Paid Family Leave Employer Portal Goes Live in Colorado

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(DENVER) – Colorado employers, and the third-party administrators who serve them, have a new, easy way to manage the proven benefits of paid family medical leave as the state Family and Medical Leave Insurance employer services portal goes live.

The My FAMLI+ Employer portal – launched by the Colorado Department of Labor and Employment's new Family and Medical Leave Insurance (FAMLI) Division – is a handy one-stop shop for employers and third party administrators to manage employer obligations under the new, voter-approved statewide paid family leave program. The Division has already successfully registered more than 1,300 organizations during the soft launch of the portal over the last several weeks. All employers can now access My FAMLI+ Employer from famli.colorado.gov.

On Jan. 1, Colorado employers and employees will start contributing to the new voter-approved FAMLI program. Using simple payroll deductions, employers and employees will contribute to the fund that will give more Coloradans wage replacement benefits during life circumstances that pull them away from their jobs. Benefit payments will become available to most Colorado workers starting in January, 2024.

Colorado is joining 10 other states and the District of Columbia to ensure more workers have access to paid leave during life circumstances that pull them away from their jobs — like a new child, taking care of a loved one with a serious health condition, or preparing for a family member's military deployment.

Initiatives in other states have shown that paid leave keeps folks in the workforce and reduces employer expenses when needing to replace talent that had to step away to care for themselves or their loved ones. And a statewide insurance fund funded by a wide variety of employers and employees reduces costs.

For example, <u>California</u>, which implemented its paid family and medical leave program two decades ago, has found over the past 20 years, 87% of businesses have reported no increased costs, and 9% saw cost savings due to lower employee turnover or lower spending on employee benefits.

Colorado workers can start applying for paid leave benefits starting in 2024. Workers will file a claim for FAMLI benefits directly through the state, similarly to how they would file an unemployment insurance claim. Here's how it works and who is eligible:

• Employers are required to notify employees of payroll deductions by posting the Required Program Notice by Jan. 1, 2023.

- Employers and their employees both fund the FAMLI program and may split the cost 50/50. Premiums are set to 0.9% of the employee's wage, with 0.45% paid by the employer and 0.45% paid by the employee. (Employers can pay all or some of the employee share as an added benefit if they wish.) Premiums may be adjusted in future years but are capped by law at 1.2%.
- Small employers with 9 or fewer employees aren't required to cover the employer share and are only responsible for deducting and remitting the 0.45% employee share to the FAMLI Division once a quarter.
- Eligible workers can get up to 12 weeks of pay (or 16 weeks in situations of certain pregnancy or childbirth complications) on a sliding scale based on earnings, with lower wage earners receiving up to 90% of their wages. Workers can take FAMLI leave continuously, intermittently, or in the form of a reduced work schedule.
- Instead of asking an employer for leave, Colorado workers will apply directly to the state for benefits. Employers won't be responsible for directly paying eligible employees while they're unable to work, reducing costs spent on those wages.
- Self-employed workers and independent contractors can access paid family leave if they agree to pay FAMLI 0.45% of their wages for three years. These individuals will be able to self-elect coverage when benefits become available in 2024.
- Local governments (such as cities and counties) have the option to vote to opt out of the program. Just like independent contractors, employees of these local governments can still access paid leave as long as they agree to pay their share (0.45% of their wages) for three years.
- Private employers of any size can apply for approval to use a private plan if they intend to use a private insurance plan that offers the same or greater benefits and protections as the state-run FAMLI plan. Private plans must get approval from the FAMLI Division. This application process is set to open in early 2023. All employers will be responsible for paying their premiums until their private plans are approved. Employers who receive approval by Oct. 31 of next year for private plans that have an effective date of January 1, 2024 or earlier will be eligible for a refund for any premiums paid in 2023.
- Federal employees are not eligible for Colorado FAMLI benefits.

For more details, check out <u>FAMLI.colorado.gov</u> where the Division has a variety of materials within the <u>Employer Toolkit</u> and an <u>online calculator</u> that makes it easy to estimate wage deductions and potential benefits.