



Family and Medical Leave Insurance Program (FAMLI)

PRESENTATION TO CITY COUNCIL

MAY 16, 2022

CITY OF PUEBLO HUMAN RESOURCES & LEGAL



OVERVIEW -FAMLI

- In November of 2020, Colorado voters passed Proposition 118 which established a new state program providing paid leave for employees who have a need to take leave for specific reasons – the Family and Medical Leave Insurance Program (FAMLI)
- Similar to the federal law: Family and Medical Leave Act (FMLA) which allows leave for up to 12 weeks for eligible employees to use for specific qualifying reasons. Key difference is the paid status of leave (FAMLI paid – FMLA – Unpaid)
- There is a cost to provide this paid leave benefit under FAMLI that will be shared 50/50 by the Employer and Employees.
- There is an “opt out” provision for local government employers, and a decision for the City of Pueblo must be made by July 1, 2022.

LEAVE REASONS UNDER FAMLI

1. Caring for a new child during the first year after birth or adoption, or for foster care of a new child
2. Caring for their own serious health condition
3. Caring for a family member with a serious health condition
4. Relating to activities of family member who is on active duty-military service or is called for active-duty military service; and
5. When the individual or the individual's family member is a victim of domestic violence, stalking or sexual assault or abuse.



FAMLI

Employed for 180 days and have earned \$2,500 in wages

Eligibility

Broader definition than FMLA of "family member" and more expansive leave associated with domestic violence (doesn't have to be due to health condition, could be for protection order, home security, legal counsel, court etc.)

Reasons for Leave

Leave Allowance

Up to 12 weeks, with an additional 4 weeks for childbirth complications

Pay While on Leave

The portion of an employee's average weekly wage that is equal to or less than 50% of the state average weekly wage will be replaced at a rate of 90% and the portion of the employees average weekly wage that is more than 50% of the state average weekly wage will be replaced at a rate of 50%. The maximum weekly benefit is estimated to be \$1,100 per week.

Employee may supplement other paid leave and cannot be forced to exhaust their own leave first.



FMLA

Employed for 12 months and have worked at least 1,250 hours

Same (previous slide) with exception of more restricted definitions of "family member" and domestic violence leave must be associated with health condition caused by domestic violence situation

Up to 12 weeks. Additional leave for military caregiver status.

Unpaid. City generally requires employees to use accrued paid leave before taking unpaid leave.

PROGRAM COST

- Estimated annual price tag of \$1.2 billion which will be paid through remitted “premiums”.
- Premium payments are due January 1, 2023, but benefits under the program will not be available until January 1, 2024.
- For the first two years of the program (2023 and 2024), the premiums are 0.9% of total payroll with:
 - 0.45% paid by the employer
 - 0.45% paid by the employee
- For subsequent years beginning in 2025, the state will set the premium amount based on a percentage of employee wages with the intent to fund the program at a level of 135% of the benefits paid during the prior calendar year.

City Medicare Taxable earnings 2021	52,451,337.83
Employee Share .45%	236,031.02
City Share .45%	236,031.02
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	472,062.04
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These costs will likely be higher due to wage changes in 2022 and 2023 respectively.

Example of employee and City share towards benefit based on wage level.

<u>Wages</u>	<u>Emp Share</u>	<u>City Share</u>
35,000.00	157.50	157.50
40,000.00	180.00	180.00
45,000.00	202.50	202.50
50,000.00	225.00	225.00
55,000.00	247.50	247.50
60,000.00	270.00	270.00
65,000.00	292.50	292.50
70,000.00	315.00	315.00
75,000.00	337.50	337.50
80,000.00	360.00	360.00
85,000.00	382.50	382.50
90,000.00	405.00	405.00
95,000.00	427.50	427.50
100,000.00	450.00	450.00
105,000.00	472.50	472.50
110,000.00	495.00	495.00
115,000.00	517.50	517.50
120,000.00	540.00	540.00
125,000.00	562.50	562.50
130,000.00	585.00	585.00
135,000.00	607.50	607.50
140,000.00	630.00	630.00
145,000.00	652.50	652.50
150,000.00	675.00	675.00

Decision Point and Next Steps

OPT-OUT PROVISION

- Local governments were authorized to decline participation in FAML I subject to the regulation and process promulgated by the Colorado Division of Family and Medical Leave Insurance.
- Limited to a city, city and county, city, town, whether home rule or statutory, school district, special district authority or any political subdivision of the state.
- Municipalities that choose not to participate in the program will not pay the employer portion, nor will they collect the employee portion of the premium.
- Employees will not experience a reduced benefit under the program, even if their employer opts out
- Employees will have the right to contribute individually if their employer elects not to participate



Decision regarding “opt-out” must be made no later than July 1, 2022. This requires a formal vote by ordinance.

WHAT ARE OTHER AGENCIES DOING?



Question - Is your organization planning to opt out or opt in to FAMLI?

Status

City /Town

County

Undecided – still gathering info

27%

47%

Opting in

0%

0%

Leaning Towards Opting In

2%

0%

Opting Out

17%

32%

Leaning Towards Opting Out

54%

21%

CITY STAFF RECOMMENDATION

City staff recommends opting out for several reasons:

1. The City already has a generous paid leave program.
2. Opting in removes the employee's choice to participate and we will obligate the employees to pay into the premium. Opting out protects their participation rights and gives them the choice.
3. If something changes in the future, the City could opt back in.

FAMLI - Next Steps

- **TONIGHT!** Direction from City Council regarding participation

Step 1 : Council Direction

Step 2 : Information Sharing & Notice of Hearing

- Program Information Distributed to employees
- Notice of Formal Hearing and opportunity for comment

- Ordinance on program in June 2022
- Public Comment through hearing

Step 3 : City Council Formal Decision

Step 4: Notice of Individual Program Participation

- Within 30 days of vote must post notices of:
 - 1.Highlight differences between FMLA and FAMLI
 - 2.Explain how employees may enroll individually in the program

Tonight

End of May

June

July

Questions?

