a reduction in overall pay, status, or bene-
30 fits; and

31 c. the department shall study and evaluate the impact of transitioning
32 to a four-day work week through gathering data relating to qualifying
33 employers and designated employees, including, but not limited to,
34 employee surveys, interviews, and economic data.

35 6. Qualifying employers shall inform their employees of such employ-
36 er's participation in the pilot program and shall allow employees to opt
37 out of participation in the pilot program. Employees who choose to
38 participate in the pilot program shall be permitted to opt out of
39 employee interviews, surveys, and any other information gathering meth-
40 ods. Qualifying employers shall notify their participating employees
41 that collection of employee data for the purposes of the pilot program
42 shall be anonymized.

43 7. The department shall research and collect data on an ongoing basis
44 during the administration of the pilot program. Such research and data
45 shall include, but not be limited to: employee surveys to be conducted
46 at the start, midpoint, and end of the pilot program; employee inter-
47 views at the start and end of the pilot program; interviews with the
48 participating employer, or the employer's designee, at the start and end
49 of the pilot program, and no later than December thirty-first of each
50 year for the duration of the pilot program; and economic and administra-
51 tive data from participating employers on a monthly basis.

52 8. The pilot program shall have a total duration of no less than two
53 years. Annually, not later than December thirty-first for the duration
54 of the pilot program, the department shall publish a report on the
55 progress of the pilot program on the department's website and submit
56 such report to the governor, the assembly and the senate. Upon

1 completion of the pilot program, the department shall publish a final
2 report on the department's website and submit such report to the gover-
3 nor, the assembly, and the senate. The final report upon the completion
4 of the pilot program shall include, but not be limited to: the total
5 number of qualifying employers participating in the pilot program; the
6 size, occupation, industry sector and geographical location of qualify-
7 ing employers participating in the pilot program; demographic informa-
8 tion of participating employees, including, but not limited to, age,
9 gender and race; the economic and social impact of a four-day work week
10 on the qualifying employers participating in the pilot program; the
11 impact of a four-day work week on the well-being and work life of
12 participating employees; and any findings or recommendations based on
13 research conducted on four-day work weeks.

14 9. a. Notwithstanding any general or special law to the contrary, a
15 qualifying employer shall be allowed a credit against the tax liability
16 imposed by article twenty-two of the tax law or the excise due under
17 article nine of the tax law, as applicable, for participation in the New
18 York smart work week pilot program; provided, however, that an employer
19 in the public sector shall not be eligible for such credit. This credit
20 shall terminate at the end of the taxable year in which the pilot
21 program concludes.

22 b. The commissioner, in consultation with the department of taxation
23 and finance, shall promulgate rules and regulations establishing crite-
24 ria and procedure for:

25 (i) an application process for the credit; and
26 (ii) determining the amount of credit to be issued pursuant to this
27 subdivision.

28 c. To be eligible for a credit pursuant to this subdivision, a quali-
29 fying employer shall have:

30 (i) participated in the pilot program for no less than one year; and
31 (ii) submitted a report to the department detailing the qualifying
32 employer's transition to a four-day work week, including data collection
33 as required pursuant to subdivision seven of this section.

34 d. Prior to the issuance of any credit, the department shall confirm
35 that the qualifying employer has maintained compliance with its proposal
36 submitted to the department pursuant to subdivision three of this
37 section.

38 e. The department, in consultation with the department of taxation and
39 finance, may determine the amount to be credited to a qualifying employ-
40 er through one or a combination of the following:

41 (i) a fixed dollar amount, not exceeding two hundred fifty thousand
42 dollars, for each qualifying employer participating in the pilot
43 program;

44 (ii) a fixed dollar amount, not exceeding five thousand dollars, for
45 each employee of the qualifying employer participating in the pilot
46 program;

47 (iii) a percentage of the wages paid to each employee of the qualify-
48 ing employer participating in the pilot program; or

49 (iv) a dollar amount that assists in offsetting a qualifying employ-
50 er's costs to hire new employees due to the qualifying employer's
51 participation in the pilot program.

52 f. The department of taxation and finance shall not issue credit
53 amounts in an aggregate totaling more than fifteen million dollars per
54 fiscal year under this program.

55 g. The department of taxation and finance, in consultation with the
56 commissioner, shall, annually for the duration of the pilot program and

1 no later than March first of each year, file a report on the tax credit.
2 Such report shall include, but not be limited to, the following:
3 (i) the total amount of tax credits claimed pursuant to this subdivi-
4 sion; and
5 (ii) the number of applications and the number of participating
6 employers.
7 § 3. This act shall take effect immediately.