

## 2022 Paid Family and Medical Leave Insurance (PFMLI) Benefit Year Clarification SB 1515 (2022)

### Background

In 2019, the Legislature passed House Bill (HB) 2005, which established a Paid Family and Medical Leave Insurance (PFMLI) program within the Oregon Employment Department (OED). The program provides employees with wage replacement benefits when they need to take medical, family, bonding, or safe leave. OED is in the final implementation stages of the contributions portion of the program. Employers and employees will begin making contributions to the program beginning January 1, 2023, and the program is scheduled to begin paying benefits on September 3, 2023. In the meantime, however, there is a policy question that was left deliberately open-ended under HB 2005 that still needs to be resolved.

### Benefit Year

Covered individuals are limited to 12 weeks of benefits per benefit year with additional weeks for certain qualifying circumstances. Oregon's current PFMLI statute defines "benefit year" as a "12-month period determined by the Director of the Employment Department" and requires the Director to "establish alternatives by which an employer may determine a benefit year period, including on a calendar year and non-calendar year basis."

### Issues

There are several issues caused by the current statutory language:

- The PFMLI statutes require that each person getting benefits has a single benefit year, regardless of how many employers they work for. The current language would result in one person seeking PFMLI benefits having multiple benefit years – something not possible while staying consistent with the rest of the PFMLI statutes and its basic structure.
- A covered individual may qualify for up to 12 weeks of PFMLI benefits in a benefit year. If the individual is employed by multiple employers with differing benefit years, it is not clear to which benefit year the duration of leave applies. Additionally, an individual's benefit year could end (based on the employer's choice of benefit year) prior to the expiration of their 12 weeks of coverage; an employee could need to then file a new claim, which could potentially extend their leave beyond the statutory maximums.
- Tracking concurrent leave and job protections has additional challenges with different benefit years.

**In order to reduce confusion among employers and employees and to maximize the efficiency of the program, OED recommends that the statute be amended to create a single benefit year across all employers and employees as proposed in SB 1515. This is the same approach that other states' PFMLI programs, and the UI program nationally, take to defining a benefit year.**