

FAMLI

Colorado's Paid Family and Medical Leave
Insurance Program

WHAT IS FAMLI?

- Colorado's Family and Medical Leave Insurance Program (FAMLI) will ensure that all Colorado workers will have access to paid leave during certain life circumstances
- Approved by Colorado Voters in 2020 with 57% bipartisan support
- Ninth state-facilitated family leave program in the United States
- Colorado's FAMLI program will be administered by the Division of Family and Medical Leave insurance
- Contributions to the program start January 1, 2023. Benefits become available on January 1, 2024.
- Most Colorado employees become eligible to take paid leave after they have earned at least \$2,500 in wages within the state within the last 4 calendar quarters.
- Self Employed Workers (1099 or Contract Workers) may also be eligible if they have opted into coverage and live and work in Colorado.

WHEN CAN WORKERS USE FAMLI LEAVE?

To manage their own serious health condition

To care for a family member with a serious health condition

To care for a new child (within the first year of birth, or foster placement, or adoption.)

To make arrangements for military deployments

To address immediate safety needs and impact of domestic violence/sexual assault.



What other protections does FAMLI offer?

Protections for employers	Protections for employees
30 day advance notice, if need for leave is foreseeable	If an employee has worked for 180 days for the same employer, then job protection is mandated
Appeals system includes both administrative and judicial review	Clear prohibition against retaliation
Penalties for fraud outlined in ballot language	Right to civil action
Oversight – annual report to Legislature	Mandated posted education about program and benefits

HOW DOES FAMLI BENEFIT EMPLOYERS?

- Easy to administer – FAMLI will largely work in the same way and on the same schedule as the Unemployment Insurance system (funded by premiums)
- More competitive – Paid family and medical leave is a benefit workers want, and providing it will allow Colorado employers to better compete for talent
- Cost-effective – The state-run FAMLI program will help Colorado employers provide paid family leave easily and cost-effectively
- Happier, healthier employees – Research shows that access to paid family leave can boost employee morale, and happier employees are often more productive

How will FAMLI be funded?

Employer Type	Employer Premium	Employee Premium	No Premium
9 or fewer employees		✓	
10+ employees	✓	✓	
Participating self-employed		✓	
Participating local government employee		✓	
Nonparticipating local government			✓
Nonparticipating self-employed			✓
Employer with private plan			✓

Will FAMLI premiums increase?

- The initial 0.9% FAMLI premium rate is fixed through 2024.
- For 2025 and beyond, the director of the FAMLI Division sets the premium rate according to formula based on monetary value of fund each year.
- The FAMLI premium rate is statutorily capped at 1.20%.

How much will employees receive when using FAMLI benefits?

Weekly wage	Weekly benefit	Maximum annual benefit	Percent of weekly wage
\$500	\$450	\$5,400	90%
\$1,500	\$976.60	\$12,216	65%
\$2,000	\$1,100	\$13,200	55%
\$2,500	\$1,100	\$13,200	44%
\$3,000	\$1,100	\$13,200	37%

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During their leave, employees will receive between 37% and 90% of their wages. Benefits are capped at \$1,100 per week.

Premium and Benefits Calculator

<https://famli.colorado.gov/individuals-and-families/premium-and-benefits-calculator>

How FAMLI interacts with FMLA

- FAMLI benefits have been designed to run concurrently with the federal Family and Medical Leave Act (FMLA).
- FMLA provides ***unpaid***, job-protected leave, while Colorado's FAMLI provides ***paid*** leave.
- FAMLI Benefits are individually portable and are determined by length of time employed in Colorado, not by length of time with the same employer.
- Employees are NOT required to use paid time off before taking leave under FAMLI, but employers *may allow* employees to use their accrued PTO to “top off” or cover the remaining balance to their weekly wage

Guidelines for Employers

- Employers and Employees are both responsible for funding the program and may split the cost 50/50. The premiums are set to 0.9% of the employee's wage with .45% paid by the employer and .45% paid by the employee.
- Employers may also elect to pay the full amount if they choose to offer this as an added perk for their employees.
- Employees with nine or fewer employees do not have to contribute to the program, but do need to remit their employee's share (.45%) of premium payments each quarter. This can be done through a payroll deduction.
- Employers who offer their own paid leave program may apply for an exemption.
- Local Government employees and self-employed individuals have the option to **opt-out**. If the organization decides to opt-in, ALL EMPLOYEES must participate.

While an Employee is on Leave, employers are not responsible for paying wages at that time. Because of this, you may have access to vacancy savings to spend as needed.

An employee will only be receiving a portion of their paycheck dependent on their average weekly wage and not the full amount. The benefit is capped at \$1,100 a week. Employees are not required to use earned paid time off, but employers may allow employees to use their accrued PTO to "top off" or cover the remaining balance of their typical weekly wage in order to "make whole" their take-home pay while on leave.

FAMLI and Local Governments



Unlike private sector employers, local governments can choose whether or how to participate in Colorado's FAMLI program.

A local government's options to participate:

Participate in FAMLI.

- You pay the employer share of the premium like any other employer.
- That's 0.45% of wages if you have 10 or more employees, and 0% of wages if you have fewer than 10 employees.
- You remit employees' share of the premium (0.45% of wages) and submit wage data to the FAMLI Division once a quarter.

Decline *all* participation in FAMLI.

- Your local government must vote not to participate.
- Then you must notify the FAMLI Division of your decision.
- The local government must revisit the decision to opt out at least every eight years.
- **Not** offering paid family leave could place a local government at a disadvantage when competing for talent with employers who do.

Decline *employer* participation in FAMLI.

- If the local government votes to decline, it still has the option to assist its employees who want to individually participate in FAMLI.
- This means the local government would facilitate voluntary payroll deductions, remit the employee share of the premium, and submit wage data once a quarter to the FAMLI Division.

Other Considerations

Local governments which choose to fully participate in FAMLI after previously voting to decline participation, as well as individuals who self-elect coverage, must remain in the program and agree to pay premiums for a minimum of three years.

If a local government wishes to withdraw from the program at the end of the three-year period, the Division requires a minimum of 90 days notice, so we can change systems to avoid overpayments and miscommunication.

Approximate Cost to PCCLD, 1st year = \$23,814.93



Example: Local government

Ava works for a school district (local government). Each bi-weekly pay period, she earns wages totalling \$2,000.

Ava's local government employer has chosen to opt out of employer participation in FAMLI, but will facilitate individual employees' participation by handling payroll deductions.

Beginning on January 1, 2023, Elise's employer will deduct 0.45% of her wages from her paycheck for FAMLI premiums, or **\$9.00** per pay period.

FAMLI Timeline

January 1, 2022

Initial FAMLI rules adopted



January 1, 2023

Deadline for local governments to
notify FAMLI of a decision to opt out
Employers can begin remitting FAMLI
premium payments



July 2022

Public education campaign begins



April 1, 2023

First quarterly premium payments
due (30-day grace period)

January 1, 2024

Covered workers can begin
submitting requests for FAMLI leave



Next Steps

- ❖ PCCLD Employee Education Sessions
- ❖ Employee Survey to determine how many employees would like to participate
- ❖ Analysis of Feedback
- ❖ Return to Board of Trustees in August or September with employee input and organization recommendations
- ❖ Board of Trustees will vote on adoption