



Family and Medical Leave Insurance (FAMLI) Plan

September, 2022

What is Colorado Paid Family Leave?

- Colorado voters approved Proposition 118 in November of 2020, which is to ensure all Colorado workers have access to paid leave to care for themselves or their family during life circumstance that pull them away from their jobs
- Through a combination of employer and employee premiums, the program will offer employees a percentage of their pay (37% to 90% of wages up to a maximum of 12 weeks or 16 depending on the circumstances) for certain types of family leave and medical circumstances
- The premium for this insurance is 0.9% of an employee's wages for the first year, split between employer and employee or 0.45% of which is the employee's responsibility and would begin January 1, 2023
- Employees will be able to start filing claims for benefits starting January 1, 2024



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The City has options



As a local government we have option to opt-in or opt-out of this program and will provide more information on the differences between these options.



FIRST LET'S TALK MORE ABOUT THE PROGRAM.....



Basic Details of the Program

- Eligibility
 - Individuals who earn \$2,500 during the base period
- Provides benefits through the state of 37-90% of employee's salary up to a maximum amount (*more to come on next slide*)
- 12 weeks of leave (up to 16 weeks for pregnancy)
- Benefits administered through the state



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When can FAMLI be used?

- Care for a new child, including adopted and fostered children
- Care for themselves, if they have a serious health condition
- Care for family member's serious health condition
- Make arrangements for a family member's military deployment
- Address the immediate safety needs and impact of domestic violence and/or sexual assault

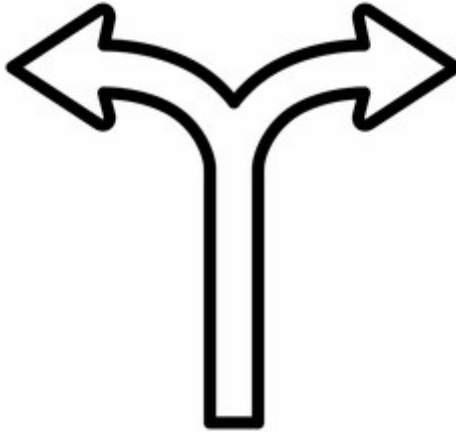


Earnings provided by FAMLI

- FAMLI would be responsible for paying an employees wages or salary while on FAMLI leave. They may use their sick or vacation time to supplement their pay, however they cannot exceed the actual combined FAMLI benefits or normal wages
- Information on what the FAMLI benefit would be can be found online at <https://famli.colorado.gov/individuals-and-families/premium-and-benefits-calculator>. Below is a table to show the estimate benefit based on weekly earnings

| Weekly Wage | Weekly Benefit | Maximum Annual Benefit | Percent of Weekly Wage |
|-------------|----------------|------------------------|------------------------|
| \$500 | \$450 | \$5,400 | 90% |
| \$1,000 | \$768 | \$9,216 | 77% |
| \$1,500 | \$1,018 | \$12,216 | 68% |
| \$2,000 | \$1,100 | \$13,200 | 55% |
| \$3,000 | \$1,100 | \$13,200 | 37% |

TO OPT-IN OR OPT-OUT?



Opt-In

- Required to stay in the program for three years
- Premium deductions of 0.9% would start January 1, 2023 and benefit would not start until January 1, 2024
 - Premiums are 0.9% of wages (0.45% paid by the employee, 0.45% paid by the employer), this is subject to change at a later date
- Employees would file claims starting in 2024 through FAMLI Division, however would still be required to provide FMLA paperwork to their employer



Opt-Out

- Provide notice to FAMLI Division that we are opting-out
- No premiums would be charged to either employees or the City
- **Employees can still elect to opt in to the program through the State and pay 0.45% of their wages as a premium**
- Have choice to enroll in FAMLI at a later date



Comparison of Leave Programs

| | Premium Cost to Employee | Premium Cost to Employer | % of Wages Paid During Leave | Can be used for employee serious Injury or illness? | Can be used for immediate family member serious injury or illness? | Can be used for pregnancy, childbirth for newborn? | Can be used for newly adopted or foster child? |
|--|--------------------------|---|---|---|--|---|--|
| State-Run FAMLI | 0.45% of regular wages | 0.45% of regular wages | 37-90% of regular wages up to a maximum | Yes | Yes | Yes | Yes |
| City of Commerce City Leave for FT Employees | 0% | Varies, City pays premiums for Short Term Disability (STD) and Long Term Disability (LTD) Leave | 100% of regular wages for STD (up to 90 days, as long as disabled), General Leave, Injury Leave, 60% earning for LTD (up to age 65 or normal Social Security retirement age, as long as disabled) | Yes. The following leaves are available to qualifying employees- STD (up to 90 days, as long as disabled), Injury Leave, and General Leave at 100% of regular wages. If an employee exhausts leave they will be eligible for LTD after 90 days at 60% of regular wages (up to age 65 or normal Social Security retirement age as long as disabled). | Yes. General Leave is available | Yes. Employees can use General Leave at 100% of pay. Those who birth are eligible for STD at 100% of regular wages for up to 90 days as long as they are disabled | Yes. Employees can use General Leave |

Considerations

- If the City does not opt out, employees will be required to pay premium
- Added cost to City
- Potential loss of wages
- Go through State to file claims



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2022 Survey

- Employers Council conducted a very brief survey on Colorado's Family and Medical Leave Insurance (FAMLI) Plan program to see if Colorado Local Governments or Political Subdivision of State Government were planning to Opt In or Opt Out.

Family and Medical Leave Insurance (FAMLI) Plan - By Type of Government

| | City/Town | County | Fire District | Library District | Parks & Recreation District | Utility District | Other |
|--|-----------|--------|---------------|------------------|-----------------------------|------------------|-------|
| <i>Number of Orgns. Responding:</i> | 54 | 19 | 7 | 14 | 4 | 19 | 8 |
| 1.00 Is your organization planning to opt out or opt in of FAMLI Leave, with notice by July 1, 2022, as allowed by the Colorado Revised Statutes 8-13.3-522? | | | | | | | |
| 1.00 We have yet to gather information or make any decision | 28% | 47% | 71% | 50% | 25% | 68% | 50% |
| 2.00 We are leaning towards opting out | 54% | 21% | 29% | 43% | 25% | 26% | 38% |
| 3.00 We are leaning towards opting in | 2% | -- | -- | -- | 25% | 5% | -- |
| 4.00 We will be opting out | 17% | 32% | -- | 7% | 25% | -- | 13% |
| 5.00 We will be opting in | -- | -- | -- | -- | -- | -- | -- |

City feedback

- HR provided four informational sessions for employees to attend and recorded one of the sessions to put on the employee intranet page.
- Held informational session for both collective bargaining unions – they were supportive of the City opting out.
- HR conducted a poll and 89% of the respondents were in favor of the City opting-out of the program.



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Recommendation

We recommend the **City opt-out at this point** for the following reasons:

- The financial impact
- **Individual employees can opt in and still receive benefits**
- The Division has not finalized all of the regulatory rules, including information concerning coordination with other leave laws
- Ability to customize benefits
- Simplified claims process
- Better employee experience
- Option to enroll after we opt out



Next Steps

- Public Meeting with public hearing that is noticed to all Employees
- A formal vote from Council must take place (Sept 19)
- Written notification to the Division of Family Medical Leave Insurance Program
- Notice to all employees 30 days following the vote



Resources

- City Provided Leave Matrix - [Leave Matrix.docx](#)
- State FAMLI Program Information - [FAMLI Info Sheet from State.pdf](#)
- State FAMLI Website - <https://famli.colorado.gov/>
- FAMLI Premium & Benefit Calculator - [Premium and Benefits Calculator | Family and Medical Leave Insurance \(colorado.gov\)](#)



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