



Town of Johnstown

TOWN COUNCIL WORKSESSION COMMUNICATION

AGENDA DATE: May 9, 2022

SUBJECT: FAMLI Leave Program

ATTACHMENTS:

1. Local Government Fact Sheet
2. 8-13.3-502 C.R.S., Paid Family and Medical Leave Insurance Act
2. 7 CCR 1007-2, Regulations...Local Government Participation

PRESENTED BY: Laura Stephens, HR Director

WORKSESSION ITEM DESCRIPTION:

The State of Colorado is in the process of adopting rules for the FAMLI leave program that was approved by voters in 2020. Unless the Town votes to opt out of the program, the Town will be automatically enrolled in the program starting on January 1, 2023. The program will be administered by the Colorado Division of Family and Medical Leave Insurance. It provides job-protected leave and partial income replacement for employees who experience certain personal circumstances starting in 2024. The program is mandatory for private businesses. Local governments have the option to opt out of the program by a vote of the governing body.

Program Details

What types of circumstances allow for leave under FAMLI?

- Their own serious health condition
- Serious health condition of a family member
- Care for a new child within the first year of birth or placement
- Arrangements for military deployments
- Domestic violence or sexual assault victims' safety and impact

Currently, the premiums for the program are set at 0.45% of gross wages for the employer and 0.45% of gross wages for the employee for a total premium of 0.9%. The statute gives the division the ability to set the premium rate to sustain the program. Based on the current State

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Statute, the current aggregate total for the premium could increase to 1.2%. The estimated annual cost to the Town is \$22,000. The total cost, including employee contributions, is estimated at \$44,000 annually.

Premiums are due starting in 2023 but the program does not provide any benefits to employees until 2024.

If the Town opts out of the program, nothing prevents individual employees from choosing to opt in to the program voluntarily. If an employee opts in, they pay only the employee rate and the State program covers the difference. The Town would not be liable for any premiums and the employee would receive the same benefits.

The Town needs to opt out every eight years to avoid automatic enrollment. The Town may opt in at any time. Opting in requires a minimum three-year participation period.

Current Benefits

Town employees currently enjoy short term disability leave that covers their own serious medical condition. The cost to the Town for this program is about \$17,000 annually. Employees do not pay any portion of these premiums.

After 12 months of employment, Town employees are also covered under unpaid, job-protected leave by the federal Family Medical Leave Act (FMLA) for all the reasons covered by FMLA. Employees also have access to paid sick leave and parental leave in addition to accrued leave balances.

Recommendation

Based on the choices available to the Town, staff is presenting this information in a work session so that Council may ask questions and learn more about the program and what implications opting out would have on employees. The recommendation of staff is that the Council place this item on a future council meeting agenda and vote to opt out of the program.

Reviewed and Approved for Presentation,



Town Manager

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