



# ENHANCING EFFICIENCY AND COMPLIANCE: CO-SOURCING EMPLOYER PROGRAMS

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# SPEAKERS



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# STATE PAID LEAVE ADMINISTRATION OPTIONS



# ADMINISTRATION

## State Plan

- The plan is administered by a state agency.
- Contributions are submitted to the state to fund the program.
- Claims are generally submitted to the state agency for adjudication.

## Private Plan

- The mandated program is either self-funded and administered by a TPA/insurance carrier or fully insured and administered by an insurer.
- Typically, there is an application process for employers to receive approval to use a private plan in lieu of the state administered plan.
- Private plans are generally required to provide equivalent, and in some cases, enhanced benefits to the state administered plan, as defined by applicable state law.



# WHAT DOES IT MEAN TO CO-SOURCE?

Shared responsibilities



# PRIVATE PLAN APPLICATIONS



# APPLYING FOR A PRIVATE PLAN

## General Program Practice

State	Responsible party
CA	Employer
CO	Employer
CT	Employer
DE	Employer
HI	Insurer/TPA
MA	Employer
ME	Employer
MN	Employer
NJ	Insurer/TPA
NY	Insurer/TPA
OR	Employer
WA	Employer

## Common Application Components<sup>1</sup>

Timeline

Vote

Program notice(s)

Policy/plan documentation

Entity awareness

Application fee(s)

Attestations

Surety bonds (for self-funded plans<sup>2</sup>)

Maintenance fee

<sup>1</sup>Required application components vary by state program.

<sup>2</sup>If required by the state.



# APPLYING FOR A PRIVATE PLAN – CARRIER SUPPORT



Education



Confirmations of  
insurance



Sample or issued  
policies



Template notices

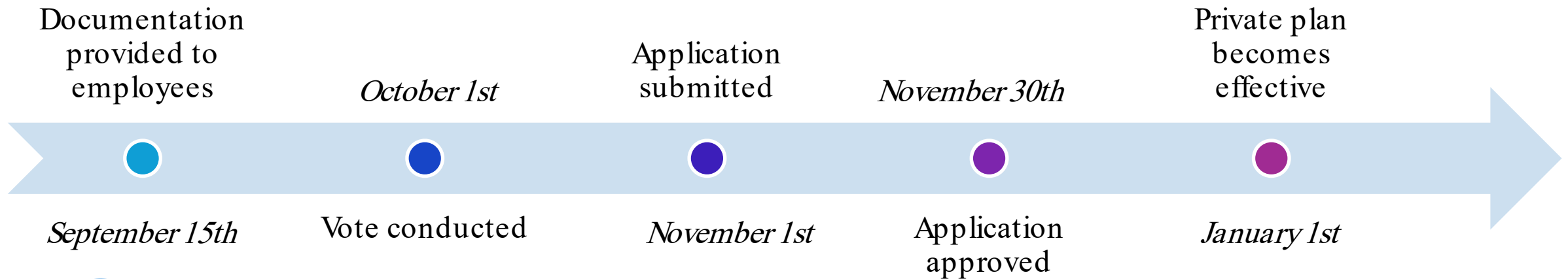


# PRIVATE PLAN APPLICATION TIMELINE

Connecticut – example only

- Private plan effective dates are based on when the application is approved by the Connecticut Paid Leave Authority. Applications must be approved no later than 30 calendar days prior to the end of the quarter prior to the quarter in which the approval takes effect.
- Connecticut requires an employee vote of 50% +1 in favor of the private plan. Two weeks prior to conducting the vote, employers have an obligation to supply required documentation (plan document or sample policy, Plain Language Guide, and vote information) to employees.

## Sample Timeline



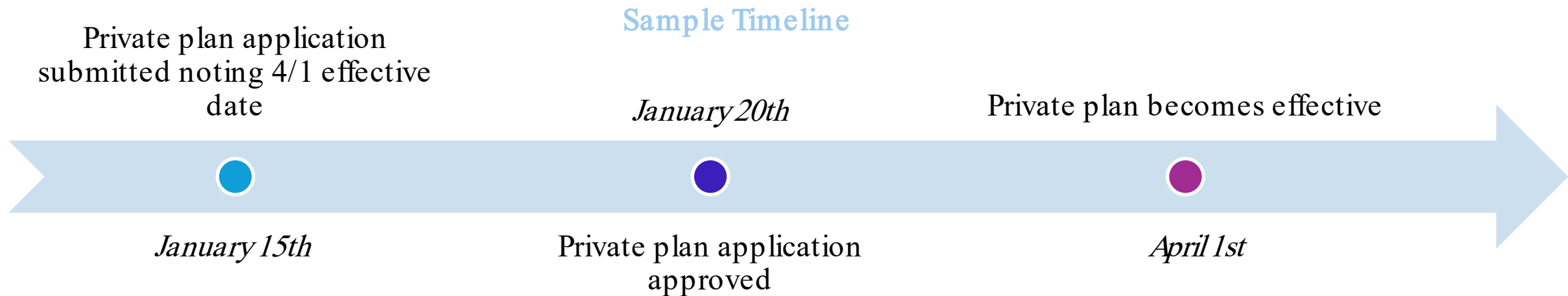
*Examples only—requirements vary by program and may change by regulation*



# PRIVATE PLAN APPLICATION TIMELINE

Colorado – example only

- Applications to move from the state plan to a private plan, are submitted at least 60 days prior to the private plan's intended effective date
- In Colorado, if employers desire an effective date on the first of the month, it must be noted in the application and must be 60+ days later than the application date, per current state guidance.
- While a quarterly effective date is not required, it may simplify the calculation of contributions still payable to the state plan.



*Examples only—requirements vary by program and may change by regulation*

**DMEC COMPLIANCE  
2026 CONFERENCE**

# PRIVATE PLAN NOTICES



# NOTICE REQUIREMENTS

Employers are required for ensuring proper notices

- Employer notice requirements exist to ensure employees are informed, protected, and able to access benefits under state paid leave programs.
- Specifically, notices inform employees of their rights, promote awareness of the benefits available, work to ensure equal access amongst employees, and ensure compliance with applicable law.
- Notice requirements vary across programs.
- Many states provide template or model notices that can be leveraged.

## Common notice requirements

Posted  
notice

New hire  
notice

Annual  
notice

Time of  
claim notice



# NOTICE REQUIREMENTS

Insurance carrier support



Education



Template notices/direction to state provided notices



Applicable contact and plan information



# NOTICE REQUIREMENTS EXAMPLE: MINNESOTA

## *Written notice*

- Must be delivered to each employee within 30 days of hire or transition to working in MN
- For employers withholding contributions, notice must be provided 30 days prior to withholding beginning
- Must be provided in employee's primary language and delivered either electronically or in paper. Receipt must be acknowledged<sup>2</sup>

## *Poster notice*

- Must be posted in a conspicuous place in each of its workplace premises
- Must be in English and each language that is primary to at least five employees

## *Seasonal employee notice*

- Separate notices must be issued to seasonal employees informing them they are not eligible for benefits while employed as seasonal
- If employee is no longer deemed seasonal, within 5 days, the written program notice must be provided and receipt acknowledged<sup>2</sup>



<sup>1</sup>All poster/notices are accessible through the state site at [Employer resource toolkit | Minnesota Paid Leave](#). State templates may change-use current version.

<sup>2</sup>If the employee refuses to acknowledge, the employer must be able to demonstrate the method of delivery

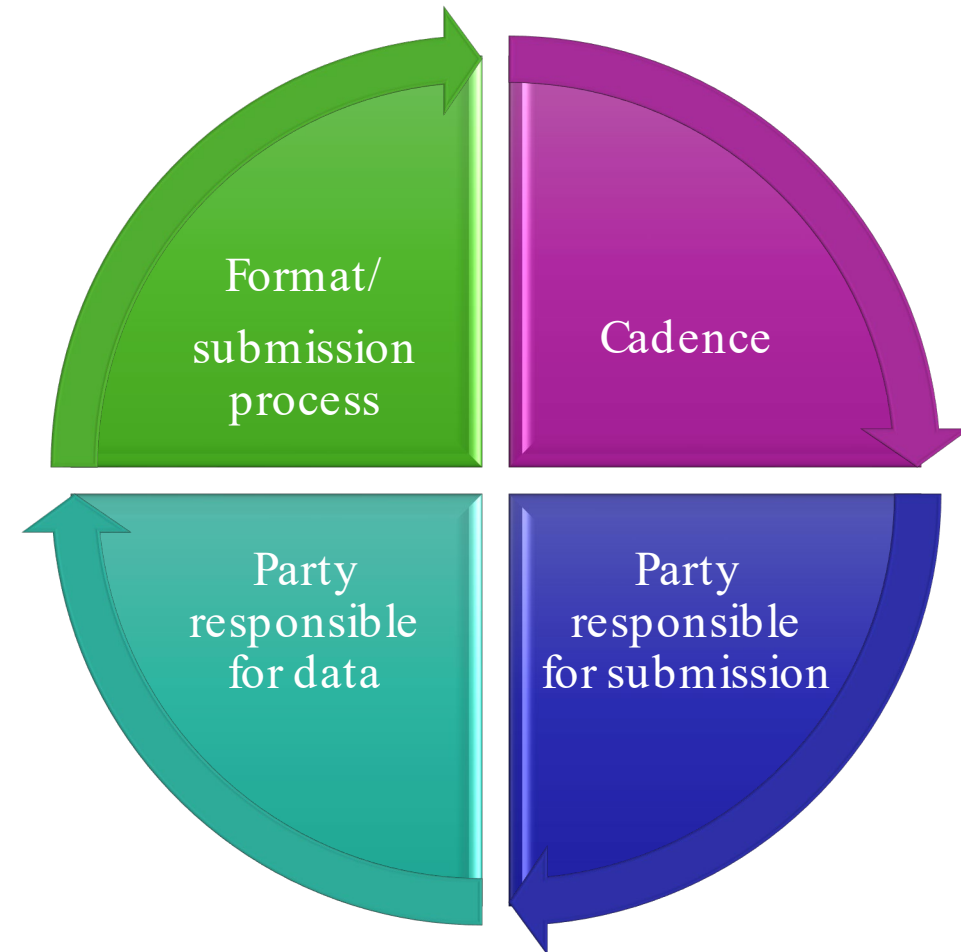
# PRIVATE PLAN REPORTING



# PRIVATE PLAN REPORTING

Responsibility may vary based on plan type (self-funded vs fully insured) and state rules.

State	Responsible Party
CA	Employer
CO	Carrier/TPA/Employer
CT	Shared/Varies
DE	TBD
HI	Carrier/TPA
MA	Carrier/TPA/Employer
ME	TBD
MN	Carrier/TPA/Employer
NJ	Carrier/TPA
NY	Carrier/TPA
OR	Employer
WA	Employer



# PRIVATE PLAN RENEWALS



# RENEWING PRIVATE PLANS

Timing and process vary by program

State	Renewals <sup>1</sup>
CA	NA
CO	8 years
CT	3 years
DE	Annually
HI	NA
MA	Annually
ME	3 years
MN	TBD
NJ	NA
NY	NA
OR	Annually for first 3 years
WA	Annually for first 3 years

## Private plan renewal considerations

Required or evergreen

Contact information current

Process

Fees

Documentation needed

Entity awareness



# RENEWING YOUR PRIVATE PLAN

## Massachusetts

- Private plans are renewed annually in Massachusetts.
- Employers can start the renewal process during the quarter before the current exemption expires.
- Renewals are required for each entity (Note that if an employer received approval at different times for different entities, the exemption renewal dates will vary.)

Private plan renewals are submitted online through MyMassGov.



For fully insured private plans, a Confirmation of Insurance is required. Self-funded plans require a self-insured Insurance Declaration.

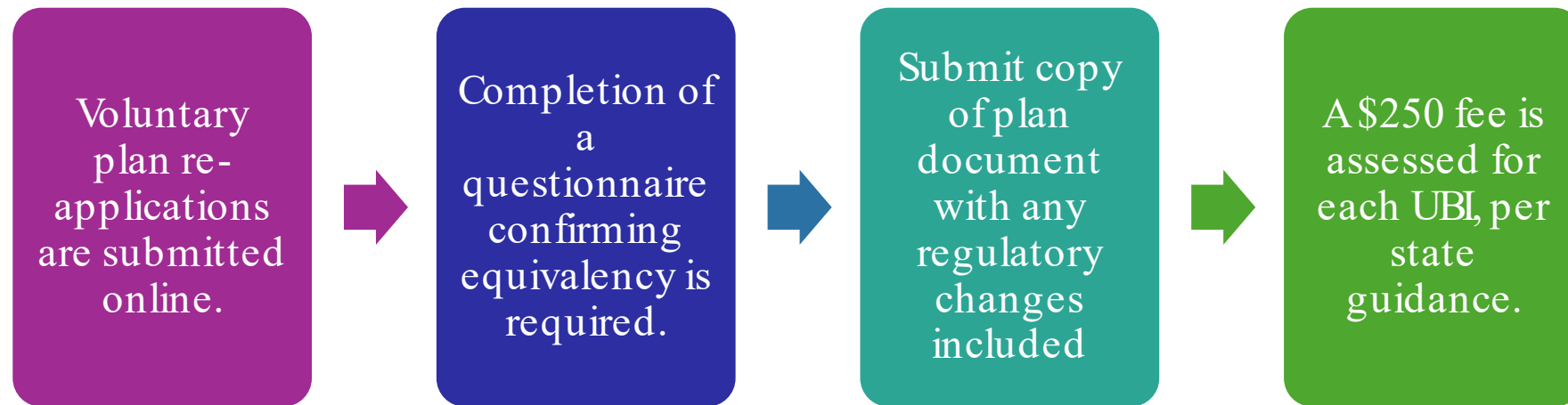
*Examples only—requirements vary by program and may change by regulation*



# RENEWING YOUR PRIVATE PLAN

## Washington

- Private plans in Washington are formally called Voluntary Plans.
- Voluntary plan renewals are required for the first three years following initial plan approval.
- An application for each UBI (entity) is required.



*Examples only—requirements vary by program and may change by regulation*



# CHANGES TO YOUR PRIVATE PLAN



# IS IT MATERIAL?

States generally define what is material

## EXAMPLE 1: COLORADO

Material plan changes to an approved private plan include, but are not limited to:

- Changing from one private plan to another
- Changing the private plan to reduce benefits or leave types
- Changing the private plan to increase claims adjudication timeframes
- Changing the private plan to increase benefits payment timeframes
- Changing the private plan to increase the information collected from employees to apply for or receive benefits

## EXAMPLE 2: MAINE

Material plan changes may include:

- Changing insurance carriers
- Changes to the insurance policy
- Updating the provisions of a self-insured private plan
- Changing the amount of a surety bond

*Examples only—definitions vary by program and may change by regulation*



# TIMELINE AND PROCESS EXAMPLES

## COLORADO<sup>1</sup>

- Employers must notify the Division in writing 35 days in advance of the effective date if the material change is moving from one fully insured plan to another fully insured plan.
- Employers must notify the Division in writing 60 days in advance of the effective date of any other material change.

## MAINE<sup>1</sup>

- Employers must notify the Department at least 60 days in advance of the effective date of the material change.
- A new application must be filed through the MEportal.
- The application and administrative fees must be paid.

<sup>1</sup>These examples are provided to showcase the differences by state. Many other state programs also include definitions for a material change.

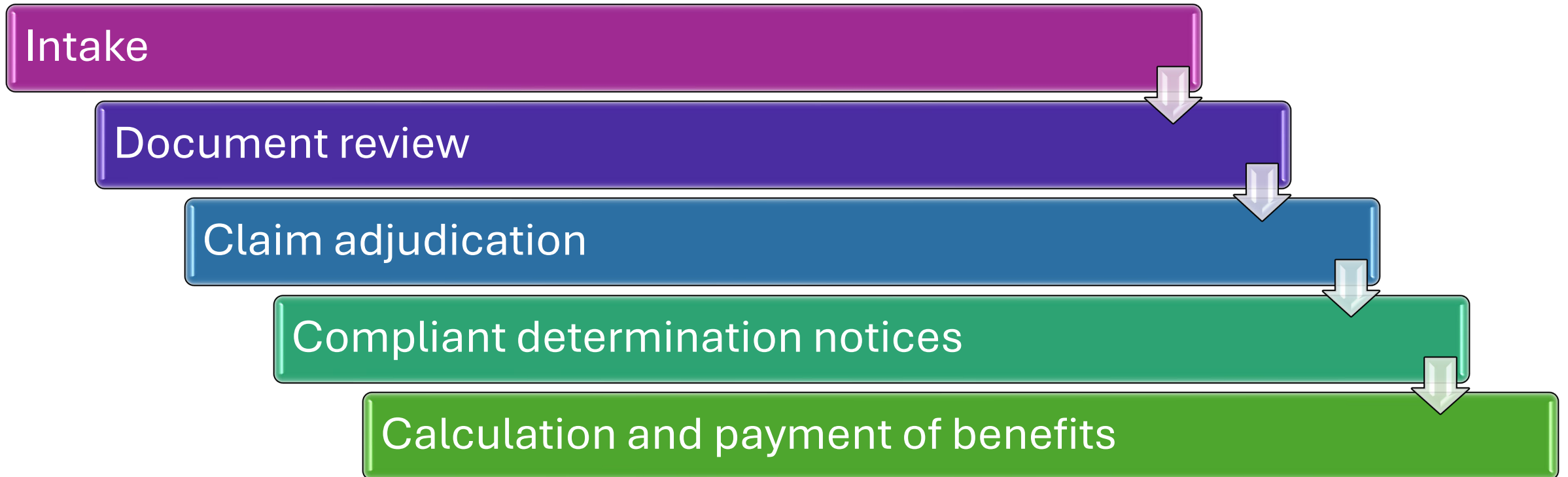


# CLAIMS ADMINISTRATION



# INSURANCE CARRIER/TPA ADMINISTRATION

Insurance carriers/TPAs generally own the bulk of claims administration



# EMPLOYER SUPPORT OF CLAIMS ADMINISTRATION

Manager/HR training

Proper employee notices/direction

Responding to carrier/TPA requests for information



# ADDITIONAL OBLIGATIONS



# JOB PROTECTION, REINSTATEMENT AND HEALTH COVERAGE

When job protection provisions exist, employers are responsible for ensuring they are applied. Understanding the specifics of each program is key. Not all programs contain these provisions, and specific requirements may vary based on statute and rule.

## Job restoration

Employees must be restored to their previous position or an equivalent one with the same status, pay, benefits, seniority, and length-of-service credit after approved leave.

## Non-retaliation

Employers cannot retaliate against employees for exercising their PFML rights, filing complaints, or participating in related proceedings.

## Continuation of benefits

Employers must maintain health insurance and other employment-related benefits during the leave period, provided the employee continues to pay their portion.



# ADDITIONAL OBLIGATIONS

Individual programs may have additional responsibilities employers should know about. Note that not all obligations apply to every state program.



Wage reports



Audits



Responding to inquiries from state agencies



# CO-SOURCING ADA ADMINISTRATION

# ADMINISTRATION

## In House

- Internal resources manage administration
- Internal/external counsel provide consultation

## Insurance Carrier/ TPA

- Provides administrative support to customers seeking assistance managing their internal ADA processes
- Medical review and clinical/vocational expertise which may not be available in house
- Employer consultation with internal/external counsel still required


# WHAT DOES IT MEAN TO CO-SOURCE?

Shared responsibilities




# THE INTERACTIVE PROCESS

 Recognize accommodation request

 Gather information

 Explore accommodation options

 Choose an accommodation

 Implement accommodation

 Monitor effectiveness

# RESPONSIBILITY BREAKDOWN

## EMPLOYER

- Recognize accommodation request
- Facilitate interactive discussion with employee
- Choose an accommodation
- Implement accommodation

## INSURANCE CARRIER/TPA

- Intake accommodation request
- Gather information
- Assess medical restrictions and limitations
- Explore accommodation options
- Send communications
- Monitor effectiveness
- Reporting

# ADA LEAVE AS AN ACCOMMODATION



Managed in conjunction with outsourced leave of absence administration



Evaluated when an employee is either ineligible or has exhausted FMLA or other leave entitlements



Employer retains responsibility for making the final leave decision

# INTERACTION WITH THE EEOC

EEOC will reach out to employer with a complaint (regardless of outsourcing arrangement)

Insurance carrier/TPA provides supporting documentation

Outsourced models may vary with additional support

Employer makes employment decisions (not carrier/TPA)

*Employer retains ultimate compliance responsibility and cannot transfer or outsource liability to a third party.*

# QUESTIONS?

