



PFML Playbook

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PFML Playbook



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PFML Playbook: Agenda

- PFML History
- Back to the Future: Four Upcoming Programs
- PFML Impact Assessment
- Company Leave Programs and PFML Integration

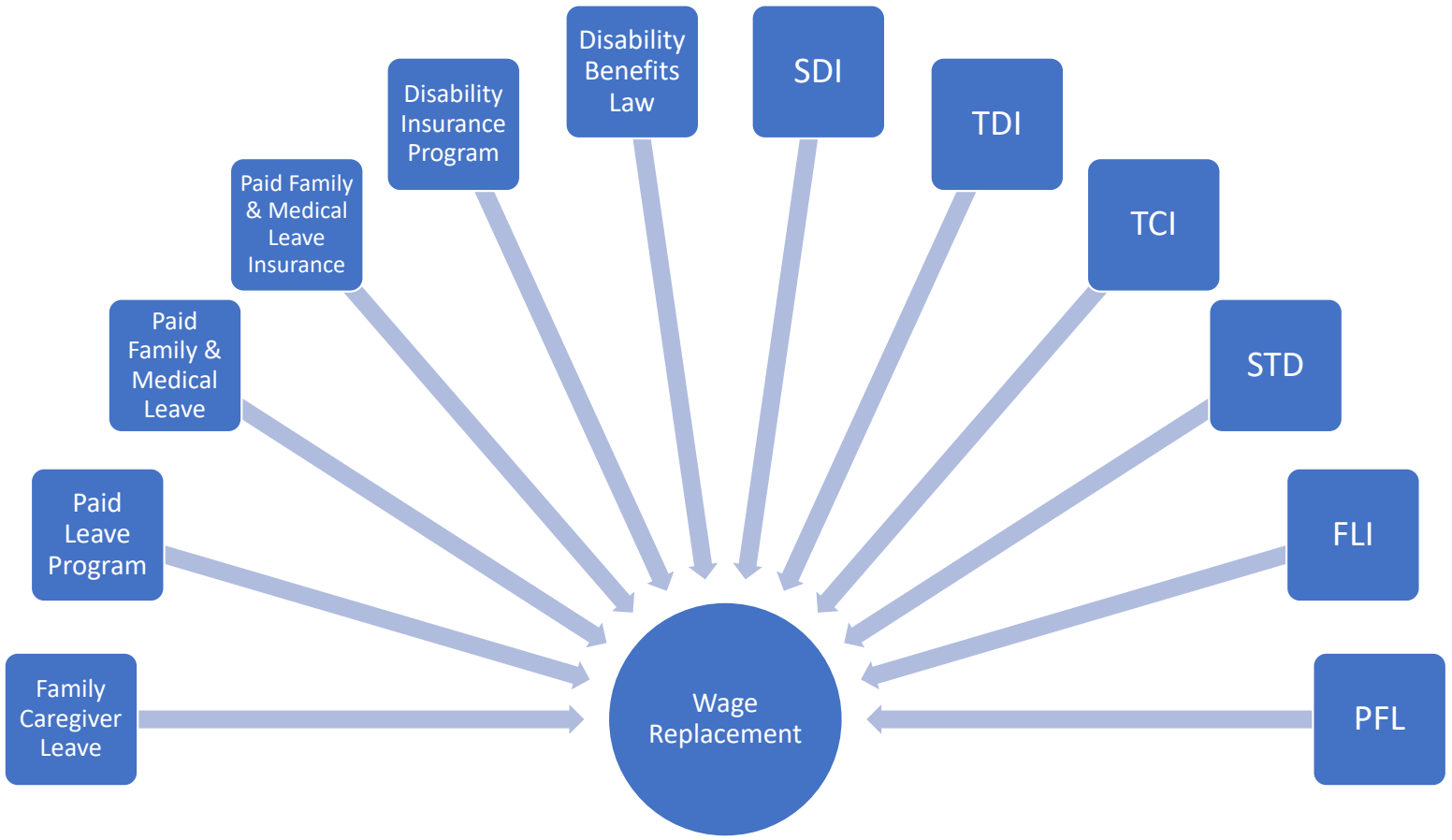
PFML History





PFML – Name that program!

RBO

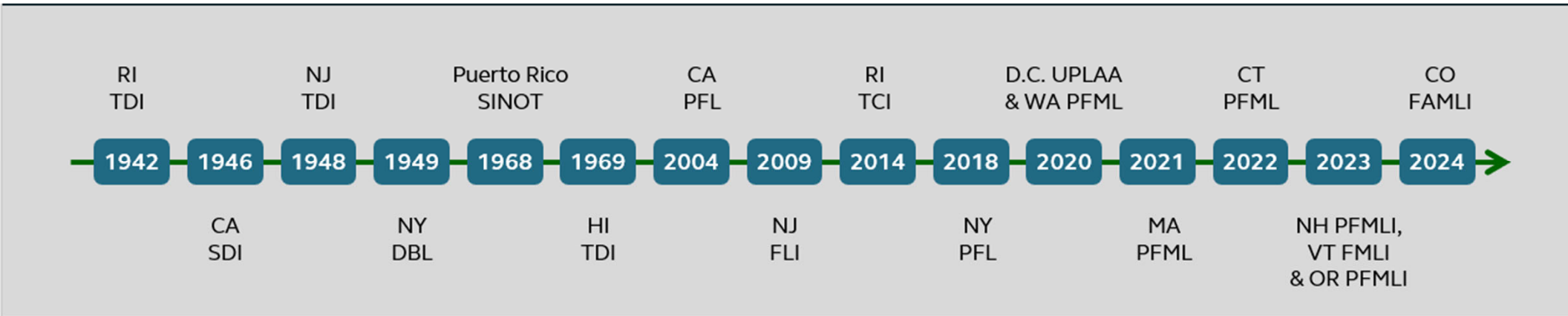


Slide 5

RBO Fix arrows so that they are consistently spaced
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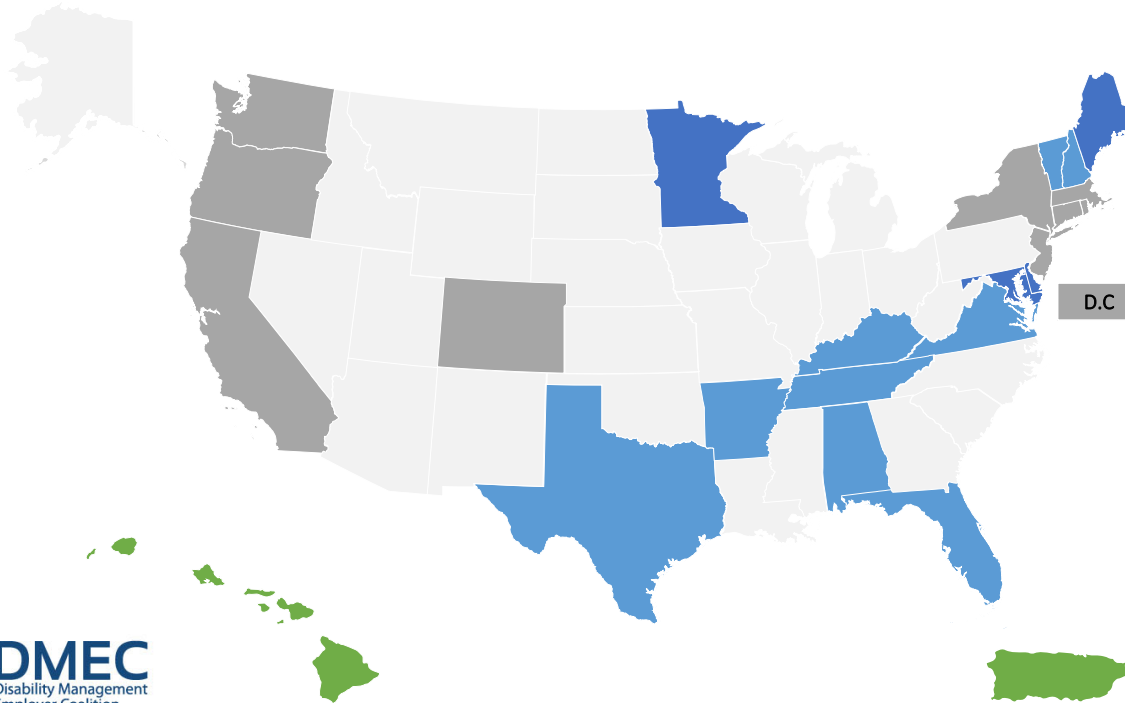


Disability & PFML Law: Past & present





Disability & PFML law: Enacted legislation



-  Jurisdictions with mandatory temporary Disability Insurance ONLY
-  Jurisdictions with fully operational DI+PFL or PFML programs
-  Jurisdictions with enacted and upcoming PFML programs
-  Jurisdictions with voluntary programs or that permit insurance offerings

Back to the future: Four upcoming programs



PFML: What's coming

Requirement	Delaware	Maine	Maryland	Minnesota
Start Dates	Contributions begin 1/1/25 Benefits begin 1/1/26	Contributions begin 1/1/25 Benefits begin 5/1/26	Contributions begin 7/1/25 Benefits begin 7/1/26	Contributions begin 1/1/26 Benefits begin 1/1/26
Employee Eligibility	<ul style="list-style-type: none"> — 12 months of service & 1,250 hours worked in 12 months prior to leave — Works in Delaware at least 60% of each calendar quarter — Individuals working outside Delaware or telecommuting outside of Delaware are not covered unless the employer and employee elect to cover them 	<ul style="list-style-type: none"> — Earned at least 6x the State Average Weekly Wage (SAWW) in wages subject to premiums during the base period 	<ul style="list-style-type: none"> — Worked at least 680 hours in the 12-month period immediately preceding the date leave begins 	<ul style="list-style-type: none"> — Earned at least 5.3% of the State Average Annual Wage (SAAW) over the “base period” — Excludes Seasonal employees — Covers former employees who separate from employment for less than 26 weeks, unless hired by a new employer. If leave is filed by a former employee to a private plan, the plan pays benefits for the totality of the leave
Covered Relationships	<p>As defined by the FMLA:</p> <ul style="list-style-type: none"> — Parent — Child — Spouse 	<ul style="list-style-type: none"> — Child — Parent — Spouse/domestic partner — Sibling — Grandchild — Grandparent — “Other” equivalent – An individual with whom the covered employee has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship 	<ul style="list-style-type: none"> — Child — Parent — Spouse/domestic partner — Grandparent — Grandchild — Sibling — Legal guardian of the employee or ward of the employee or the employee’s spouse 	<ul style="list-style-type: none"> — Child — Parent or legal guardian — Spouse/domestic partner — Grandchild — Grandparent or spouse’s grandparent — Sibling — Son-in-law or daughter-in-law — “Other” equivalent – An individual who has a relationship with the employee that creates an expectation and reliance that the employee care for them





PFML: What's coming

Requirement	Delaware	Maine	Maryland	Minnesota
Covered Leave Reasons	<ul style="list-style-type: none"> — Employee's own serious health condition — Parental leave (birth, adoption, and foster care) — Care of a family member with a serious health condition — Qualifying military exigency 	<p>Family Leave:</p> <ul style="list-style-type: none"> — Bonding during the first 12 months after birth or placement of a child — Care for a family member with a serious health condition — Qualifying military exigency — Care for a family member who is a covered service member — Safe leave — Any additional reasons listed in Maine FMLA including: — Placement of a child 16 years of age or less with the employee or with the employee's domestic partner in connection with the adoption of the child by the employee or the employee's domestic partner — The donation of an organ — The death or serious health condition of the employee's spouse, domestic partner, parent, sibling or child while on active duty as a member of the state military forces or US armed forces <p>Medical Leave:</p> <ul style="list-style-type: none"> — Employee's own serious health condition 	<ul style="list-style-type: none"> — Care for or bond with a new child within one year after birth or during/after placement through foster care, kinship care, or adoption — Care for a family member with a serious health condition — Employee's own serious health condition — Care for a service member who is the employee's next of kin — Qualifying exigency 	<ul style="list-style-type: none"> — Employee's own serious health condition (includes pregnancy) — Bonding after birth or placement of a child (must be completed within 12 months of placement, with some exceptions) — Care for a family member with a serious health condition — Safety leave — Care for a family member who is an active military member — Military exigency





PFML: What's coming

Requirement	Delaware	Maine	Maryland	Minnesota
Duration	Maximum: 12 weeks per application year — Parental Leave: 12 weeks per app year — Medical, Family Caregiving, and Qualifying Exigency Leave: 6 weeks in 24-month period	Combined Maximum: 12 weeks in a benefit year — Medical leave: 12 weeks — Family leave: 12 weeks	— 12 weeks total in an Application Year — An additional 12 weeks is available if, during the same Application Year, the covered individual: <ul style="list-style-type: none"> • Receives benefits for either bonding or due to the employee's own serious health condition, and then • Becomes eligible for benefits for the employee's own serious health condition or bonding 	— Serious health condition (including pregnancy): 12 weeks — Bonding, safety leave, family care, or qualifying exigency: 12 weeks — Combined: maximum 20 weeks in a benefit year
Benefit Amount	80% of EE's AWW* with a minimum benefit of \$100/week unless EE's actual AWW* is less For 2026-27, maximum benefit of \$900/week.	— EE's AWW* equal to or less than 50% of SAWW* = 90% — EE's AWW* more than 50% of SAWW* = 66% up to maximum weekly benefit	Minimum benefit = \$50/week Maximum benefit = \$1,000/week (2026) If EE's AWW* is 65% or less than the SAWW*, benefit is: <ul style="list-style-type: none"> — 90% of EE's AWW* If EE's AWW* is more than 65% of the SAWW*, benefit is: <ul style="list-style-type: none"> — 90% of EE's AWW* up to 65% of the SAWW*, plus — 50% of EE's AWW* that is greater than 65% of the SAWW* 	Minimum benefit = \$50/week Maximum benefit = SAWW* <ul style="list-style-type: none"> — 90% of weekly wages that is less than or equal to 50% of the SAWW*; plus — 66% of weekly wages that exceed 50% of the SAWW* but is less than or equal to 100%; plus — 55% of weekly wages that exceed 100% of the SAWW*



*AWW = average weekly wage/SAWW = state average weekly wage



NEW PFML PROGRAMS – KEY DATES

Delaware

- **1/1/24:** Deadline to apply for grandfathered plan status
- **9/1/24-12/1/24:** Opt-out for private plan
- **1/1/25:** Begin payroll deductions for employee contributions
- **4/30/25:** ER quarterly PFML contributions
- **1/1/26:** Begin benefits; employees can submit claims
- **10/1-12/1 2025+:** Renew private plans
- **12/31/29:** Grandfathered period expires

Maine

- **Spring '24:** Rulemaking process starts
- **1/1/25:** Initial rules for implementation must be adopted by MDOL; begin payroll contributions
- **4/30/25:** First reports and quarterly payments due
- **5/1/26:** Begin benefits; employees can submit claims





NEW PFML PROGRAMS – KEY DATES

Maryland

- **Summer '24:** Regulations published
- **7/1/25:** Begin collecting payroll deductions for employee contributions
- **7/1/26:** Begin benefits; employees can submit claims
- **TBD:**
 - File quarterly wage and hour reports
 - Seek approval of private plan (draft due date: late summer/fall/2025)
 - Submit private plan quarterly claims data

Minnesota

- **10/24:** File first employer quarterly wage reports
- **12/25:** Notify employees re: paid leave benefits
- **1/1/26:** Begin collecting payroll deductions for employee contributions
- **1/1/26:** Begin benefits; employees can submit claims
- **4/26:** File first employer quarterly premiums (wages earned from 1/1/26-3/31/26)
- **TBD:** Seek approval of private plan



PFML Impact Assessment



Are You A Covered Employer?

- Public vs. private
- Number of employees
- Paid wages threshold
- Self-employed individuals
- In vs. out of state



CO FAMILI

- \$1,500/qtr.
- 1 EE
- Private



ME PFML

- 1 EE
- Private



Who is a Covered Employee?

Determine whether the PFML program applies to your employee population

Hours worked requirements

Earned wages threshold

Where work is performed

Employee vs. independent contractor

Examples

ME PFML – Earned at least 6x the State Average Weekly Wage (SAWW) in wages subject to premiums during the base period

MD PFML – Worked at least 680 hours in the 12-month period immediately preceding the date leave begins

DE FML – 12 months of service & 1,250 hours worked in 12 months prior to leave; works in Delaware at least 60% of each calendar quarter





What about Remote Workers?

Depends on each state program! Under CO FAMLI, “Yes,” if the employee’s work is:

Performed entirely within Colorado

Performed within and outside of CO but outside work is incidental to the work within CO or temporary and consists of isolated transactions

Not primarily localized in any state but some work is performed in CO AND:
1) base operations is in CO or if no base, work is directed or controlled in CO; or
2) base operations or work is NOT directed or controlled from any state in which the EE performs work, but EE lives in CO



What are the Administration Options?

1

State administration

2

State selected insurance carrier

3

Private/voluntary/equivalent plan
(insured or self-funded)



Trends includes states creating PFML programs where an insurance carrier administers the program, not the state, or employer's participation is voluntary (NH, VT)



Private Plan or Not?

Not all state programs allow private/voluntary/equivalent plans

If allowed, determine whether to self-fund or insure

Understand private plan responsibilities and obligations and timelines to file/obtain plan approval

Under self-insurance option, state may require self-insurer to maintain an office in that jurisdiction



Private Plan or Not?



Equal or greater length of paid leave benefits



Equal or greater level of wage replacement benefits



Coverage for the same qualifying leave reasons



Include coverage of future employees



Cannot Impose additional conditions or restrictions on use



Cannot cost employees more than state plan premium amount



General state private plan requirements

- Must apply for approval by state authority
- May require employee vote
- Must post surety bond for self-insured plans
- May need to hold employee contributions in a trust account
- May be additional fees
- Periodic reporting



Private Plans Considerations



Cost



Employee experience



Administration & claims management



Geographical footprint of your workforce and number of employees impacted



Integration of benefits



Risk tolerance



What is the Funding Scheme?

Employee Only

Employer Only

Employee/Employer

WA PFML = Ttl premium .74% of wages up to \$168,600 – EE 71.43%/ER 28.57%

NY DBL = .5% of first \$120/week, not to exceed \$0.60/week

CA SDI/PFL = 1.1%, taxable wage cap lifted as of 1/1/24, except voluntary plans may keep cap



- Exemptions from employer contributions for small employers depending on state law
- If employee only, employer may contribute/cover the cost
- States may update contribution rates and maximums annually
- Rates and caps vary by state
- **Work with your payroll system or provider to ensure updates**



What Employee Communications are Required?

- Required notices will vary
 1. Posters
 2. At hire and/or upon notice of leave
 3. In several languages

- *Best Practice Tip:* Update employee handbooks or policies / intranet materials



CO FAMLI Example

- Program notice must be posted in a prominent location in the workplace by 1/1/23
- If no physical workplace or an employee works remotely, the notice must be provided to employees via email or through a conspicuous posting in a web-based or app-based platform regularly used by employees.
- Employers must share the program notice with their employees in writing when an employee is hired and within 5 days of learning an employee is experiencing a leave event
- Notice/poster required in English and in any language representing the first language spoken by at least 5% of the employer's workforce



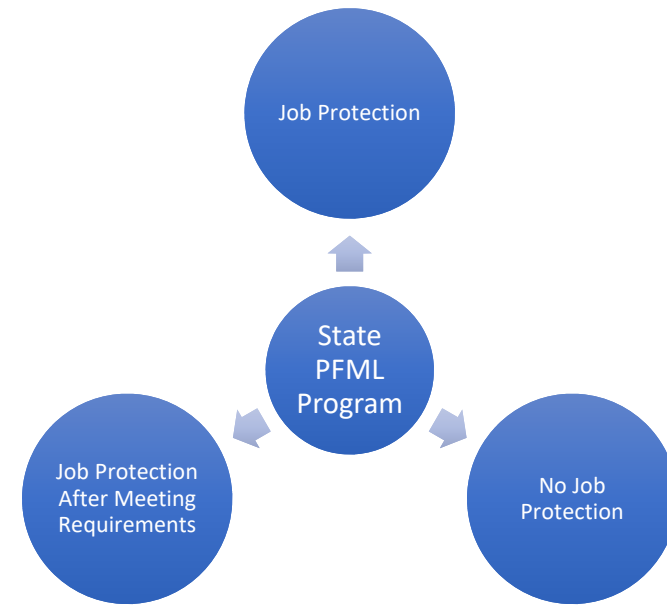
What coordination should be considered with other Health & Welfare, Retirement or Wellness Benefits?

1. Continuation of benefits / rights to benefits
 - Notices
 - Processes
 - Health/medical insurance benefits vs. other voluntary benefits or retirement benefits
2. ME PFML Example
 - Employees retain rights to benefits and accruals as if leave were not taken
 - Health insurance benefits must be maintained



Does the Law have Job Protection and/or Anti-Retaliation Rights?

- OR FAMI – employed by the current employer for at least 90 consecutive calendar days prior to leave
- CO PFML – employed by current employer for at least 180 days prior to leave
- ME PFML – employed for at least 120 days
- NY – PFL is job protected and DBL is not job protected



Best Practice Tip: Train management / Update attendance systems and policies

Company Leave Programs and PFML Integration



The Pullen Company



The Pullen Company handles leave administration in-house



It's subject to FMLA (rolling backward for all employees and only allows bonding on a continuous basis), ADA, WC, PWFA, etc.



It has employees in TX, OR, CO, ME and CA



It requires employees to use PTO during any unpaid period of leave as allowed by law but allows them to save a maximum of 80 hours. If a leave is partially paid, the employee can elect to use PTO up to their full salary/wages, but not more.





The Pullen Company – STD Policy



It offers STD to full-time employees upon hire for up to 26 weeks with no job protection

It's per event, but has a relapse provision within 30 days for a same/similar condition

The benefit schedule is week 1 = 0% (waiting period); weeks 2-8 = 100%; weeks 9-16 = 75% and weeks 17-26 = 66.67%

It pays partial benefits

It contains concurrency and offset provisions for state mandated benefits as allowed by law



The Pullen Company – Caregiver Leave Policy



It offers a paid family caregiver plan (family member's SHC) to employees with one year of service (YOS)

The plan pays 4 weeks at 100% and is continuous use only

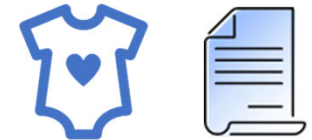
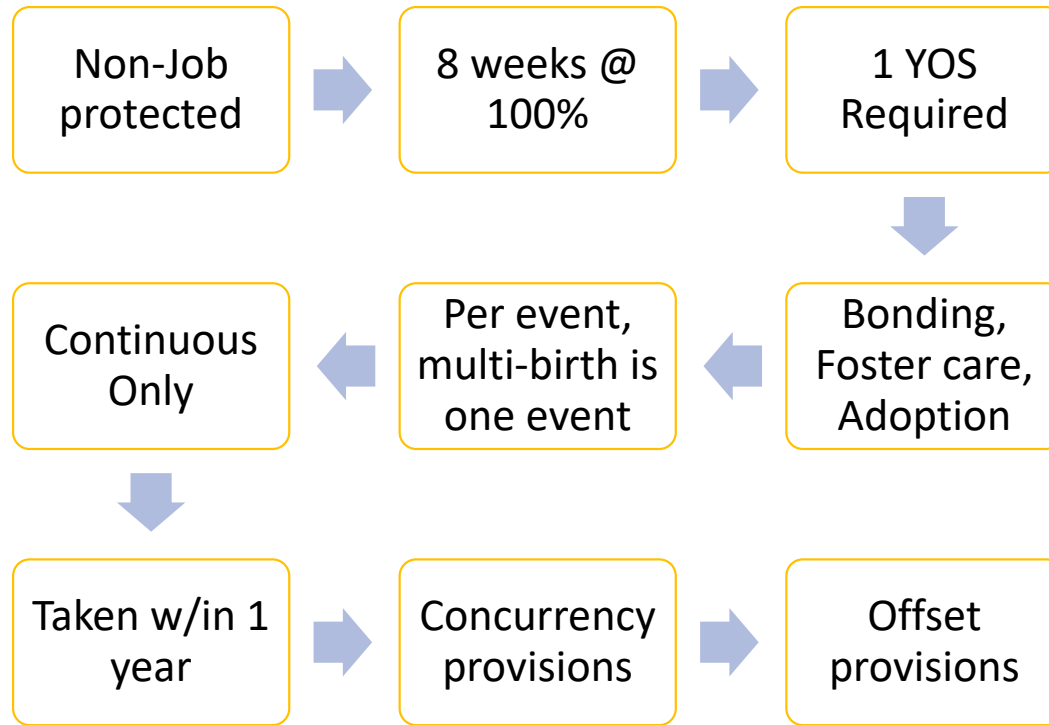
It contains concurrency and offset provisions for state mandated benefits as allowed by law

Family relationships include spouse, domestic partner, child, parent, parent-in-law and "equivalent" family member

It uses the rolling backward entitlement method like FMLA, but is not job protected



The Pullen Company – Paid Parental Leave Policy





The Pullen Company – Other Leaves

- It also offers a(n):
 - Unpaid 30-day personal leave upon hire (non-job protected)
 - Unpaid medical leave (SHC standard) for part-time employees upon hire for up to 12 weeks (non-job protected). This is continuous use only and measured rolling back
 - 6-month paid sabbatical leave every 3 years after 3 YOS (job protected)



The Pullen Company – Partial Census



Christina

Salaried, full-time
TX employee
One YOS+
\$60,000/year



Carla

Hourly, part-time
ME employee
One YOS
Gross annual
earnings of \$30,000



Enrique

Salaried, full-time
OR employee
One YOS+
\$50,000/year



Katarina

Hourly, part-time
CO employee
3 months of service
Gross earnings of
\$10,000



Sheri

Salaried, full-time
CA employee
One YOS+
\$75,000/year





Main Considerations





What programs does the Pullen Company offer that may overlap with the ME PFML program?

- STD
 - Paid parental
 - Paid caregiver
 - Unpaid medical leave
-
- It is unlikely the unpaid personal leave and paid sabbatical leave are impacted by a PFML program
 - ME PFML's family member relationship include siblings, grandchild and grandparent whereas the Pullen Company's caregiver plan does not



Will Carla Be Eligible for ME PFML?



- Part-time
- Lives and Works in ME
- 1 YOS
- Gross annual earnings of \$30,000



Review Maximum Benefits and Offsets



Does your disability plan or paid leave program pay more than the state program's maximum benefit for each employee population group?



Does your internal program require offsets for state mandated benefit programs?



Best practice Tips:

- Include language in internal program documents regarding state mandated benefit offsets, as allowed, and in any employee communications
- If managing programs internally, partner with payroll vendor or payroll team and HR service/call center



The Pullen Company – ME Comparison

Leave Plan	Waiting Period & Eligibility	Job Protection	Entitlement Method & Duration	Usage
FMLA	No/One YOS and 1250 Hours Worked	Yes	Rolling Backward/12 workweeks	Continuous, Intermittent, Reduced Schedule (Bonding = Continuous only)
Unpaid ME FML	No/12-consecutive months	Yes	Two Year Period/10 workweeks	Continuous, Intermittent, Reduced Schedule
ME PFML	Yes, medical leave/Earned at least 6 times SAWW in wages subject to premiums during the base period	Yes, 120+ days	Sunday Before First Day of Approved for the 12-Month Period Forward/Combined 12 weeks	Continuous, Intermittent (8 hours) or Reduced Schedule as agreed to by the ER/EE
STD	Yes/Upon Hire	No	Per Event/26 weeks	Continuous, Partial
Unpaid MLOA – Part time Employees Only	No/Upon Hire	No	Rolling Backward/12 weeks	Continuous
Paid Parental	No/One YOS	No	Per Event/8 weeks	Continuous
Paid Caregiver	No/One YOS	No	Rolling Backward/4 weeks	Continuous





The Pullen Company Year 2026...

- As we look into the future, both Christina and Carla requested a leave for birth of a child/baby bonding beginning 5/15/26.
- Neither of them have used any FMLA in the last 12 months.
- What leaves will be available to each of them and what are the differences they will experience?





The Pullen Company – Christina’s Leave Options

Leave Plan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
FMLA	X	X	X	X	X	X	X	X	X	X	X	X				
STD1	WP	X	X	X	X	X										
STD2	WP	X	X	X	X	X	X	X								
Paid Parental1							X	X	X	X	X	X	X	X		
Paid Parental2									X	X	X	X	X	X	X	X





The Pullen Company – Christina’s Job Protected Leave

Leave Plan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
FMLA	X	X	X	X	X	X	X	X	X	X	X	X				
STD1	WP	X	X	X	X	X										
STD2	WP	X	X	X	X	X	X	X								
Paid Parental1							X	X	X	X	X	X	X	X		
Paid Parental2									X	X	X	X	X	X	X	x





The Pullen Company – Carla’s Leave Options

Leave Plan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
FMLA	X	X	X	X	X	X	X	X	X	X	X	X				
Co Unpaid Medical	X	X	X	X	X	X	X	X								
ME PFML	WP	X	X	X	X	X	X	X	X	X	X	X				
Paid Parental1							X	X	X	X	X	X	X	X		
Paid Parental2									X	X	X	X	X	X	X	X
ME Unpaid FML	X	X	X	X	X	X	X	X	X	X						

“O” = Offset





The Pullen Company – Carla’s Job Protected Leave

Leave Plan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
FMLA	X	X	X	X	X	X	X	X	X	X	X	X				
Co Unpaid Medical	X	X	X	X	X	X	X	X								
ME PFML	WP	X	X	X	X	X	X	X	X	X	X	X				
Paid Parental1							X	X	X	X	X	X	X	X		
Paid Parental2									X	X	X	X	X	X	X	X
ME Unpaid FML	X	X	X	X	X	X	X	X	X	X						

“O” = Offset





PFML Job Protection Differences

For The Pullen Company's employees:

- Christina (TX) – No PFML
- Carla (ME) – Yes, if 120+ days
- Sheri (CA) – No, under SDI/PFL
- Katarina (CO) – Yes, if 180+ days
- Enrique (OR) – Yes, if 90+ days

**FMLA or other state law may provide job protection*





Can Carla Substitute Paid Time Off During ME PFML?

Are employees *required or allowed* to substitute paid time off (“top off”) benefits under the state program?

How does the state define paid time off benefits?

Have you properly documented the substitution rules in your internal company program documents and any internal timekeeping instructions?



CARLA’S CHOICE!

While The Pullen Company can require Carla to use PTO during any unpaid FMLA, it cannot require Carla to take her PTO during any ME PFML waiting period. Under ME PFML, it will be Carla’s choice.

If the ME PFML waiting period runs concurrent with FMLA, the ME PFML provision needs to be followed. FMLA doesn’t preempt the state law.

Thank you!

Questions?