

Issue Brief

Association of Washington Business

Paid Family & Medical Leave: One-page Overview

The law is the result of months of negotiations between labor, employers and lawmakers, and passed with bipartisan support.

Paid Family Leave is a benefit provided to employees to take time off work to care for a newborn, treatment or recovery from a serious illness, or to care for a family member.

Plan's Benefits, Qualifying Events

The Paid Family Leave law allows workers to take 12-16 weeks of leave using disability definitions under the Federal Medical Leave Act (FMLA). That includes: birth of a child, recovery or treatment for a serious medical condition or care for a family member.

Employees will receive 90 percent of half the state's Average Weekly Wage, and 50 percent of earnings above, up to a maximum of \$1,000 per week, adjusted annually for inflation.

All employees are eligible to receive the benefit after working 820 hours. The program provides a uniform statewide system benefit that follows employees when they change jobs or move locations.

Funding and Administration

Employers pay 37 percent of the premium and employees pay 63 percent, except in small businesses with 50 or fewer employees. Those small businesses can opt-in to the program and pay their premium portion or remain opted-out, but their employees still pay their 63 percent premium and have access to the program's benefits.

The state Employment Security Department (ESD) will oversee the program. This includes processing leave claim submission, which is the employee's responsibility; notifying the employer of the leave request; and, paying out the leave benefit.

A rate smoothing mechanism ensures the program's fund reserves will not get too large.

Small Business Provisions

Employers with fewer than 50 employees are exempt from the program and their portion of premiums, but their employees are in the program and pay their share of premiums, giving them access to the benefit.

Small businesses with 150 employees are eligible for grants to train replacement workers to fill in for employees on leave.

All employers benefit from an Unemployment Insurance provision that ensures UI rates do not go up due to layoff of a temporary worker.

The program also maintains the FMLA job protection provisions to ensure ease in administration and predictability for employers.

Employers of any size with an equal or better plan can apply for a waiver from the program through ESD.

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Additional Information:

- Washington state is the fifth state to provide this benefit.
- Employers and employees begin paying into the program Jan. 1, 2019.
- The Paid Family Leave benefit will be available to employees beginning in 2020.
- Employers with less than 50 employees are automatically opted-out of the program, though their employees will pay into the system.
- Employers with an equal or better paid leave benefit can apply for a waiver.