STATE OF NEW YORK

4467

2025-2026 Regular Sessions

IN SENATE

February 5, 2025

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

AN ACT to amend the workers' compensation law, in relation to providing for the enrollment of certain persons in direct deposit for compensation payments

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

Section 1. Paragraphs (a) and (b) of subdivision 9 of section 25 of the workers' compensation law, as amended by chapter 9 of the laws of 2021, are amended and a new paragraph (e) is added to read as follows:

(a) Compensation payments shall be required, upon the written request from an injured worker or a person entitled to a death benefit provided by this chapter, to be deposited directly in a bank for any purpose to an account in the name of such injured worker or person entitled to death benefits, and duly filed in accordance with such regulations. Each person eligible to receive payment of compensation or death benefits under this section shall be notified of the option to receive such payment in the form of direct deposit from the carrier or self-insured employer, such notice to be promulgated by the board. Such eligible person shall also be provided the means necessary to enroll in direct deposit pursuant to this paragraph in a manner specified by regulations of the board at the same time as notice is given pursuant to this paragraph. **Persons entitled to a death benefit who are eligible to receive compensation payments by direct deposit upon written request pursuant to this subdivision shall include:**

(i) a surviving spouse;

(ii) a surviving domestic partner as defined in section four of this chapter;

(iii) a dependent child or children; or

(iv) any other person entitled to a death benefit under section sixteen of this article.

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

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(b) The board is hereby authorized to promulgate reasonable rules and regulations, as may be necessary, to administer the direct deposit of compensation payments**, including payments to a surviving spouse, a surviving domestic partner as defined in section four of this chapter, a dependent child or children, or any other person entitled to a death benefit under section sixteen of this article**. Such regulations shall permit the deposit of compensation payments to be split between multiple accounts by either a dollar amount or exact percentage, provided, however, such regulations may establish a minimum dollar amount and may limit the maximum number of partial deposits allowed.

(e) (i) If an employer or insurance carrier fails to enroll an eligible person in direct deposit within twenty-five days after a request has been made pursuant to paragraph (a) of this subdivision, there shall be, paid by the employer or, if insured, the insurance carrier, a penalty of twenty percent of the compensation due per pay period, which shall accrue for the benefit of the injured worker or such worker's surviving spouse or dependents, and an additional penalty of three hundred dollars. Such penalties shall be paid to such eligible person.

(ii) The board may, upon request by an employer or insurer, excuse such employer or insurer from such penalty if such person could not be enrolled in direct deposit due to circumstances outside of the control of such employer or insurer.

§ 2. This act shall take effect immediately.