

January 2021



Washington's Paid Family & Medical Leave Program

Since benefits began in January 2020, 170,000 Washington workers have applied for Paid Family & Medical Leave program (PFML) benefits while they recover from their own serious health condition, welcome a new child, care for a critically ill loved one, or cope with a family member's military deployment. PFML supports health and economic security even in ordinary times, and has provided especially important support to working families and their employers through the extraordinary times of this COVID crisis.

How it works: When workers have a qualifying event, they apply to the state for benefits. They can take up to 12 weeks leave in a year, 16 weeks if combining medical and family leave (18 weeks with a serious pregnancy-related complication). Low-wage workers receive 90% wage replacement, with a sliding scale up to \$1,206 a week in 2021.

Financing: Workers and employers contribute payroll premiums totaling 0.4%. Businesses with fewer than 50 employees are not required to pay the employer share (0.15% of payroll), but may in order to qualify for small business grants when an employee goes out on leave.

Actuarial analysis has confirmed that the payroll tax rate will remain at 0.4% in 2021, even with higher than projected usage in the first year and the impacts of the COVID recession on premiums.

Background: In 2017, Washington's Legislature passed what at the time was the best PFML program in the country. The final policy was negotiated at a bipartisan table with business and working family representatives, after years of advocacy by the Work & Family Coalition. Six other states operate similar programs (CA, NJ, RI, NY, DC, MA), and three states are implementing new programs (OR, CT, CO.)

COVID highlights importance of key changes for equitable access

Washington's PFML program makes workers, families, and businesses healthier and more resilient. But lower wage workers and workers of Color often face barriers to fully using the program. We can improve health outcomes and economic vitality for all our communities with these priority equity changes:

- ***Change qualifying hours to align with OR*** - with 2020 reduced hours and layoffs, many won't meet the 820 hour qualifying threshold in 2021. WA imposes a higher threshold than 8 of the 9 other state programs. OR requires \$1,000 in earnings; CA, with the oldest program, requires just \$300.
- ***Expand family definition to include those with a close association equivalent to family.*** Families all look different, and our society benefits when loved ones provide care for someone who is critically ill. NJ, OR, CT, and CO all have this more inclusive family definition.
- ***Expand job protection and continuation of health benefits to any employee who has been on the job for 90 days.*** Now only employers with more than 50 employees are required to hold jobs and continue health insurance, and only for employees who have been with them a full year and worked at least 1,250 hours the previous year. Disturbingly, only 20% of program users are from companies with fewer than 50 employees, although they make up 33% of covered workers, and only 6% of program users have earnings below \$26,000 annually. Every other state program has much more extensive job protection requirements, and all but CT also require expanded continuation of health insurance. ***A pandemic is no time to lose health insurance or risk your job!***