

Equivalent Plans

What is an equivalent plan?

Employers may provide equivalent paid leave plans for their employees as an alternative to participating in the Paid Family and Medical Leave Insurance (PFMLI) program.

What are the general requirements of an equivalent plan?

An equivalent plan must:

-  Cover all employees who have been continuously employed with the employer for at least 30 calendar days
-  Ensure employee contributions are not greater than what would be charged under the state plan.
-  Provide benefits that are equal to or greater than the benefits offered by the state plan, including:
 1. Allowing leave for family, medical, and safe-leave reasons
 2. Providing up to 12 weeks of paid leave per year (plus an additional two weeks for pregnancy-related medical leave)
 3. Allowing employees to take paid leave one day at a time or consecutively
 4. No additional conditions or restrictions for employees to use paid leave

When can I submit an equivalent plan application?

Employers can submit applications starting in September 2022. We anticipate the review process will take at least 30 days.

What are the types of equivalent plans an employer may provide?

-  Employer-administered equivalent plan – the employer assumes all financial risk associated with the benefits and administration of the equivalent plan, whether the plan is administered by the employer or a third-party administrator.
-  Fully insured equivalent plan – the employer purchases an insurance policy from an insurance company, and the benefits related to the plan are administered through the insurance policy.

Can an employer provide an equivalent plan for some, but not all, employees?

No, an employer must provide coverage under the equivalent plan for all employees under the employer's business identification number (BIN).

Will employers have to renew approval for their equivalent plans?

Yes. Employers will have to reapply for approval annually, only for the first three years. After three years, employers will no longer have to re-apply for approval and their equivalent plans will remain in place until withdrawn or terminated.

Learn More.



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