

Paid Family and Medical Leave Overview

January 2022 Guide

Navigating and complying with the various Paid Family and Medical Leave laws can be complicated — but it doesn't have to be. This guide helps outline what you need to know for existing programs as well as for future programs to help be compliant. The information will help you understand how each of the states are implementing paid leave programs and what the future may look like.



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2021: A year in review

What you need to know

Massachusetts: Started paying benefits for their PFML programs.

Connecticut: Started assessing PFML payroll tax contributions in January and accepting applications for benefits in December for their official start date on January 1, 2022.

New Jersey: Expanded their TDI program to include an illness caused by an epidemic of a communicable disease a known or suspected exposure to the communicable disease, or efforts to prevent the spread of the communicable disease, which require in-home care or treatment of the employee due to an order or recommendation to quarantine.

Expanded their FLI program to include leave due to an event of declared state of emergency, an epidemic of a communicable disease, known or suspected exposure to the communicable disease, or efforts to prevent spread of the communicable disease, provide in-home care or treatment of the family member of the employee required due to an order or recommendation to quarantine.

New Hampshire: Passed the Granite State Paid Leave program in a budget bill to offer PFL to their government employees and included a voluntary program for other private employers. Benefits will be payable January 1, 2023.

New York: Expanded their PFL intermittent leave entitlement to be a maximum of 84 days if the employee works an average 7 day/week schedule (7 days x 12 weeks = 84 days) effective January 1, 2022.

Expanded their definition of Covered Family member to include sibling effective January 1, 2023.

Oregon: Delayed their PFML program to begin assessments in January 2023 and have benefits payable in September 2023.

In 2021, various states enacted legislation and emergency orders to help protect workers due to COVID-19 variants. The terms 'quarantine' and 'alternative' work locations are now a normal part of our business as usual.

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Employers are rethinking their business model to define this new normal, offering more work from home opportunities.

State Leave Activity in 2021

2

States Enhancing Benefits

NY, WA

6

States with laws that are in force and did not change

CA, HI, MA, NJ, PR, RI
(HI, PR state DI only)

4

Law passed; program under development

CO, CT, OR, NH



Federal PFML is closer than ever

In 2021, the Build Back Better Plan became a trimmed down version from the President's original plan of 12 weeks paid leave.

▶ 4 weeks Universal Paid Leave

▶ Job Protections

▶ Progressive benefit payments where lower wage earners get higher benefit payments

▶ Leave for an employee's own serious health condition, child bonding, and care of family member

House of Representatives bill HR 5376 contains a federal paid family and medical benefit program offering 4 weeks of paid benefit for an employee's own serious medical condition, to bond with a child (newborn, adopted, or foster) and to care for a family member with a serious health condition.

Benefits would be payable on a sliding tier scale offering up to 90% wage replacement for those earning 15,080 or less.

Funding for the program would be under the general federal appropriations. States with legacy PFML programs may qualify for federal grants to support their programs and employers may qualify for grants (up to 90% of paid leave costs) if they offer PFML programs with the same or better benefits.

The plan would be administered by the Social Security Administration.

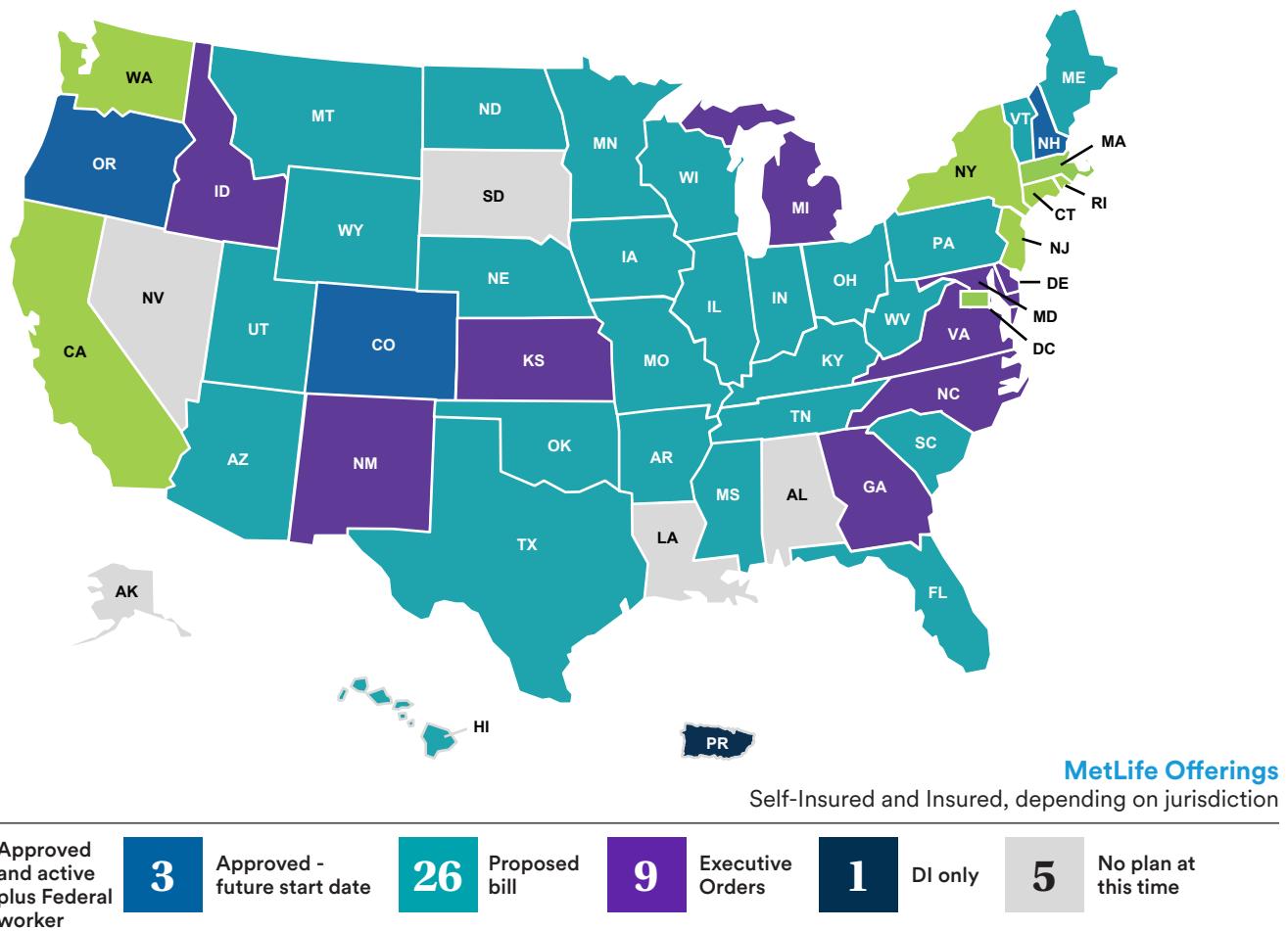
Federal Program Timeline: 2021 and Beyond

- **May 2021:** Senate HELP committee conducted a hearing on PFML
- **September 2021:** House Ways & Means Committee conducted hearings on PFML
- **November 19, 2021:** House passed 4 weeks Universal Paid Leave in the Build Back Better plan
- **Early 2023:** Senate set to vote
- **In 2024:** If signed, program may start

What's coming in 2022

The Paid Family and Medical Leave landscape

As of March 2022

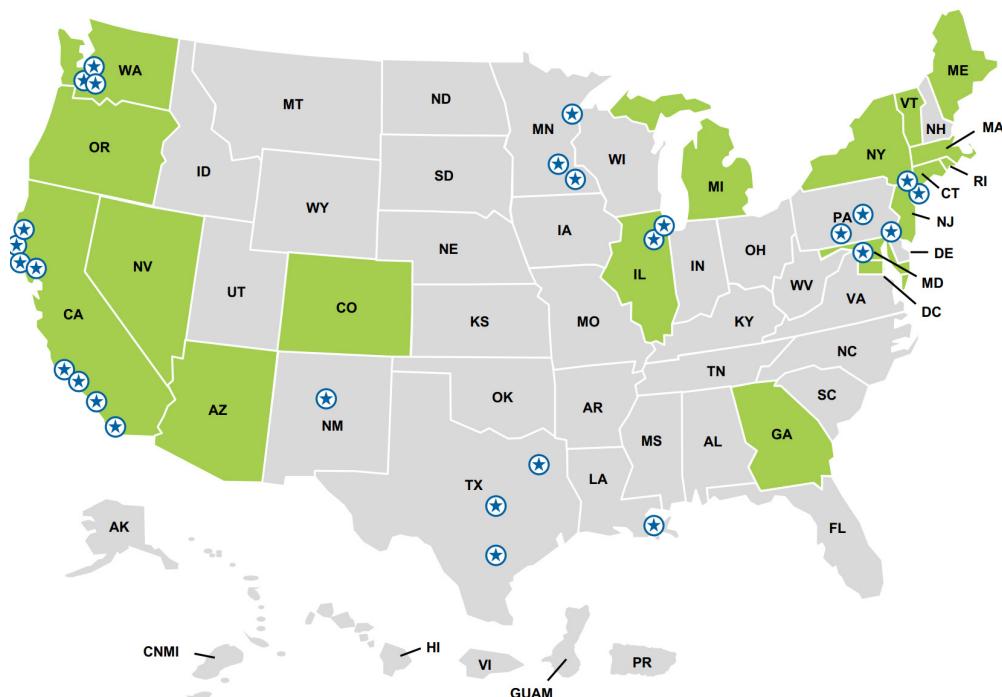


States to watch:

- Vermont – PFML similar to New Hampshire approach
- Maine – PFML study
- Hawaii – PFL study (only state with mandated DI without PFL)
- Virginia – PFML study
- Delaware – Senate Committee on Health and Social Services discussing program
- Illinois – PFML House Labor and Commerce sub-committee for Wage Policy potential study
- Georgia – PFML study being considered by Senate RULES committee
- North Dakota – State House passed a bill for a study, but it did not pass the state's Senate

States with sick leave laws

Sick leaves are for the immediate need. They normally replace 100% of wages and may be available without certification such as from a doctor or providing proof of absence. On the other hand, Paid Family and Medical Leaves are designed for longer absences, sometimes up to 26 weeks, and do typically require certification that the absence has merit. PFML normally provides a percentage of an employee's wages to encourage them to return to work.



Municipalities

CA	Berkeley	NM	Bernalillo County
	Emeryville		
	Long Beach		
	Los Angeles (2)		
	Oakland		
	San Diego		
	San Francisco		
	Santa Monica		
IL	Chicago	TX	Austin
	Cook County		Dallas
LA	New Orleans		San Antonio
MD	Montgomery County	WA	Seattle
			SeaTac
			Tacoma
MN	Duluth		
	Minneapolis		
	St. Paul		

Status



Approved states (18)



Approved - in municipalities (27)



None (33)

State mandated (also referred to as statutory) paid family, own medical, and disability leave laws are typically designed to provide basic benefits to 'all' workers in their jurisdiction; therefore, we see differences in each state's plan designs, funding, and eligibility.

States are providing guidance on minimum standards for PFML programs that help smaller employers compete for and retain talent by providing benefits many larger employers already provide their employees.

State plans with key PFML dates

31%

of US workers to be covered under Statutory DI, PFL or PFML laws by 2024*

Future state implementation timeline:

Connecticut

Jan 01, 2022 Benefits start

New Hampshire

Mar 31, 2022 State Request for information for carrier of choice

Jan 01, 2023 Benefits start

Oregon

Jan 01, 2023 Contributions start

Sept 03, 2023 Benefits start

Colorado

Jan 01, 2023 Contributions start

Jan 01, 2024 Benefits start

Region	2021 Oct Workforce (thousands)*
California	19,022.8
Colorado	3,196.7
Connecticut	1,812.6
District of Columbia	412.3
Hawaii	647
Massachusetts	3,726.3
New Hampshire	747.3
New Jersey	4,438.5
New York	9,302.7
Oregon	2,168.6
Rhode Island	551.6
Washington	3,935
SUM PFML/DI States	49,961.5
TOTAL US Workers	161,556.6

* Source: <https://www.bls.gov/news.release/laus.t01.htm>

Paid Family and Medical Leave Overview

Below, is a state chart that shows which states have paid leaves related to medical or family leaves. Failure to comply with these laws may result in fines and penalties being imposed against the employer.

State	Paid Sick Leave	Paid Disability	Paid Medical	Paid Family
Alabama				
Alaska				
Arizona	Yes			
Arkansas				
California	Yes (plus municipalities)	Yes		Yes
Colorado	Yes		Yes (2024)	Yes (2024)
Connecticut	Yes		Yes	Yes
Delaware				
District of Columbia	Yes		Yes	Yes
Florida				
Georgia	Yes			
Hawaii		Yes		
Idaho				
Illinois	Yes (plus municipalities)			
Indiana				
Iowa				
Kansas				
Kentucky				
Louisiana	Municipality			
Maine	Yes			
Maryland	Yes			
Massachusetts	Yes		Yes	Yes
Michigan	Yes			
Minnesota	Municipalities			
Mississippi				
Missouri				
Montana				
Nebraska				
Nevada	Yes			

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Below, is a state chart that shows which states have paid leaves related to medical or family leaves. Failure to comply with these laws generally results in fines and penalties being imposed against the employer.

State	Paid Sick Leave	Paid Disability	Paid Medical	Paid Family
New Hampshire			Yes, but limited (2023)	Yes (2023)
New Jersey	Yes	Yes		Yes
New Mexico	Municipalities			
New York	Yes (plus municipalities)	Yes		Yes
North Carolina				
North Dakota				
Ohio				
Oklahoma				
Oregon	Yes		Yes (2023)	Yes (2023)
Pennsylvania	Municipalities			
Rhode Island	Yes	Yes		Yes
South Carolina				
South Dakota				
Tennessee				
Texas	Municipalities			
Utah				
Vermont	Yes			
Virginia				
Washington	Yes (plus municipalities)		Yes	Yes
West Virginia				
Wisconsin				
Wyoming				

What does compliance look like?

Statutory paid family, medical, or disability leave and benefit laws are designed to provide basic benefits to all. Compliance can be categorized into four primary areas: Eligibility, Funding, Benefits, and Administration.

Eligibility

Starting with eligibility, statutory plans are different from employer sponsored plans. In most cases, they require every worker in the state to be covered. Which means that non-traditional workers such as part timers, people who are on temporary assignment, or former employees will be covered. It will be important for employers to identify the various types of workforce who are eligible to receive benefits under their statutory plans and be able to report them as required under the statutory law.

Funding

Some state programs have state established pricing, such as New York PFL, but market determined rates for its DBL. Other states, like Connecticut and California, priced to have their plans be 100% funded by the employee. In addition to the state programs some cities, such as San Francisco, have established their own PFML programs so that the employer will fund a top up benefit allowing workers to receive 100% of their normal pay when the leave is for child bonding.

Most states, like Washington, Massachusetts, Oregon, and Colorado, have a split funding method where both employees and employers contribute to the plan where funding limits are established utilizing either the state's average wage or the Social Security Wage Cap.

Benefits

Benefits for one's own medical or disability leaves are usually based on the employee's own serious health condition; while paid family leave primarily means the leave is not for the employee's own health condition but instead allows the individual time away from work due to a need to care for a family member with a serious health condition, to bond with a child, military exigency, or potentially for safety when the employee or family is the victim of violence. Benefit durations can range from 6 weeks in DC

to as much as 12 months in California. Many states will align benefits to be taken concurrently with the unpaid federal FMLA and offer around 12 weeks.

Payments

As for how much of a benefit will individual workers receive, like costs, is based on their wages earned in the state. Many states' benefits are progressive, allowing lower income earners to receive a higher percent of wage replacement than higher income earners. For example, Oregon's new plan will give workers 100% wage replacement, up to a cap, if they make 65% or less of their state's average weekly wage.

Coverage

Seven states, including NJ, MA, CT, OR, and newly CO can have insured or self-insured plans. WA, and CA can have self-insured plans.

NY, HI (TDI), and the newly passed NH PFL, wrote their statute so that private insurance would be the primary solution for coverage. In NY, approximately 95% of their statutory program is through private market offerings with only 5% of plans utilizing the State Insurance Fund.

DC and RI programs are exclusively run through the jurisdiction/state and do not allow for private plan options.



Benefit Overlap Analysis

What does your employer benefit plan look like compared to state plans?

Eligibility	Funding	Benefits	Payments	Coverage
✓ Full Time	✓ Employer Pay	✓ Medical or Disability	✓ 100% Salary Continuation	✓ State Program
✓ Part Time	✓ Employee Funded	✓ Maternity	✓ Same % Wage Replaced	✓ Insurance
✓ Any W2	✓ Split Employee/ Employer	✓ Child Bonding	✓ Progressive % wages replaced	✓ Self-insured/ TPA
✓ Former workers		✓ Care of Family		
✓ Others		✓ Military Exigency		
		✓ Organ Donation		
		✓ Safe Leave		

Similar Employer Responsibilities

Once an employer knows they are mandated to provide the coverage and have identified their impacted employees, there are similar responsibilities regardless of the statutory state.

- Coordinate the payroll deductions or contributions required
- Comply with notifications (i.e., Notice for Payroll Deductions, Posters, Statement of Rights, etc.)
- Participate in the claims process, when applicable
- Ensure nondiscrimination, non retaliation, and where applicable job protection
- Continue healthcare coverage for the workers while out on leave

This can get complex when an employer must do all of this for employees who work in multiple different states.

PFML Coordination

Did you know?

One baby could mean 16* benefits for new parents.

*In California, one baby could mean 21 benefits



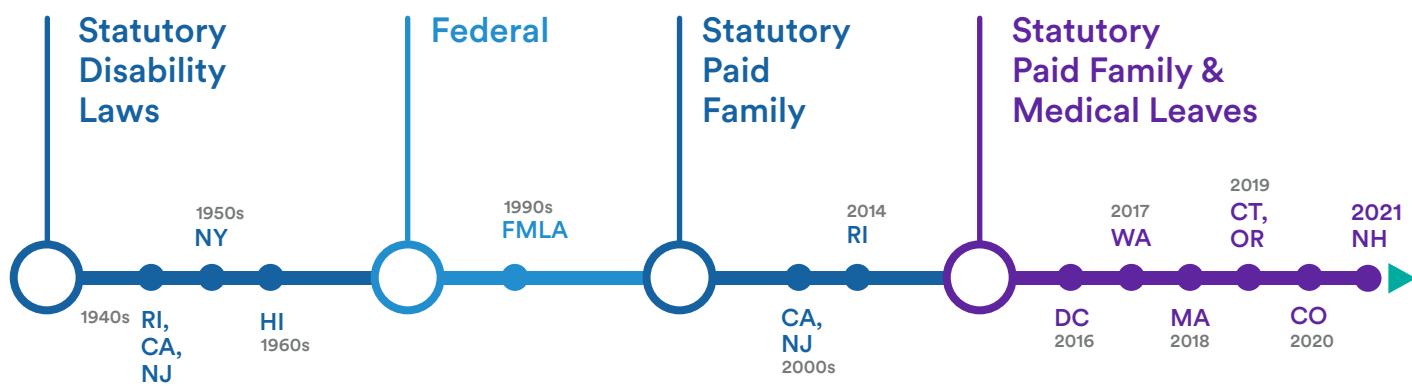
With the growing number of absence related leaves today, there is a need to coordinate state run PFML programs with federal and/or employer sponsored programs.

When states allow for private insurance or self-insured programs, the insurer or administrator of these programs can harmonize all programs on behalf of the employer and employee, allowing for a seamless claimant experience.

How did we get here?

PFML Timeline

Statutory disability laws first appeared back in the 1940s when men were coming back from war and were considered the primary income source while women were expected to stay at home to raise a family. Today's families have a very different dynamic where it is common to have both parents working and adult age children still living in the same home, contributing to the household expenses. In November 2020, Colorado's general election voted in a state PFML program that included a state tax associated with the benefits. This reflects the public consensus that paid leave is necessary and workers are willing to make financial contributions to fund the benefit plans.



In 2021, with the employee shortage, and the economy rebounding from the COVID-19 shutdowns, PFML became a priority for a Federal program as well as state specific solutions to meet the needs.

NH passed the first voluntary PFL program allowing smaller businesses to take advantage of the state's purchasing power and opt in to provide PFL using either the carrier chosen to provide benefits to state workers, or have a private plan (insured/self-insured) of their own.

Given this change in dynamic, in recent years paid leaves have risen to the top of conversation within larger corporations and within our own government to help mitigate a family's financial risk if any income earner cannot work due to their own or a family member's medical needs.



The United States, Papua New Guinea, Suriname (the smallest country in South America) and a few island countries in the Pacific Ocean are the only countries in the United Nations that do not require employers to provide paid family leave for new parents.

We're here to help

MetLife has several materials to assist you in understanding and navigating the various PFML Statutory programs. Please visit www.MetLife.com/PFML



MetLife's Coverage Solutions at a Glance

Jurisdiction	Plan	Statutory Plan	MetLife Solution
CA	SDI, PFL	State Primary, Voluntary self-insured available	Self-insured administration
CO	PFML	State Primary, Private Plans can be insured or self-insured	Self-insured administration, fully insured TBD
CT	PFML	State Primary, Private Plans can be insured or self-insured	Fully insured and self-insured administration
DC	PFML	District only	Not available, state run only
HI	TDI	Private Plan only	Fully insured and self-insured administration
MA	PFML	State Primary, Private Plans can be insured or self-insured	Fully insured and self-insured administration
NJ	TDI	State Primary, Private Plans can be insured or self-insured	Fully insured and self-insured administration
NY	DBL, PFL	Private Plans primary; state fund available	Fully insured and self-insured administration
OR	PFML	State Primary, Voluntary self-insured available	Self-insured administration, fully insured TBD
PR	DI	PR Primary, Voluntary self-insured available	Fully insured and self-insured administration
RI	TDI, TCI	State only	Not available, state run only
WA	PFML	State Primary, Voluntary self-insured available	Self-insured administration

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