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New Models for PFML – Education and Action

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Learning Objectives

- Describe the difference between mandatory and voluntary PFML
- State Employer responsibilities under mandatory and voluntary PFML
- Explain ways to structure PFML programs in your organization
- Summarize next steps for PFML
- Resources Available to Employers




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Can You Find the Easter Eggs?

An easter egg



- There are **ten** "easter eggs" throughout the presentation
- When you see them, give a thumbs up high in the air and we will give you a paper egg
- Who ever collects the most eggs at the end of the presentation, wins a prize




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Voluntary Paid Family Medical Leave

Paid family and medical leave (PFML), is a class of insurance. Licensed life and disability insurers can issue policies to Employers

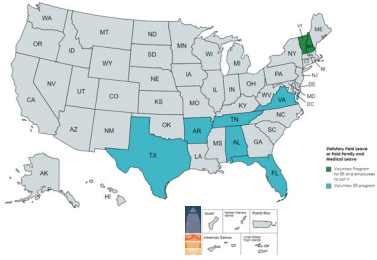

- Employers can opt to purchase a policy
- Policies will look different depending on what the carrier offers
- Statutes provide broad guidelines for waiting period, max benefit, duration, etc.
- Can be an amendment/rider to STD policy or standalone policy




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States with Voluntary PFML

- New Hampshire
- Vermont
- Virginia
- Arkansas
- Tennessee
- Alabama
- Florida
- Texas





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Employer Responsibilities

Under both Mandatory & Voluntary PFML



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Responsibilities Under Mandatory PFML

- Register your business
- Determine number of covered employees
- Calculate employer financial responsibilities
- Remit employer portion of contributions
- Withhold and submit employee payroll deductions
- Notify employees of mandatory PFML
 - Poster
 - In Writing
 - At the time of claim

- Some states
- Review applications (MA & CT)
 - Provide claim documentation to the state (MA, CT, etc.)
 - Provide quarterly filings
 - Restore employees to their position after taking leave



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Responsibilities Under Voluntary PFML

- Technically, none
- If you want to participate, purchase a policy from a licensed carrier
- New Hampshire/Vermont
 - Recognize that eligible NH/VT* workers can purchase an individual plan if employers do not offer a NH/VT PFML insurance plan or equivalent benefit plan
 - Address worker questions and direct workers to contracted NH/VT carriers
 - Support the claims process by providing wage and leave information, work schedules and other benefits information to NH/VT contracted carrier




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Moderated Discussion



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Structuring Policies
Things to Consider and Recommendations




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Do I Still Need a Short-Term Disability Plan? Mandatory PFML




- LTD Elimination Period
 - LTD EP greater than statutory plan?
- Shared Entitlement
 - Two or more PFML events
- High Wage earners
 - State max benefit may be lower
- STD Premium Rates
 - Reduced to reflect the expected PFML offsets



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Why would I look to purchase a voluntary plan?

- Employee awareness
 - Employees are educated when it comes to paid family medical leave benefits and how the benefit can be useful during life events
- Competitive benefit offering
 - Can be additive to current employer benefit offering; helps to compete with peer organizations
- Equity for multi-state employers across employee population
 - If the employer is paying for PFML in a statutory state, those employees receive a benefit that others are not receiving



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What should I look for in a Voluntary Plan?

- **Leave Reasons**
 - Similar to Mandatory PFML
- **Leave Type**
 - Continuous, Intermittent, reduced work schedule
- **Family Member**
 - Match FMLA
 - Domestic partner, grandparents, siblings
- **Duration**
 - Extensions for pregnancy
- **Exclusions and Coordination**
 - Disability, Workers Compensation, Unemployment



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Voluntary Plan Recommendations

- Align your PFML voluntary plan with STD plan
 - Eligibility criteria (service, hours worked, waiting period)
 - Elimination period
 - Relapse period
 - Benefit amount
- Offset other income
- Run concurrently with FMLA and other state leaves
- One level of appeal



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Next Steps Under PFML Models



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What Should Employers Be Doing?

- Review current plans, including STD and LTD coverages. These plans may need to be modified to work better with PFML
- After reviewing current policies, ensure you have the coverage and services needed
- Decide whether to participate in mandatory programs using a private plan or going through the public plan
- Decide whether to purchase a voluntary plan from participating carrier
- Education – see attached handout



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Additional Moderated Questions



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Question 1

When it comes to the new voluntary leave states, discuss how you might (or might now) consider purchasing

- How would you advise employers?
- What would you, as an employer, consider?
- Would you advise differently given the size of the employer?



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Question 2

What is the importance of remaining compliant under the mandatory and voluntary models?

- How do you manage, or how would you advise, these are managed?
- What are the impacts you have seen in the difficulty managing absence?



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Question 3

How do you manage the complexity of employees in different states?

- How do you advise and manage?
- How can I design my program to account for nearly constant changes?
- How do I balance mandatory and voluntary PFML across my population?



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Question 4

What if I don't do anything?



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Question 5

How can I keep track of ever-changing laws?



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Questions from the Audience



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