

Paid Family & Medical Leave

Financial Managers Advisory Council
June 28, 2018



WHAT WE WILL COVER TODAY

What to expect from today

Paid Family and Medical Leave Project Timeline

What is Paid Family and Medical Leave?

Key Details

Voluntary Plans

Product Overview

Discussion: How can we help?

WHAT WE WON'T COVER TODAY

How to file

What the technology looks like

Future rulemaking phase details

WHAT IS PAID FAMILY AND MEDICAL LEAVE?

Paid Family and Medical Leave is a statewide insurance program.

This program will be funded by premiums paid by both employers and employees. Premium assessment begins Jan. 1, 2019.

Benefits begin in 2020. All eligible employees will receive up to 12 weeks as needed for family or medical leave.

Up to 16 weeks may be taken for a combination of family and medical leave.

Up to 18 weeks may be taken if a condition in pregnancy results in incapacity.

BENEFIT ELIGIBILITY



Benefits are portable between jobs.

Employees covered by the state program qualify after working 820 hours in the qualifying period.

Employees covered by voluntary plans have the same criteria but must work 340 hours with the current employer.

Employees who have worked 820 hours but don't yet have 340 hours with their employer in the voluntary plan may still take leave under the state program.

PAID FAMILY & MEDICAL LEAVE

► What is it?

Family Leave



Caring for
family
members



Birth or
placement
of a child



Certain
military-
related events

Medical Leave



Your own
medical
condition

► Why?

Helps reduce the gender pay gap
by giving everyone access to the
same leave.








Boosts employee retention and
saves businesses money.

Helps achieve better health
outcomes for new parents, babies
and the elderly.



Provides increased economic stability
in times of illness or crisis for a larger
proportion of the workforce.

Covered Events: Examples

-  Taking time to receive cancer treatment
-  Caring for a sibling getting treatment for opioid addiction
-  Recovering from a back injury following a car accident
-  Extended hospital stay with a premature baby
-  Spending time with a parent before a military deployment

BEGIN

Qualification

- Worked 820 hours



Leave Lifecycle

Receive Benefits

- Claim approved & benefit extended
- Up to 12 weeks as needed with partial wage replacement
- Up to 18 weeks in exceptional circumstances
- Max weekly benefit of \$1,000

**START
Planned Leave**



File Claim

Eligibility

- Experiences a covered reason for leave



**START
Unplanned Leave**



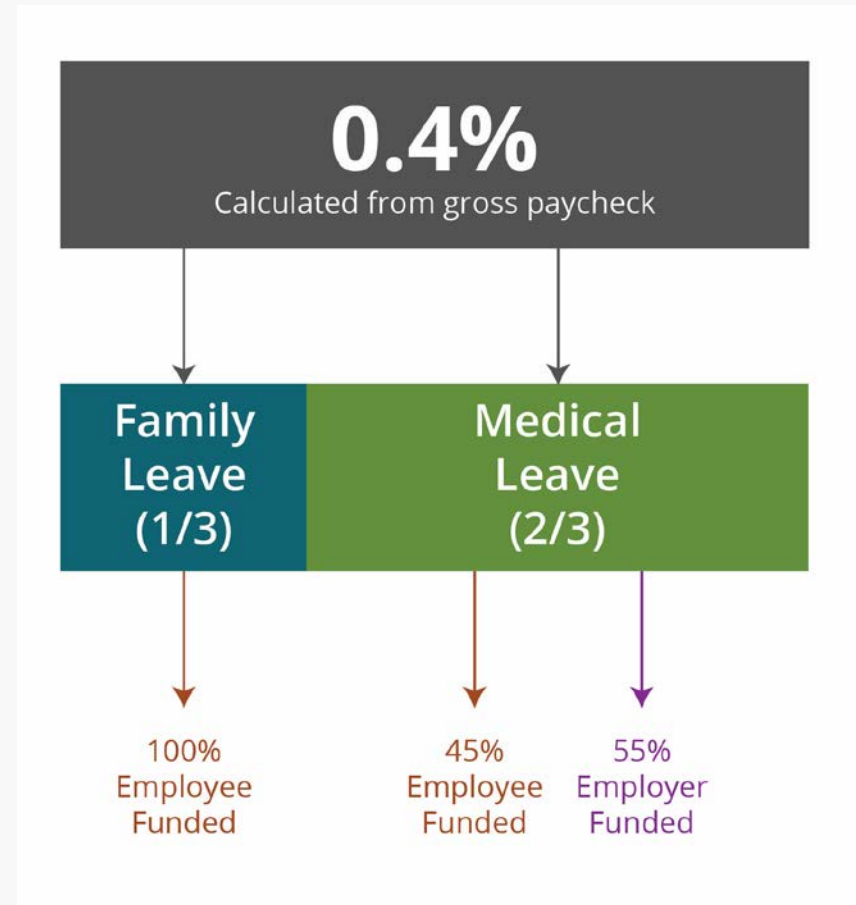
Qualification For Benefits

820 Hours

worked during the qualifying period
across all employers.

20 Hours/week -> 41 Weeks

40 Hours/week -> 20.5 Weeks



Fewer than 50 employees:
Not required to pay EMPLOYER premium

How It Works: Weekly Benefit Estimates

For example only. This presentation is not a quote of benefits.

Weekly Wage	Projected Annual Wage (Weekly wage *52)	½ State Average (For reference)	90% of Weekly Wage (For Reference)	Part A 90% of Weekly Wage or ½ State Average. (Whichever is lower)	Part B 50% of Weekly Wage Over Base (If base is over ½ state average)	Total Weekly Benefit (Part A + Part B, max of \$1,000)
\$576.92	\$30,000	\$566.50	\$519.23	\$519.23	\$0.00	\$519
\$961.54	\$50,000	\$566.50	\$865.38	\$566.50	\$197.52	\$865
\$1,923.08	\$100,000	\$566.50	\$1,730.77	\$566.50	\$678.29	\$1,259 \$1,000*

- *Weekly max benefit \$1,000, which comes out to a yearly income of about \$75,000. Weekly minimum benefit is \$100.
- Benefits subject to change with annual adjustments statute.
- Benefits calculated by annual wages for example purposes only and don't reflect the legal process of benefit calculation.

Voluntary Plans



Any employer may apply for a voluntary plan to provide either family or medical leave benefits, or both.

The employer must have the plan re-approved annually for the first three years. After three years, the employer must submit the plan for re-approval if modified.

The application fee is \$250.

If approved, neither the employee nor the employer pay premiums or file claims through the state program.



The benefits must be equivalent or better than the state program including duration of leave and wage replacement.



The employer must maintain health insurance if required under FMLA.

The employee remains responsible for their portion of the health insurance premiums.



Job Protection

Employees covered by the state program are entitled to job restoration when returning from leave if they meet the same requirements under FMLA:

- ✓ They work for an employer with 50 or more employees.
- ✓ They have worked for that employer for 12 months or more.
- ✓ They have worked at least 1,250 hours for that employer in the past 12 months.

Employees covered by a voluntary plan are entitled to job restoration when returning from leave if:

- ✓ They have worked for that employer for 9 months or more.
- ✓ They have worked at least 965 hours for that employer in the past 12 months.

Collective Bargaining Agreements

Before
**Oct. 19,
2017**

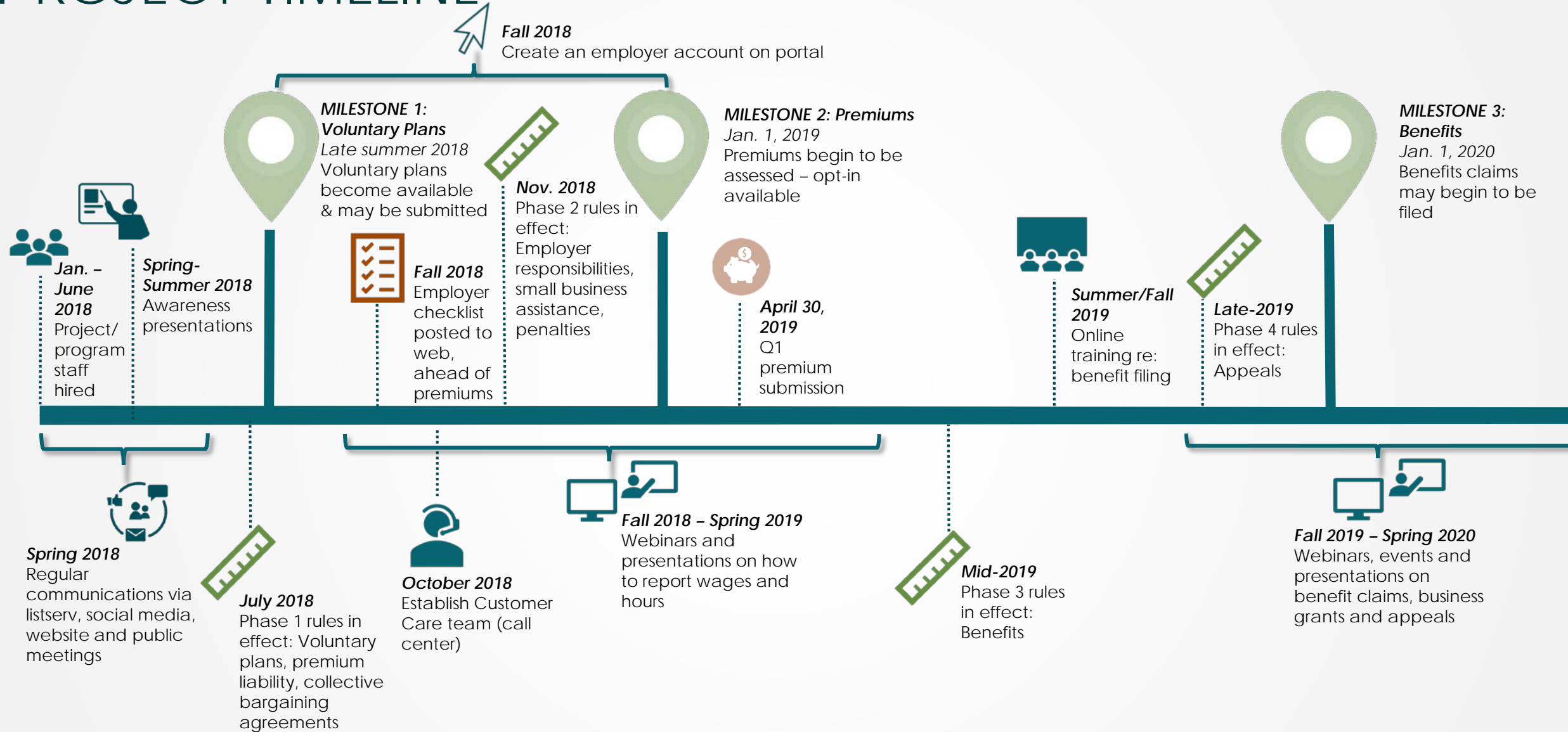
Parties to a collective bargaining agreement that was in effect on October 19, 2017, are exempt from all rights and responsibilities under paid family and medical leave until the agreement is reopened, renegotiated, or expires.

After
**Oct. 19,
2017**

Employers with multiple bargaining units are required to adhere to all paid family and medical leave requirements for those bargaining units whose agreement was renegotiated, reopened, or expired after October 19, 2017.

To establish employee benefit eligibility, the Employment Security Department will request information from employers regarding employees whose qualifying periods include a time period where a collective bargaining agreement exempted the employer from reporting requirements.

PROJECT TIMELINE



This timeline is an approximate timeframe for the implementation of the Paid Family and Medical Leave.

Getting ready for 2019

1. Prepare to withhold premiums.
2. Prepare to report wages and hours worked.
3. Examine short-term & temporary disability policies.
4. Look for mandatory flier later this summer.
5. Choose State Plan or Voluntary Plan.



CONTINUE THE CONVERSATION

Survey Link:

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