

Connecticut Paid Family & Medical Leave 2021

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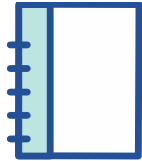
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The information contained herein does not constitute legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have.





AGENDA

- 1 | PFML Landscape
- 2 | Connecticut Paid Family & Medical Leave
- 3 | CT FMLA changes
- 4 | Unum's Absence Solutions



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PFML INSURANCE PROGRAMS

Who has the programs?

- California
- New Jersey
- Rhode Island
- New York
- Hawaii (disability only)
- Washington (2020)
- Washington DC (2020)
- Massachusetts (2021)
- Connecticut (2022)
- Oregon (2023)
- Colorado (2024)

WHAT ARE THEY?

- Mandatory programs – employers and employees can't "opt out"
- Income replacement for employees out of work for specified reasons
- Many provide job protection and/or health benefit continuation

HOW ARE THEY FUNDED?

Employees and/or employers pay premium to the state

WHO PAYS THE BENEFITS?

Typically the state but some programs allow employers to create and administer a comparable plan

WHAT'S COVERED?

- Employee's own health condition
- Care of a sick family member
- Parental leave
- Family military reasons

CONNECTICUT PAID FAMILY AND MEDICAL LEAVE



DISCLAIMER

This Unum presentation is our best effort at understanding Connecticut Paid Family and Medical Leave (CT PFML) and how it will work based on the bill that was passed. Our interpretation is subject to change once rulemaking begins and the state begins issuing guidance.

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OVERVIEW

EFFECTIVE DATES

January 1, 2021
(contributions)

January 1, 2022
(benefits)

- 12 weeks of paid family/medical leave in a 12-month period
 - Additional 2 weeks if incapacitated due to pregnancy
- Completely employee funded – .5% of wages
 - Capped at social security max
- Expands existing unpaid Connecticut FMLA
- Private plans permitted



HOW TO ENROLL IN CT PFML

Actions:

- 1) Register your business at ctpaidleave.org **as soon as possible**
 - You will need your [FEIN](#) & [NAICS code](#)
- 2) Deduct and hold employee contributions **starting 1/1/21**
 - Relatively low 0.5% rate is funded entirely by employees. No employer funding
 - Use the same wages used for FICA taxes then multiply by 0.5% (capped at \$142,800)
 - Encouraged to hold contributions the same way as FICA too
 - Inform your employees about new payroll deduction. This [paystub insert](#) can be used.
- 3) Remit 1Q payment by **3/31/21**. There is a 30-day grace period (4/30/21). Pay every quarter
 - Employers can upload/submit their employee-paid contributions through their account at ctpaidleave.org

Considerations:

- * No majority approval from employees is needed to enroll in state plan. No employer contributions required
- * Work with your payroll vendor if you have one. Many payroll companies/PEOs/TPAs will calculate and handle remittances on behalf of the employer
- * During the first two quarters of 2021, employers are allowed to take deductions in amounts greater than 0.5%, only to "catch up" with the authorized amounts due to late implementation of payroll practices by payroll companies. The CT Department of Labor encourages that such "catch up" deductions be limited to 1%.



EMPLOYER COVERAGE

All employers with at least one employee excluding:

- Federal government
- State*
- Municipality*
- Local or regional board of education*
- Non-public elementary or secondary school

*Could have "covered public employees"



EMPLOYEE ELIGIBILITY

Earned at least \$2,325 during the highest earning quarter within the base period* and:

- Is presently employed by an employer,
- Has been employed by an employer in the previous 12 weeks (former employee), or
- Self-employed or sole proprietor and CT resident who has enrolled in the program

*Base period = first 4 of the five most recently completed quarters

Financials BENEFITS

95% of base weekly earnings up to 40 times fair minimum wage (\$520/wk when benefits begin)

plus

60% of the difference between 40x minimum wage and base earnings

*No waiting period

DEFINITIONS

Base Weekly Earnings (BWE) - average weekly wage during the 2 quarters in the base period with the highest earnings

Maximum = 60x fair minimum wage (\$780 on 1/1/22)

Fair Minimum Wage = 8/2021 = \$13/hour (\$780 max); 7/2022 = \$14/hour (\$840); 6/2023 = \$15/hour (\$900)

\$1,200 BWE \$780/WEEK

$\$520 \times 95\% = \494

$\$1,200 - \$520 = \$680 / \$680 \times 60\% = \$408$

$\$494 + \$408 = \$902$ (max \$780)

\$750 BWE \$632/WEEK

$\$520 \times 95\% = \494

$\$750 - \$520 = \$230 / \$230 \times 60\% = \$138$

$\$494 + \$138 = \$632$



Financials **BENEFITS**

Additional benefit provisions?

- Workers can collect CT PFML concurrent with other employment benefits but no more than 100% of wages
 - Employment benefits – disability, sick leave, annual leave
- Workers are not entitled to paid family and medical leave under the state program in any week where they receive:
 - Unemployment Benefits
 - Workers' Compensation
- Claims will be payable for events occurring in 2021 as long as there is time out of work in 2022 (e.g. bonding w/in 12 months of event; claims that begin in late 2021 and cross over into 2022)



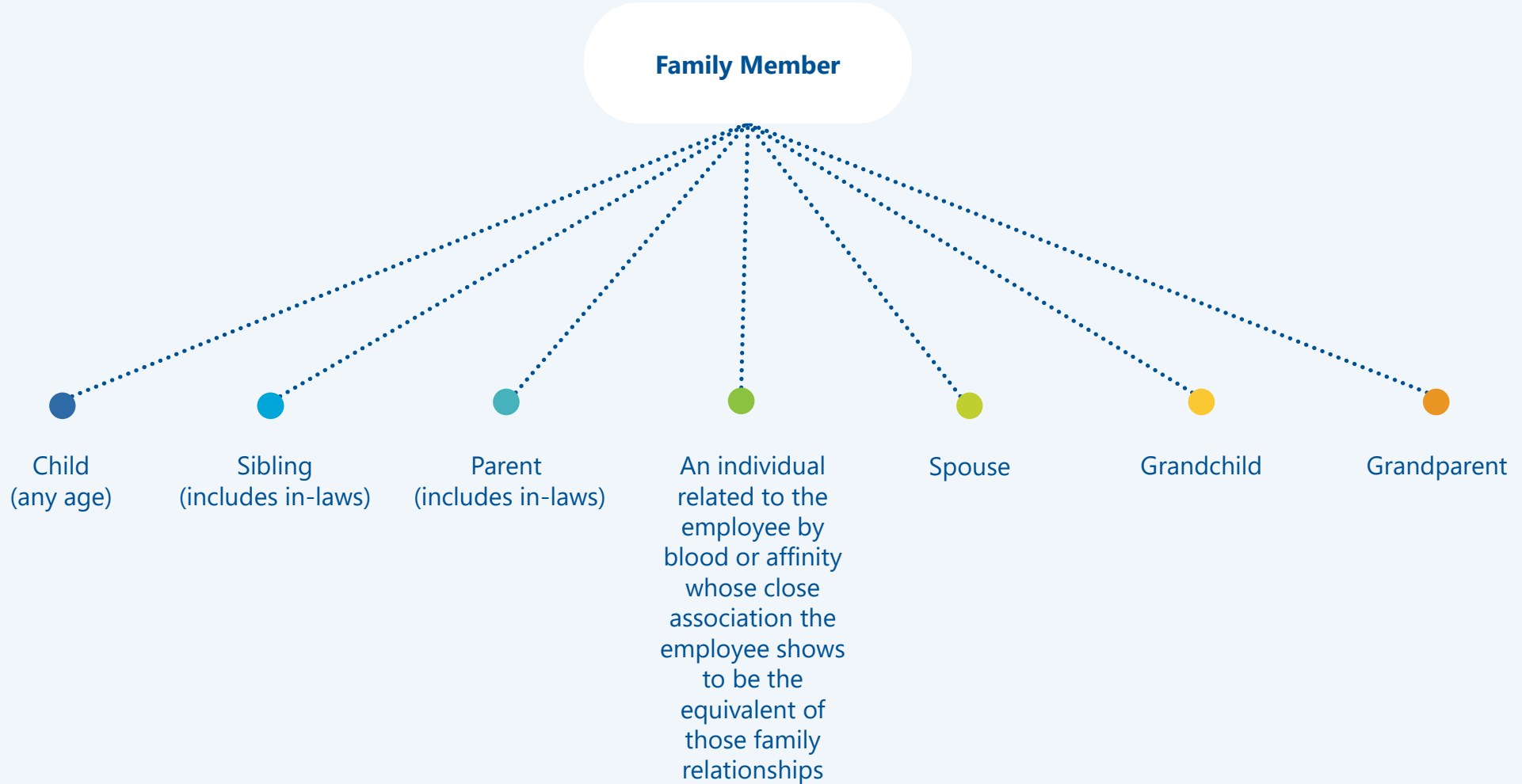
QUALIFYING LEAVE REASONS

12 weeks* of paid leave in a 12-month period for:

- Worker's own serious health condition
- To serve as organ or bone marrow donor
- Worker needs related to family violence (12 day max)
- Birth of a child
- Placement for adoption or foster care
- Caring for a family member with a serious health condition
- Qualifying exigency
- Military Caregiver (26 weeks of leave but limited to 12 weeks of benefits)

**Up to 14 weeks of leave if incapacitated due to pregnancy*

COVERED FAMILY MEMBERS



**DOCUMENTATION
REQUIREMENTS**

Same certification requirements as CT FMLA

**EMPLOYEE NOTICE
REQUIREMENTS**

30 days if foreseeable or as soon as practicable

**USE OF ACCRUED
PAID LEAVE**

Employer can require, or employee can choose, to use accrued paid leave. Must allow employee to retain 2 weeks. Time taken does not get deducted from CT PFML entitlement.

**INTERMITTENT
LEAVE**

Intermittent and reduced schedule leaves permitted



Employer Notice and Recordkeeping

At time of hiring and annually, must provide notice containing:

- Entitlement to leave and general provisions
- The opportunity to file for benefits
- Retaliation prohibited
- Right to file complaint with Labor Commissioner



Anti-retaliation/Job Protection Provisions

- Under CT FMLA, employees to be restored to same position (must have 3 months of employment)



Health Benefit Maintenance

There is no specific requirement to maintain group health benefits under the CT FMLA.

Entitlement to benefits during leave is determined by the employer's established policy for providing such benefits when the employee is on other forms of leave



PRIVATE PLAN OPTIONS

Employers may apply to have a private plan. It must:

- Meet or exceed the state plan provisions
- Cost employees the same or less than the state plan
- Provide coverage for all employees throughout employment
- Provide for inclusion of future employees
- Protections of CT FMLA apply to leave/benefits provided under a private plan
- *Be approved by a majority vote of the employer's employees*
- Meet any additional guidelines established by the state

Application and voting process [here](#)

**CT PFML Authority has indicated a private plan must be submitted *and approved* prior to March 31, 2021 in order to avoid first quarter 2021 contributions.

KEY CT FMLA CHANGES

	CT FMLA - today	CT FMLA – 1/1/2022
Covered employer	75+ employees on October 1	All employers
Employee eligibility	<ul style="list-style-type: none"> • 12 months tenure • 1,000 hours worked in the 12 months preceding leave 	3 months tenure immediately preceding leave
Entitlement	16 weeks in a 24-month period	<ul style="list-style-type: none"> • 12 weeks in a 12-month period • 2 additional weeks if incapacitated by pregnancy
Qualifying Family Members	<ul style="list-style-type: none"> • Spouse • Parent • Child (under 18, or 18+ and incapable of self-care due to a disability) 	<ul style="list-style-type: none"> • Spouse • Parent/parent-in-law • Child (any age) • Grandchild • Grandparent • Sibling • Individual like a family member



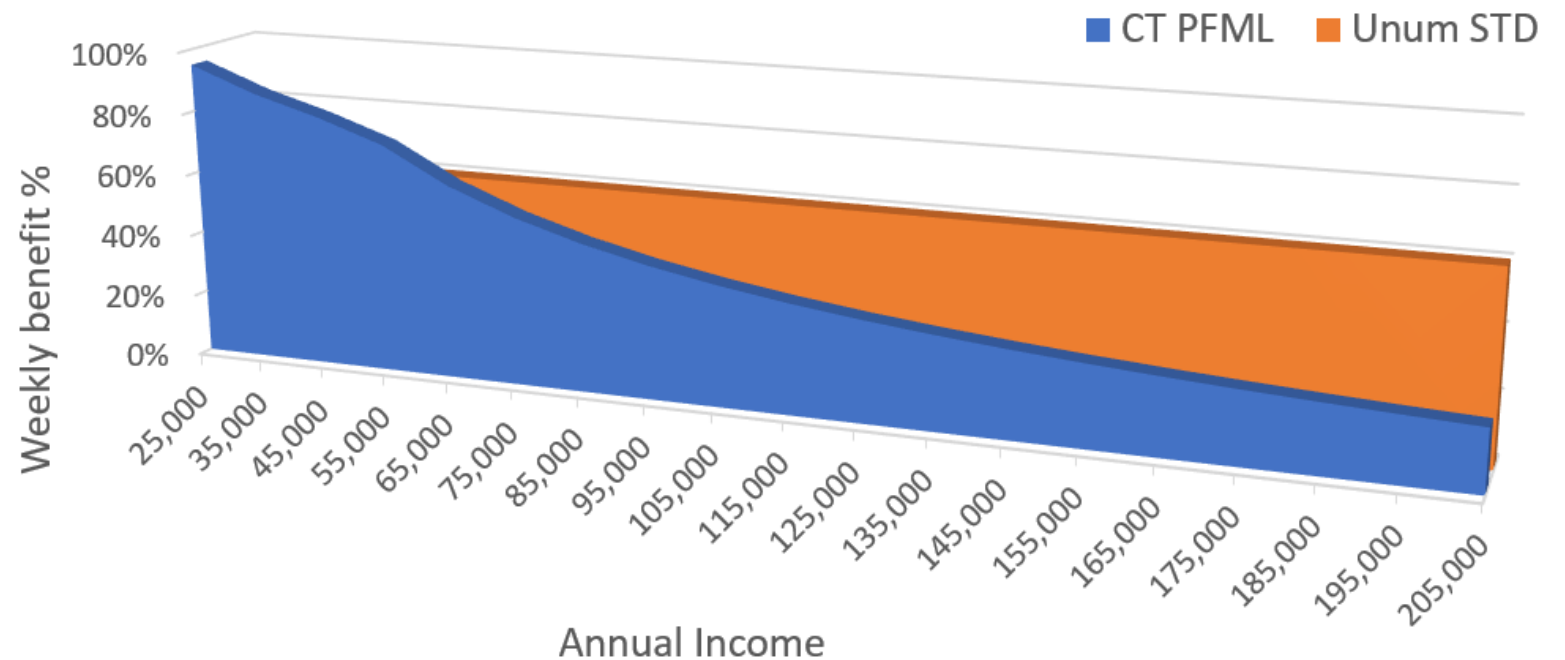
Unum solutions

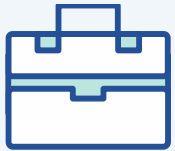
- **Short-term disability plans:** Unum group STD plans offset for state disability benefits, which means the STD benefit is reduced by the amount an employee receives or is entitled to receive from state programs.
 - STD plans will **continue to provide important supplemental coverage** for employees (slides 20-21)
- **Comprehensive absence solutions:** Unum offers a variety of services for clients including custom STD plans, FMLA, state and municipal unpaid leave laws, corporate paid leaves, ADA, and leave planning and educational platforms.
- **CT PFML:** Unum can administer CT PFML for employers self-insuring the state program.



Unum solutions

- Unum's STD plans provide important **supplemental** coverage that **"tops up"** CT's paid medical leave plan, particularly for **employees earning more than ~\$67K**
 - The full STD benefit is reduced or offset by state medical leave payments so the employee is provided a benefit that is richer than the state plan but is also not over-insured

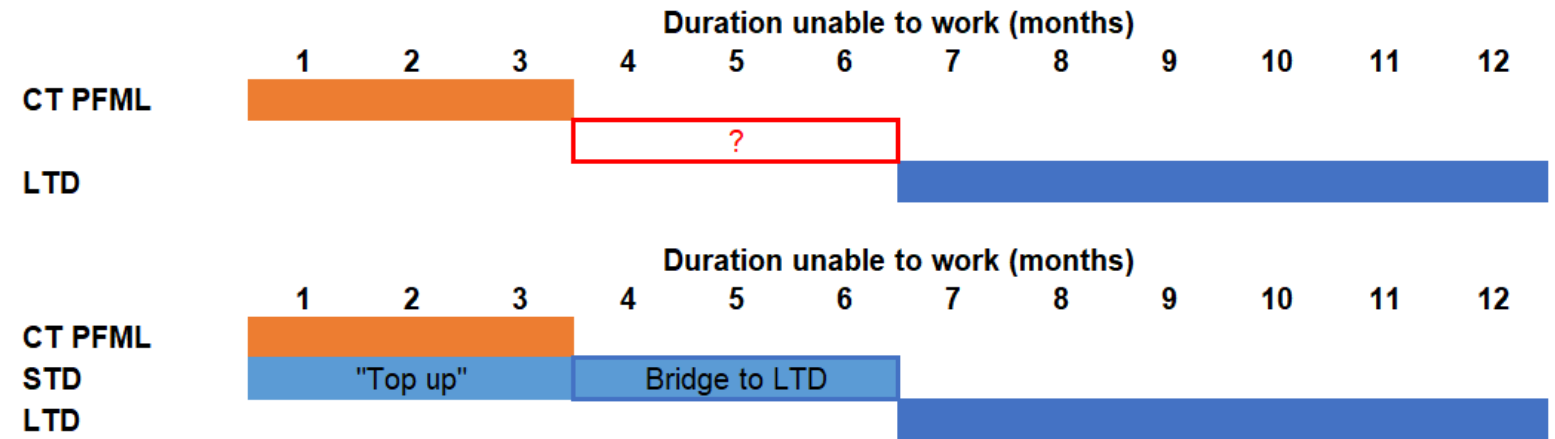




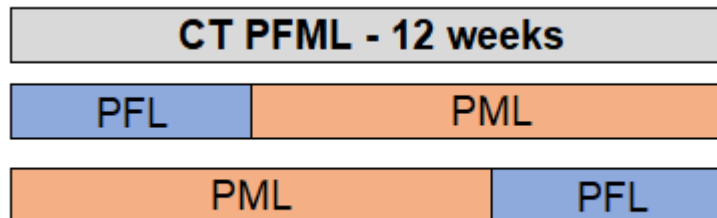
Unum solutions

Unum's STD plans also fill **duration coverage gaps** as well:

- Bridge to LTD:



- 12 weeks total for both paid family leave (PFL) and paid medical leave (PML):





Resources

[Unum's Leave and Absence Management Site](#)

- FMLA Handbook
- [PAID LEAVE LAWS BY STATE](#)

[Connecticut Paid Leave](#)

[Poster](#)
[Fact Sheet](#)

[Employer Toolkit](#)
[Paystub insert](#)

**Your local Unum
representative**

Questions?