

BRIEF SUMMARY OF SB 5975
WASHINGTON'S FAMILY and MEDICAL LEAVE INSURANCE

Creates a statewide portable program for paid family and medical leave insurance (PFMLI) funded by premiums paid by employers and employees, and allows employer voluntary plans. All working people are included, and independent contractors may opt in. Employment Security Department (ESD) administers the program.

1) **Purposes of leave:**

- Family leave: Birth or placement of a child, family member's serious health condition, military family member exigency.
- Medical leave: Individual's own serious health condition.

2) **Coverage:**

- Portable between employers. Individuals who worked 820 hours in a qualifying period (typically, first 4 of last 5 quarters).
- Allows elective coverage for self-employed individuals, including independent contractors, after working 820 hours following the election of coverage. Tribes may also elect coverage.
- All employers, both public and private, are covered (see small business below).

3) **Benefits:** Percentage of the individual's wages, depending on the individual's income.

- Benefits begin January 1, 2020.
- Individuals with lower wages receive up to 90% of their wages.
- Maximum weekly benefit amount is \$1000 initially, and then adjusted annually.
- Wage benefit determination:
 - The state average weekly wage (AWW) was \$1082 in 2015. Half is \$540.*
 - If someone makes less than \$541, their weekly benefit is 90% of their weekly wages.
 - If someone makes more than \$541, their weekly benefit is the sum of \$541 and 50% of their weekly wages over \$541, up to a cap of \$1000.
- If required under the FMLA, health benefits continue.

4) **Funding:**

- Payroll premium of 0.4% of wages beginning Jan. 1, 2019, with annual adjustments.
- Employees pay 63% and employers pay 37% of the premiums. Employer may pay employee share.

5) **Duration of benefits:**

- 12 wks each of family and medical benefits with a combined limit of 16 wks, with 2 additional wks for a serious health condition related to a pregnancy.
- No benefits are payable for a seven-day waiting period, except for leave for birth or placement of a child.
- Employers may allow an employee to use accrued vacation, sick, or other paid time off, or receive the benefits under the program.

6) **Job protection:** FMLA standard—Employees who worked for an employer with 50+ or more employees and worked for at least 12 mo & at least 1250 hrs in the last 12 mo for that employer.

7) **Voluntary plans:** Employers who meet certain criteria may establish their own equivalent program (either family or medical) with state oversight. Employee costs may not be greater than the state plan.

8) **Administration and process:** ESD administers. Provides for penalties, appeals, rule-making, and other matters.

9) **Small businesses:**

- Small businesses (fewer than 50 employees) do not pay employer share of premium, but may opt in.
- Employers with fewer than 150 employees who are paying into the program are eligible for \$1,000 to \$3,000 grant for costs relating to an employee on leave.

10) **Other:**

- **FMLA leave.** This leave is concurrent with FMLA leave unless the employer expressly permits otherwise.
- **Collective bargaining agreements.** Act does not apply until reopening or renegotiated or expires.
- **Local governments.** Local governments may not create a paid family and medical leave insurance program for a private employer, enforce the program or require private employers to supplement the duration of leave or the benefits.
- **Unemployment non-charging.** Employers may request relief from charges relating to unemployment benefits paid to a temporary replacement worker.
- **Advisory committee.** Business and labor committee to study issues as it determines.
- **Ombuds.** Governor to appoint to assist all employers and employees.

