



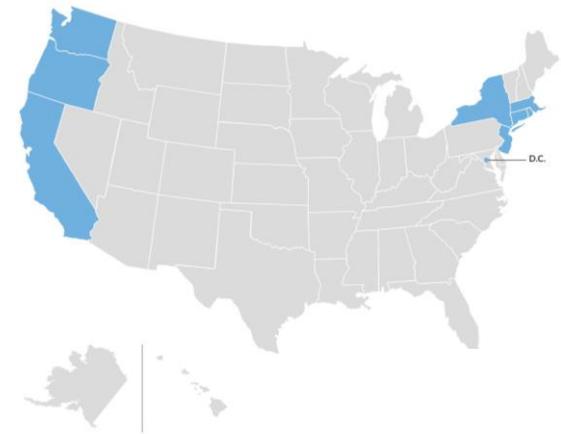
# **Paid Family and Medical Leave Insurance (PFMLI)**

Contributions Town Hall: October 13, 2020



# Oregon joins eight others in having a paid family and medical leave insurance program

Oregon	• Benefits start January 2023
Connecticut	• Benefits start January 2022
Massachusetts	• Benefits start January 2021
Washington DC	• Benefits started July 2020
Washington	• Benefits started January 2020
New York	• Benefits started January 2018 ✓
Rhode Island	• Benefits started January 2014 ✓
New Jersey	• Benefits started July 2009 ✓
California	• Benefits started July 2004 ✓



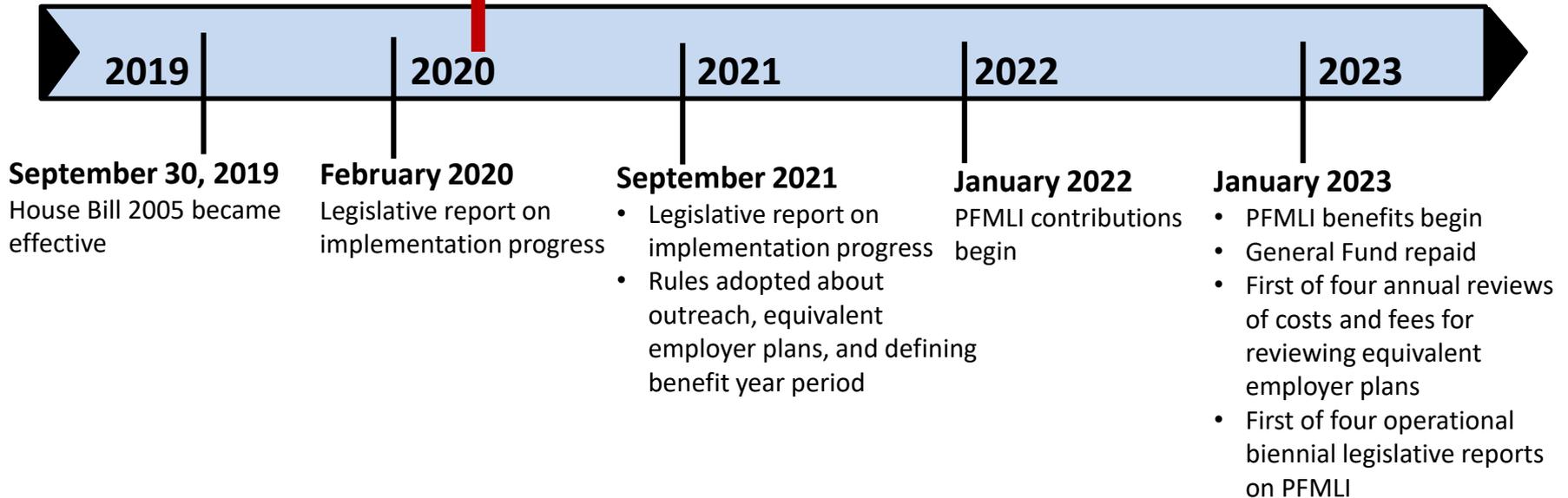
✓ Many evolved from existing state disability insurance programs



# Statutory timelines

## HB 2005 (2019)

Now



# Types of Leave

- **Family Leave:** To bond with a child during the first year after birth, adoption, or foster care placement, or to care for a family member with a serious health condition.
- **Medical Leave:** To address your own serious health condition.
- **Safe Leave:** To respond to issues related to domestic violence, harassment, stalking, or sexual assault.



# About the program

## Benefits

- 12 weeks paid leave
- 2 more weeks paid leave for pregnancy, childbirth, and related conditions
- 4 more weeks unpaid leave for OFLA covered conditions
- Benefit amount is based on prior earnings
  - Full wage replacement for people with average earnings up to 65% of the state's average weekly wage
  - Minimum and maximum benefit amounts based on statewide average weekly wage
- Job protection
- Discrimination based on pursuing leave is prohibited
- Health care benefits continue while on leave

## Contributions

- Start accruing January 2022
- Rate applies to the first \$132,900/year in wages
- Rate set annually by Director; cap of 1% of wages
- Contributions are split between employees (60%) and employers (40%)
- Small employers (fewer than 25 employees) do not have to pay their portion



# About the program

## Equivalent Employer Plans

- Employers can provide their own plan that provides at least the same benefits
- Employers pay a fee of up to \$250 to department to evaluate if their plan meets the standard
- These employers, and their employees, do not pay contributions to the state plan
- Employers may take contributions from workers, but not more than workers would pay into the state plan
- Benefits are paid under the employer's plan
- Rulemaking needed for "cross over" situations

## Small Business Grants

- Available to small employers who opt to pay their share of contributions
- Helps offset costs of hiring temporary replacement workers, and related costs, while covered workers are on leave
- Can cover costs related to up to 10 employees per year, up to \$3,000 per employee

## Advisory Committee

- 9 members
- Chaired by Employment Department representative
  - 4 represent employee interests
  - 4 represent employer interests – at least one of those representing small employers
- Advise Director on PFMLI, including implementation, administration, and rulemaking



# Workgroups

## Equivalent Plans

- Employer plans, application process, renewing, withdrawing, terminating, records retention; rules for resolving disputes between employers and employees under equivalent plans

## Contributions

- Reporting, timelines, remitting payments, successor interest, liable entity, collection issues, rules for posting of bonds or securities, interest and penalty provisions

## Small Employers

- Small employer provisions, including assistance grants, job protection provisions, counting employees (to determine less than 25)

## Self Employed/ Independent Contractors

- Income measurement for contributions, election to opt into program, information needed to apply, renewing, withdrawing, terminating; collection procedures for self-employed, simultaneous coverage with other employers

## Benefits

- Eligibility, application, computation and delivery of benefits, employee notice, intermittent leave, collection of overpayments, interest and penalty provisions



# Contributions Workgroup

## High Priorities - Current:

Topics to be  
considered first

- Timeline and procedures for setting the rate
- Employer, employee, and wage subjectivity

## High Priorities - Upcoming:

Topics to be  
considered next

- Payroll deductions
- Payroll reporting and payments

## Medium Priorities:

Topics to be  
considered later

- Assessments
- Delinquent contributions
- Penalties
- Hearings

## Low Priorities:

Topics to be  
considered last

- Fraud
- Collections
- Employer closures and transfers



# Contributions Workgroup

Questions?



# Thank You

