



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: October 26, 2025

AGENDA ITEM: Consider a motion to approve the implementation of a Private Paid Family and Medical Leave (PFML) plan with Unum, effective January 1, 2026, in lieu of participating in the Minnesota state-run PFML program.

PREPARED BY: Megan Sjostrand, Executive/HR Assistant

BACKGROUND:

Beginning January 1, 2026, Minnesota will implement a Paid Family and Medical Leave (PFML) program. Public employers may participate in the state plan or select a private plan that meets or exceeds state requirements.

After reviewing options from multiple carriers, staff recommend GRPUC adopt a private PFML plan with **Unum**. This approach offers:

- **Cost Savings:** The Unum plan will save GRPUC and employees an estimated **\$8,307 annually** compared to the state plan. Unum also applied a PFML offset to our Short-Term Disability (STD) policy, reducing premiums by about **\$641/month**. The employer's PFML share is approximately **\$337/month**.
- **Administrative Efficiency:** Unum already administers GRPUC's life, STD, and LTD plans, allowing consolidated billing, simplified claims coordination, and reduced administrative burden.
- **Employee Continuity:** Employees who exhaust PFML will still have STD coverage so high earners are protected above the state's weekly benefit cap of **\$1,372**.
- **Trusted Carrier:** With over 170 years in disability management and experience administering state leave programs, Unum offers proven claims processing, strong compliance, and dedicated support.

Private vs. State Plan Snapshot

- **Estimated annual Cost (Employer & Employee):** Unum \$23,476 vs. State \$31,783
- **Administration:** Consolidated with existing Unum benefits vs. separate state system
- **Employee Support:** Integrated with STD/LTD vs. standalone program

Conclusion: Implementing a private PFML plan with Unum ensures cost savings, streamlined administration, and stronger continuity of benefits compared to the state plan.

RECOMMENDATION:

Approve the implementation of a Private Paid Family and Medical Leave (PFML) plan with Unum, effective January 1, 2026, in lieu of participating in the Minnesota state-run PFML program.