

Participation in State of Colorado Family and Medical Leave Insurance Program (FAMLI)

**October 25, 2022
City Council Work Session**



FAMLI Program

- **Proposition 118 approved by electorate in November of 2020 resulted in state-run Paid Family and Medical Leave Insurance (FAMLI) program.**
- **The FAMLI program:**
 - **provides paid leave for most workers in order to take care of themselves or their family during life circumstances;**
 - **Benefits are calculated on a sliding scale based on employee's average weekly wage;**
 - **Benefits are “portable” - not dependent on employer (time with or size);**
 - **Covers nearly all Colorado employers.**

Opt In/ Out by December 31

Local governments must opt-in or out of participation by December 31

- **Requires City Council formal action (Resolution)**
- **If City *OPTS IN*, must wait 3 years before the next option to opt-out.**
- **If City *OPTS OUT*, can choose to opt-in any future year.**



Opt-In Impacts:

If Greeley opts-in, then all employees

➤ **Must pay up to 50% of the premium regardless of whether or not they want to participate**

- **By statute, an employee on leave would receive a weekly benefit under FAMLI in the amount of between 37% and 90% of their weekly wage (capped at \$1,100 per week)**
- **Average employee would see only 87% of their monthly wage while top earners would see only 23% of their weekly wage**
- **The City incurs an annual estimated financial impact of \$394,873.**

Benefits of Opting Out:

If City Opts-Out, then:

- **Employees can still choose to participate individually**
 - **Cost to the employee who wants FAMLI coverage is the same whether City participates or not**
 - **For employees that choose coverage, premium deduction is made from their City pay and paid to the state on employee's behalf**
- **The City has no financial responsibility for the premium that it would have if it had opted in (estimated cost of \$394, 873)**



FAMLI vs Greeley Leave Benefits:

FAMLI

Employee pays FAMLI monthly premiums IN ADDITION to regular monthly City benefits premiums

ESTIMATED CITY WIDE ANNUAL COST: \$394,872 in addition to current leave programs

MAXIMUM BENEFIT = \$1,100 per week/ \$13,200 per year

Greeley

Protected leave is at no additional cost to employee.

No additional cost for current leave programs.

\$30.42 (avg hourly wage) x 12 weeks X 40 hours per week = \$14,599.75 (\$1,216.65 avg weekly benefit)

City of Greeley's current leave programs are a better benefit to the employee and exceed the intention of state law.



Recommendation

City of Greeley takes formal action to opt-out of the FAMLI program



Next Steps

- **Provide written notice to all employees about the City Council vote process and their right to provide comments to City Council prior to the vote**
 - **Notice provided via email and posted for all employees in both English and Spanish**
- **Return to November 1 City Council regular meeting (tentative) with a resolution regarding City's FAMLI participation**
 - **Must hold an open comment period following introduction of the resolution and discussion by City Council, and conduct City Council vote following closing of open comment period**
 - **Following action of City Council (if vote is to opt out), provide second notice to all employees within 30 days of action about ability to participate individually in FAMLI along with contact information**
 - **Notice provided via email and posted conspicuously in work places in both English and Spanish**
 - **Notice process must be repeated at least 180 days before January 1, 2024**