



House Committee on Business and Labor

Paid Family and Medical Leave Insurance (PFMLI) Update

Kay Erickson, Director

David K. Gerstenfeld, PFMLI Division Director

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Our Vision

An Oregon where meaningful work enables the state's diverse people and businesses to realize their full potential, creating prosperity in every community

Our Mission

Support Business · Promote Employment



Our Core Programs

Unemployment Insurance

- Support economic stability for Oregonians and communities during times of unemployment through the payment of unemployment benefits

Workforce Operations (WorkSource Oregon Centers)

- Serve businesses by recruiting and referring the best qualified applicants to jobs
- Provide resources to diverse job seekers in support of their employment needs

Communications and Research

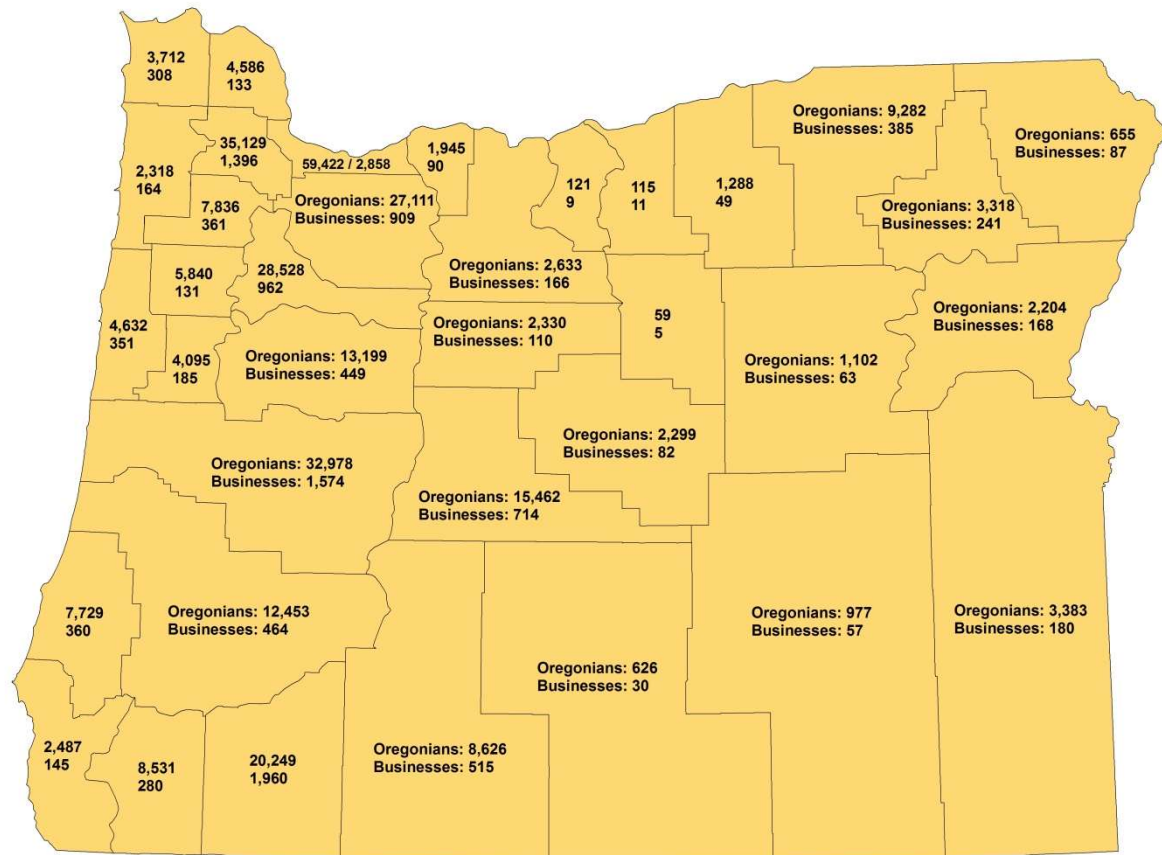
- Develop and distribute quality workforce and economic information to promote informed decision making

Paid Family and Medical Leave Insurance

- Create and implement a new benefit program to support workers and businesses throughout the state

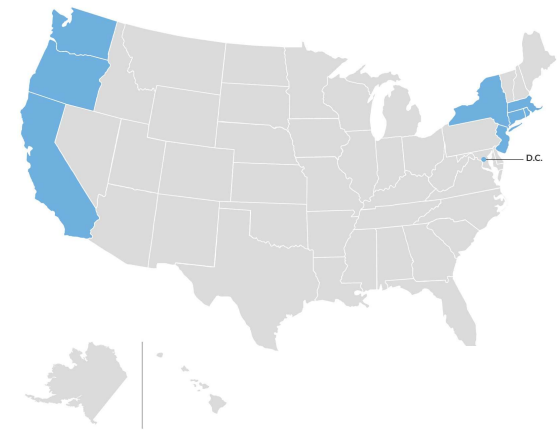


We provided unemployment benefits or job search services to almost 340,000 Oregonians in 2017 and 2018—and we helped almost 16,000 business fill vacancies across the state



Oregon joins eight others in having a paid family and medical leave insurance program

Oregon	• Benefits start January 2023	
Connecticut	• Benefits start January 2022	
Massachusetts	• Benefits start January 2021	
Washington DC	• Benefits start July 2020	
Washington	• Benefits started January 2020	
New York	• Benefits started January 2018	✓
Rhode Island	• Benefits started January 2014	✓
New Jersey	• Benefits started July 2009	✓
California	• Benefits started July 2004	✓

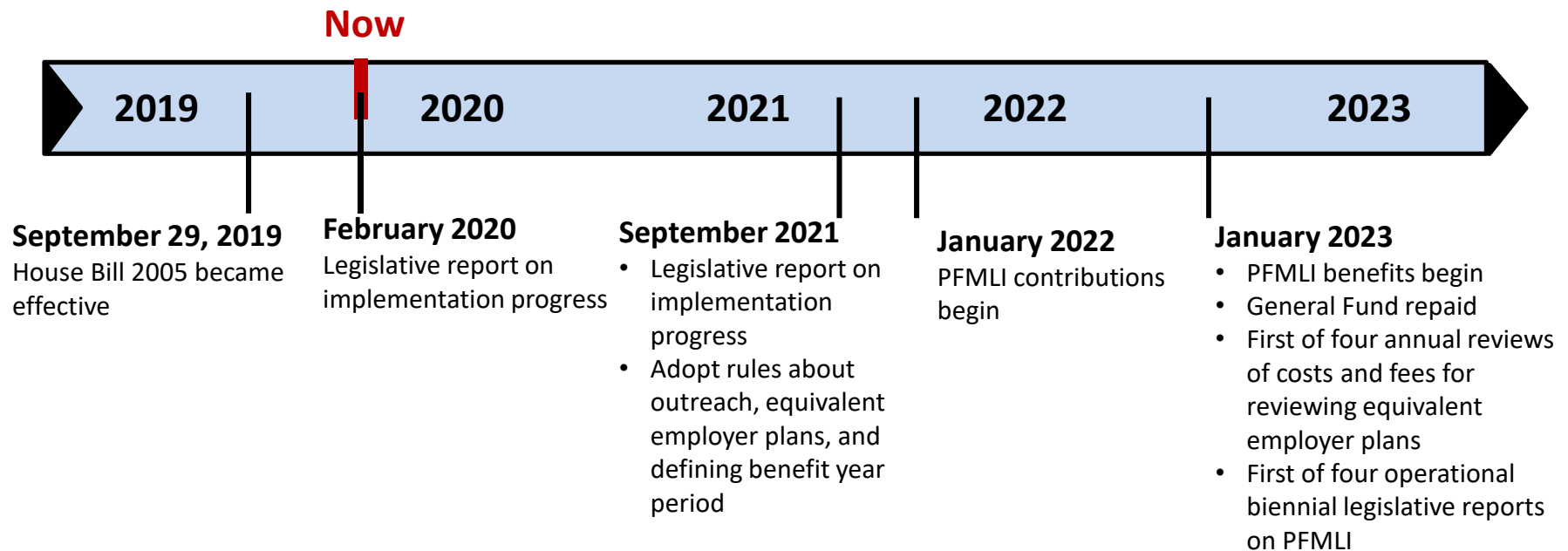


✓ Many evolved from existing state disability insurance programs



Statutory Timelines

HB 2005 (2019)



About the Program

Covered Businesses

- Comprehensive coverage
- Federal government is not covered
- Tribal governments and self employed people can opt to be covered

Covered Workers

- Comprehensive coverage
- Federal workers are not covered
- Independent contractors are not required to be covered
- To receive benefits, must have earned \$1,000 in “base year”

Types of Leave

- Medical Leave for employee’s own serious health condition
- Family Leave
 - Bond with a new child during first year after birth, adoption, or foster placement
 - Care for family member with a serious health condition
 - “Family” is defined broadly
- Safe Leave to address issues related to domestic violence, harassment, sexual assault, or stalking



About the Program

Benefits

- 12 weeks paid leave
- 2 more weeks paid leave for pregnancy, childbirth, and related conditions
- 4 more weeks unpaid leave for OFLA covered conditions
- Benefit amount is based on prior earnings
 - Full wage replacement for people with average earnings up to 65% of the state's average weekly wage
 - Minimum and maximum benefit amounts based on statewide average weekly wage
- Job protection
- Discrimination based on pursuing leave is prohibited
- Health care benefits continue while on leave

Contributions

- Start accruing January 2022
- Rate applies to the first \$132,900/year in wages
- Rate set annually by Director; cap of 1% of wages
- Contributions are split between employees (60%) and employers (40%)
- Small employers (fewer than 25 employees) do not have to pay their portion



About the Program

Equivalent Employer Plans

- Employers can provide their own plan that provides at least the same benefits
- Employers pay a fee of up to \$250 to department to evaluate if their plan meets the standard
- These employers, and their employees, do not pay contributions to the state plan
- Employers may take contributions from workers, but not more than workers would pay into the state plan
- Benefits are paid under the employer's plan
- Rulemaking needed for "cross over" situations

Small Business Grants

- Available to small employers who opt to pay their share of contributions
- Helps offset costs of hiring temporary replacement workers, and related costs, while covered workers are on leave
- Can cover costs related to up to 10 employees per year, up to \$3,000 per employee

Advisory Committee

- 9 members
- Chaired by Employment Department representative
 - 4 represent employee interests
 - 4 represent employer interests – at least one of those representing small employers
- Advise Director on PFMLI, including implementation, administration, and rulemaking



Legislatively Adopted Budget

- Start up funding for the program
 - General Fund loan of \$15.6 million
- Core program planning team funded in 2019-21
 - 8 Permanent positions and 25 Limited Duration positions
- Future program costs are to be determined; additional General Fund needed to implement tax and benefits functions
- Program will be designed to be self-sustaining
 - General Fund loan repaid once PFML Insurance Fund balance is sufficient



The First Four Months

- House Bill 2005 became operative September 29, 2019
- Started recruiting for PFMLI positions – September 2019
- Started initial research with other states' PFML programs – October 2019
- Contracted for actuarial assessment of program – October 2019
- Advisory Committee created (meetings ongoing) – November 2019
- State Partners Team created (meetings ongoing) – December 2019
- Initiated review of risks and mitigations for implementing PFMLI while doing Modernization and continuing core business operations – January 2020



Thank You



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