



Paid Family and Medical Leave Insurance Update
presented to the
Joint Committee on Ways and Means
Subcommittee On
Transportation and Economic Development

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Paid Family and Medical Leave Insurance Program



Our Mission

Support Business and Promote Employment

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 Values

Integrity

We are trusted to keep our word, always acting with honesty and courage.

Respect

We value diverse perspectives, assume good intent, and act with compassion.

Community

We foster a sense of belonging for our employees, partners, and customers, creating positive impacts where we live and work.

Our Goals



Continually advance our partnerships and systems to provide innovative services to Oregon's diverse people and businesses



Engage with communities across the state to maximize awareness and use of public workforce resources



Foster an inclusive and fair work environment where employees feel valued and supported in reaching their full potential



Invite and retain talented, diverse people to help us exceed our customers' expectations

What is PFMLI?

Family Leave



Medical Leave



Safe Leave



Building the Program: Addressing Equity

Universal Access

- Design programs for equitable access and opportunities
- Consider language, disability, income, race and ethnicity, culture, gender and gender identity, employment, education, location, technology and travel limitations, justice system involvement

Tribal Consultation

- Formal Consultation with Oregon's Tribes on impacts to Tribes

Cultural Values and Unconscious Bias

- Recognize culture values and unconscious biases impact our work
- Take conscious steps to avoid negative impacts on the public
- Continuously learn and look for unconscious bias to minimize its effect

Trauma-Informed Services

- Use trauma-informed approach when engaging with the public
- Recognize that employees' experience trauma and use trauma-informed practices when working with staff as well



Building the Program: Collaboration and Engagement

- Nine Member Advisory Committee
- Rulemaking Advisory Committees
- Engagement with Community
- Town Halls and Listening Sessions



Oregon PFML Release Plan

Education and Outreach



*Estimation

Technology and business processes to support PFML will be delivered through the agency's Modernization Program.

**Begin reviewing equivalent plans
Sept. 2022**

**Contributions
Begin Jan. 2023**

**Benefits Begin
Sept. 2023**



Communication

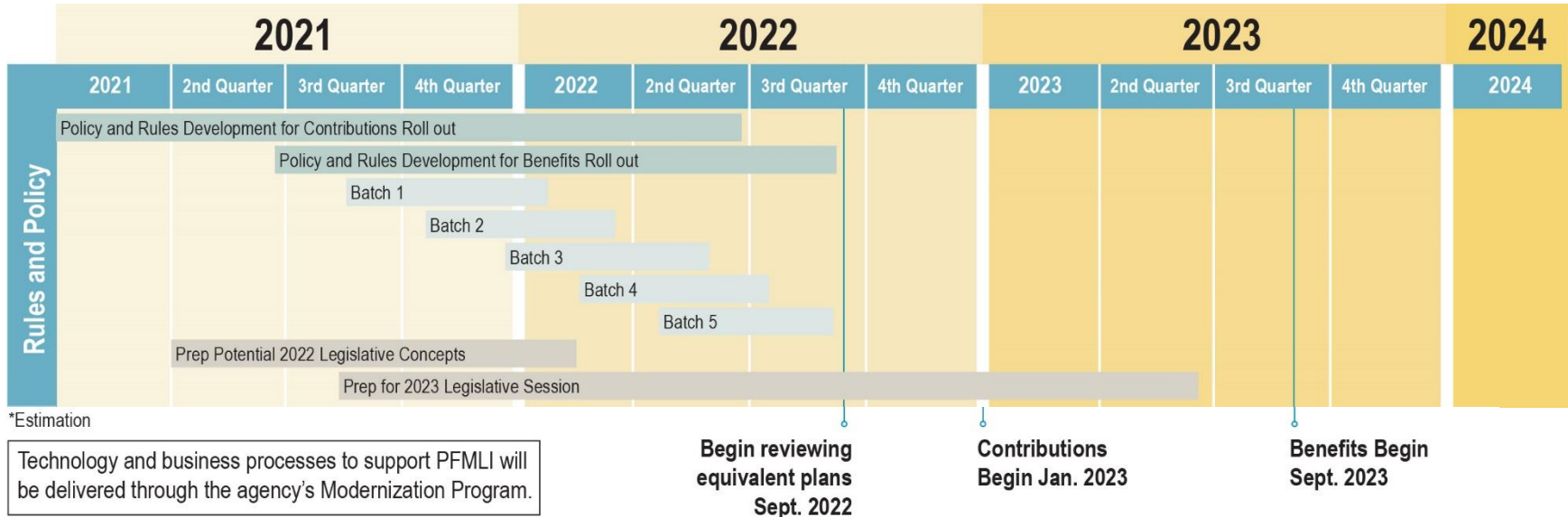
Contract with Brink Communications

- Business and Employee Research
- Communications Plan
- Marking, Branding
- Media and Social Media
- Website



Oregon PFMLI Release Plan

Rules and Policy



Rulemaking Update

| Batch | Description | Rules Become Final |
|-------|--|--------------------|
| 1 | Contributions, Employer Size, Assistance Grants, Self-Employed Election, and Outreach rule | January 2022 |
| 2 | Equivalent Plans | April 2022 |
| 3 | Benefits | July 2022 |
| 4 | Appeals | August 2022 |
| 5 | Miscellaneous | September 2022 |



Oregon PFML Release Plan

Operations



*Estimation

Technology and business processes to support PFML will be delivered through the agency's Modernization Program.

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equivalent plans
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PFMLI Budget

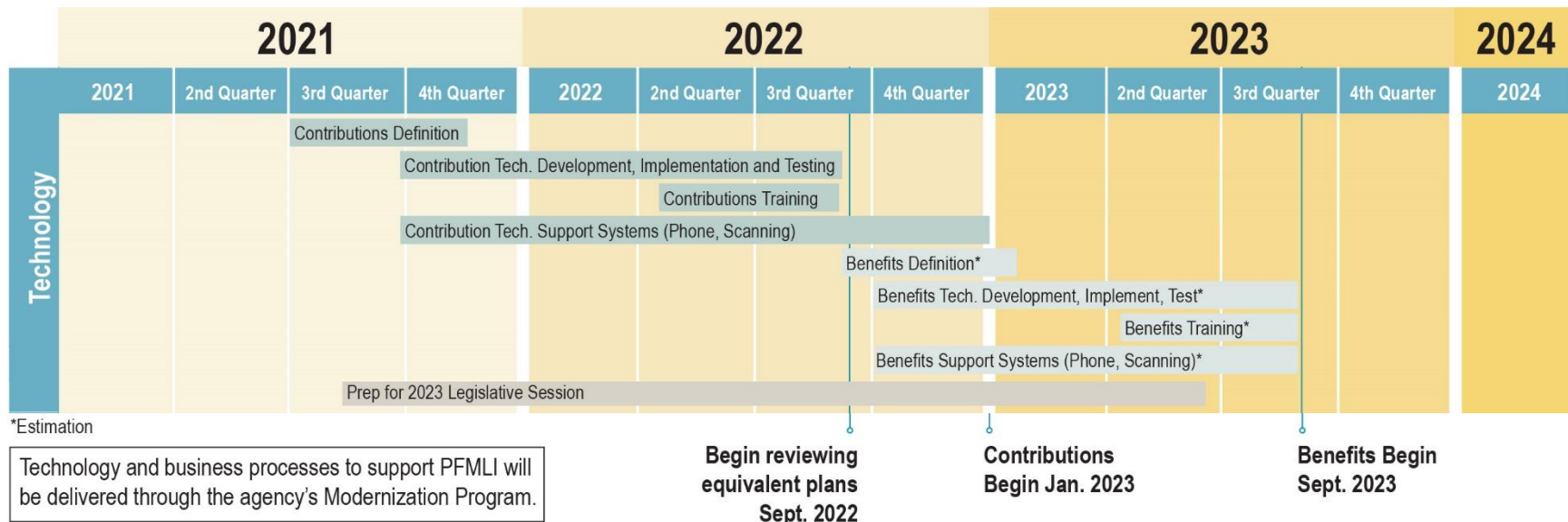
The PFMLI Budget for 2021-23 includes:

| | General Fund | Other Funds |
|-----------------------|--------------|---------------|
| Current Service Level | \$ 2,700,000 | 0 |
| PFMLI Implementation | \$35,200,000 | \$7,700,000 |
| PFMLI Technology | \$9,200,000 | \$2,200,000 |
| GF Repayment | 0 | \$53,200,000* |

*The GF Repayment includes all GF expenditures summarized above and \$6 million from the 2019-21 biennium.

Oregon PFMLI Release Plan

Technology



Steps with Modernization

- Subject matter experts supporting the Modernization Team
- Participation in 90+ definition sessions
- Letters and forms
- First User System Experience



OED Modernization Partner Engagement

External Stakeholder Engagement Planning

- Surveys
- Focus Groups
- Stakeholder Sandbox



Frances e-services employer portal (test environment)

The screenshot shows the top navigation bar with the Oregon.gov logo, "Employer Portal", and a yellow "Frances Rollout Testing" banner. A search icon and a help icon are also present. Below the navigation is a large banner image of a forest with the "State of Oregon Employment Department" logo. On the right side of the banner is a login form with fields for "Email Address" and "Password", a "Log in" button, and links for "Forgot password?" and "New to e-Services? Sign Up".

 Search our online services



Submissions

Search for previous submissions.

> [Find a Submission](#)



Online Registration

Get started by registering your business or signing up for an online account.

> [Register as a Self-Employed Individual](#)



Report Fraud

Notify the agency of identity theft or Unemployment Insurance fraud.

- > [Report Identity Theft](#)
- > [Report Unemployment Insurance Fraud](#)



Contribution Rate Background

- Employers and employees may both contribute
- Employers with approved equivalent plans do not contribute
- Self-employed may elect to contribute
- Contributions cover all program costs, including paying benefits
- Rate is set annually by the agency's Director
- Statutory parameters for establishing the rate



Contribution Rate Risk

- Projections have significant uncertainty
- Oregon's PFMLI program is more progressive
- Pandemic environment



Trust Fund Solvency

For the PFMLI Trust Fund to be solvent by statute:

- The balance in the trust fund should **not be less than six months' projected expenditures** at the end of contribution rate period.
- Contribution rate must also be set to minimize rate volatility year-to-year



Initial Contribution Rate Factors

- Initial contributions must fund
 - PFMLI benefits
 - Program administration
 - and repay the General Fund start-up costs
- Original implementation timeframe provided a year collecting contributions before paying benefits—now only eight months.
- If initial contribution rate is too low, the PFMLI Trust Fund could run out of money, meaning no further benefits would be paid until additional contributions are received.



Multi-biennia Trust Fund Forecast

| Biennium | *as of 11/25/21 | 2021-23 | 2023-25 |
|--|-----------------|--------------------|----------------------|
| (A) Beginning Fund Balance | | | 213,673,384 |
| Revenue | | | |
| (B) General Fund Loan to PFML Insurance fund | | | |
| (C) Collections (begin 1/1/23) | | 276,763,812 | 2,273,697,911 |
| (D) Fees (Employer Equivalent Plans) | | 22,500 | 45,000 |
| (E) Interest and Penalties | | | 10,322,265 |
| (F) Interest on Fund | | 169 | 32,316,989 |
| (G) Subtotal (B+C+D+E+F) | | 276,786,481 | 2,316,382,165 |
| Expenditures | | | |
| (H) General Fund Loan Repayment | | 53,162,258 | |
| (I) Benefit Payments (begin 9/3/2023) | | | 1,553,502,555 |
| (J) Grant Payments | | | 1,713,830 |
| (K) Administrative Costs* | | 9,950,839 | 100,687,090 |
| (L) Subtotal (H+I+J+K) | | 63,113,097 | 1,655,903,475 |
| (M) Ending Fund Balance (A+G-L) | | 213,673,384 | 874,152,074 |

*2021-23 Administrative Costs reflect only the OF portion of Administrative Costs. 2023-25 costs are all OF



Trust Fund Quarterly Forecast

| *as of 11/25/21 | 2023 Q1 | 2023 Q2 | 2023 Q3 | 2023 Q4 | 2024 Q1 | 2024 Q2 |
|--|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| (A) Beginning Fund Balance | | 22,500 | 213,673,384 | 401,190,037 | 459,376,587 | 491,459,682 |
| Revenue | | | | | | |
| (B) General Fund Loan to PFML Insurance fund | | | | | | |
| (C) Contributions (begin 1/1/23) | | 276,763,812 | 265,693,259 | 265,257,132 | 255,665,229 | 308,195,848 |
| (D) Fees (Employer Equivalent Plans) | 22,500 | | | | 22,500 | |
| (E) Interest and Penalties (Employer) | | | 682,832 | 681,711 | 1,314,119 | 1,584,127 |
| (F) Interest on Fund | | 169 | 1,602,550 | 3,008,925 | 3,445,324 | 3,685,948 |
| (G) Subtotal (B+C+D+E+F) | 22,500 | 276,763,981 | 267,978,642 | 268,947,768 | 260,447,173 | 313,465,922 |
| Expenditures | | | | | | |
| (H) General Fund Loan Repayment | | 53,162,258 | | | | |
| (I) Benefit Payments (begin 9/3/2023) | | | 66,582,943 | 199,748,830 | 210,448,304 | 210,448,304 |
| (J) Grant Payments | | | | 241,297 | 244,102 | 244,102 |
| (K) Administrative Costs | | 9,950,839 | 13,879,045 | 10,771,092 | 17,671,672 | 13,022,232 |
| (L) Subtotal (H+I+J+K) | | 63,113,097 | 80,461,988 | 210,761,219 | 228,364,078 | 223,714,638 |
| (M) Ending Fund Balance (A+G-L) | 22,500 | 213,673,384 | 401,190,037 | 459,376,587 | 491,459,682 | 581,210,966 |



Multi-Year Trust Fund Solvency Forecast

Solvency Requirement:

Trust Fund End Balance_{CRP} \geq 6 months' Projected Expenditures

| Contribution Rate Period | 2023 | 2024 |
|------------------------------------|------------------|--------------------|
| Balance of Projected Trust Fund | 459,376,587 | 728,441,686 |
| 6 months of Projected Expenditures | 452,078,716 | 467,641,273 |
| Difference | 7,297,871 | 260,800,413 |
| Number of months Reserve | 6.1 | 9.3 |

*forecast as of 11/25/21




Oregon.gov/employ/pfmli

An official website of the State of Oregon [Here's how you know >](#)

OREGON.GOV Home Job Seekers Unemployment Businesses Agency Information Modernization Paid Family and Medical Leave Insurance Forms Videos [Select Language](#)


Employment Department / Paid Family and Medical Leave Insurance

Paid Family and Medical Leave Insurance




About the PFMLI Program

- Program Overview
- Program Timeline
- Program Materials
- Meet the Leadership Team



How to Stay Informed

- Committees and Workgroups
- PFMLI Events
- Rulemaking Advisory Committee
- Formal Rulemaking



Get In Touch

- Email us with questions or concerns [✉](#)
- Comment on PFMLI Administrative Rules [✉](#)
- Subscribe to the PFMLI Newsletter



Questions?

