

TECHNICAL UPDATE



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Coloradans Voted for Paid Family and Medical Leave

On November 3, 2020, Colorado voters passed Proposition 118, Paid Family and Medical Leave Insurance Act (PFML), which creates a state-run, paid family and medical leave insurance program. Beginning January 1, 2024, eligible Colorado employees can take up to 12 weeks of paid leave for a covered reason. The PFML program will be administered by the Colorado Department of Labor and Employment's new Division of Family and Medical Leave Insurance.

WHO IS ELIGIBLE?

PFML applies to employers with at least ten employees; however, employers with nine or fewer employees may opt into the program. Local governments may also opt-out of the plan; however, local government employees whose employer has declined to participate and self-employed individuals may choose to opt-in and pay only the employee portion of the premium directly to the PFML fund.

Eligible employees are those who have worked at least 180 days and earned \$2,500 in wages that were subject to PFML premiums. While similar to the federal Family and Medical Leave Act (FMLA), PFML only requires six months of employment for eligibility and also offers an additional four weeks of coverage for serious pregnancy or childbirth-related complications. An employee can not be required to exhaust available PTO before or while receiving PFML benefits.

WHAT KINDS OF LEAVE ARE COVERED?

Employees may take PFML leave for the following reasons:

- caring for their own serious health condition;
- caring for a new child during the first year after the birth or adoption or for foster care of a new child;
- caring for a family member with a serious health condition;
- when a family member is on active-duty military service or is called for active-duty military service; and
- when the individual or the individual's family member is a victim of domestic violence, stalking, or sexual assault.

HOW IS IT FUNDED?

PFML is funded by a 0.9 percent payroll tax shared between employer and employee that goes into effect on January 1, 2023. The PFML benefit amount is based on comparing the employee's average weekly wage (AWW) and the state average weekly wage (SAWW). An eligible employee will receive 90 percent of their AWW for the portion of their wages that are less than or equal to 50 percent of the SAWW and 50 percent of the portion of wages that exceed 50 percent of the SAWW. For 2024 this cannot exceed \$1,100 per week. After 2024, the benefit amount will be tied to the SAWW.

WHAT THIS MEANS FOR COUNTIES

By voting for PFML, Colorado joins nine other states and the District of Columbia in enacting paid family medical leave. Colorado counties may opt-out of paying premiums into the PFML fund; however, their employees may choose to contribute to the fund and receive PFML benefits for a covered event. For questions about PFML, visit <https://www.sos.state.co.us/pubs/elections/Initiatives/titleBoard/filings/2019-2020/283Final.pdf> or contact CTSI at 303 861 0507.

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