

# STATE OF NEW YORK

5454

2025-2026 Regular Sessions

## IN ASSEMBLY

February 14, 2025

Introduced by M. of A. FORREST -- read once and referred 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

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

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1 to any other information required by the department, such applications  
2 by qualifying employers shall include:

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

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

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

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

13 c. any other information required by the department.

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

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

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

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

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

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

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

54 8. The pilot program shall have a total duration of no less than two  
55 years. Annually, not later than December thirty-first for the duration  
56 of the pilot program, the department shall publish a report on the

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

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

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

27 (i) an application process for the credit; and

28 (ii) determining the amount of credit to be issued pursuant to this  
29 subdivision.

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

32 (i) participated in the pilot program for no less than one year; and

33 (ii) submitted a report to the department detailing the qualifying  
34 employer's transition to a four-day work week, including data collection  
35 as required pursuant to subdivision seven of this section.

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

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

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

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

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

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

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

1 g. The department of taxation and finance, in consultation with the  
2 commissioner, shall, annually for the duration of the pilot program and  
3 no later than March first of each year, file a report on the tax credit.  
4 Such report shall include, but not be limited to, the following:

5 (i) the total amount of tax credits claimed pursuant to this subdivi-  
6 sion; and

7 (ii) the number of applications and the number of participating  
8 employers.

9 § 3. This act shall take effect immediately.