

Colorado's Paid Family Medical Leave Insurance (FAMLI) Program

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FAMLI Overview

- Passed by Colorado voters in November 2020 (Prop 118)
- Provides employees with 12 weeks of paid leave to take care of themselves or a family member during events such as injury, serious illness, or pregnancy
 - Comparable to City's current short-term disability benefit – see next slide
- Premiums collected starting Jan 1, 2023
 - City must pay **at least** 50% of premium
 - Benefits start Jan 1, 2024
- Municipality participation is automatic unless Council formally votes to opt out



Comparison to City's Current Short-term Disability Benefit

	FAMLI	Current ST Disability Plan
Time of Benefit	12 Weeks	11 Weeks
Use	To care for self or family member	To care for self only
Cost to City and Employee	<p>In total, 0.9% of employee wages: Employee Premium: Up to 0.45% of wages City Premium: At least 0.45% of wages</p> <p>Note: City can elect to contribute part or all of employee portion of premium</p> <p>Anticipated Annual Cost to City (assuming City pays entire premium): About \$52k</p>	<p>Employee Premium: ~0.06% of wages (payroll taxes on premium) City Premium: ~0.37% of wages</p> <p>Current Annual Cost to City: About \$22k</p>
Amount of Benefit Received	<ul style="list-style-type: none">Varies by employee due to various factors in state's benefits calculation, but on average, ~60.1% of weekly wagesNet benefit more beneficial for ~59% of currently eligible employeesUp to \$1,100 per week	<ul style="list-style-type: none">60% of weekly wagesNet benefit more beneficial for ~41% of currently eligible employees due to various factorsUp to \$1,000 per week
Other	<ul style="list-style-type: none">No waiting period	<ul style="list-style-type: none">2 week waiting period



FAMLI Pros and Cons

- Pros

- 1 Additional week of leave
- Ability for employees to take paid leave to help a family member (not just for themselves)
- No 2 week waiting period

- Cons

- Higher annual cost to City (~\$30k/year)
- 2023 City will incur current short-term disability premiums **and** FAMLI premiums
- State still working out all the details of the plan
- Premiums are not taxed up front, resulting in employee needing to pay federal income taxes on any benefit received during the filing of their annual individual tax return



FAMLI – Other Considerations

- Employees can still participate individually even if City opts out (they would be personally responsible for 50% of premium)
 - If City opts in, must wait three years for opportunity to decline participation again
 - If opt out now, can elect to opt in during any future year
 - City opting out would require a Council vote needed by July 1, 2022
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- **Finance Committee**
 - In favor of opting into the program (i.e., no Council action needed) with City paying 100% of premium cost