

COLORADO DEPARTMENT OF
LABOR AND EMPLOYMENT
EMPLOYER WEBINAR SERIES

Preparing Your Small Business for FAMLI

Division of Family and Medical Leave Insurance
famli.colorado.gov
May 23, 2022



C O L O R A D O
Department of
Labor and Employment



Agenda

- What is FAMLI?
- Benefits to Small Businesses
- Funding
- Private Plans & Self Insurance
- Timeline
- Preparing for FAMLI
- Frequently Asked Questions

What is FAMLI?

- Colorado's Family and Medical Leave Insurance (FAMLI) program will ensure all Colorado workers have access to paid leave during certain life circumstances
- Approved by Colorado voters in November 2020 with 57% bipartisan support
- Eleven states have now passed paid family medical leave programs in the United States
- Colorado's FAMLI program will have capacity to cover most workers, including self-employed individuals and independent contractors



When can covered workers use FAMLI leave?

- To manage their own serious health condition.
- To care for a family member with a serious health condition.
- To care for a new child (within the first year of birth, or foster placement, or adoption.)
- To make arrangements for military deployments.
- To address immediate safety needs and impact of domestic violence/sexual assault.

How does FAMLI benefit small businesses?

- **Easy to administer** – FAMLI will largely work in the same way and on the same schedule as the Unemployment Insurance system (funded by premiums)
- **Cost-effective** – Businesses with 9 or fewer employees won't have to pay employer premiums for FAMLI (only cost is administrative overhead)
- **Potential cost savings** – Businesses currently paying out-of-pocket to provide maternity leave or other paid family leave may be able to realize cost savings
- **More competitive** – Paid family leave is a benefit workers want, and being able to provide it cost-effectively will allow Colorado's small businesses to better compete for top talent with employers nationwide

How does FAMLI benefit small businesses?

- **Happier, healthier employees** – Research shows that access to paid family leave can boost employee morale, and happier employees are often more productive
- **Helps retain talent** – Providing paid family leave will help Colorado employers retain talent, reducing costs to train new employees
- **Flexibility** – When an employee is out on FAMLI, the vacancy savings will provide Colorado employers the freedom to temporarily fill resulting business needs in whatever way makes the most sense for their business

What other protections does FAMILI offer?

Protections for employers	Protections for employees
30 day advance notice, if need for leave is foreseeable	If an employee has worked for 180 days for the same employer, then job protection is mandated
Appeals system includes both administrative and judicial review	Clear prohibition against retaliation
Penalties for fraud outlined in ballot language	Right to civil action
Oversight – annual report to Legislature	Mandated posted education about program and benefits

How will FAMLI be funded?

Premium Responsibilities under Proposition 118

Employer Type	Employer Premium	Employee Premium	No Premium
9 or fewer employees		✓	
10+ employees	✓	✓	
Participating self-employed		✓	
Participating local government employee		✓	
Nonparticipating local government			✓
Nonparticipating self-employed			✓
Employer with private plan			✓

Table originally published in Colorado Blue Book 2020. Legislative Council of the Colorado General Assembly Research Publication No. 748-1

Employer Premium Options

0.45%
premium

0.9%
premium



Example: 9 or fewer employees

Mateo works for a company with 9 or fewer employees. Each bi-weekly pay period, he earns wages totalling \$1,200.

Beginning on January 1, 2023, Mateo's employer will deduct 0.45% of his wages from his paycheck for FAMLI premiums, or **\$5.40**.

Because Mateo's employer has 9 or fewer employees, his employer is not required to pay an employer premium, though it can choose to pay some or all of Mateo's premium as a perk.



Example: 9 or fewer employees

Mateo's employer has a total of eight employees, each of whom earn the same amount as Mateo.

If there are 6 biweekly pay periods in the quarter, Mateo's employer would deduct and remit a total premium of **\$32.40** for each employee, for a total quarterly remittance to CDLE of **\$259.20**.

\$5.40 *biweekly employee premium*

x 6 *number of pay periods in quarter*

x 8 *number of employees*

\$259.20 *total quarterly premium remittance*



Example: 10 or more employees

Elise works for a company with 10 or more employees. Each bi-weekly pay period, she earns wages totalling \$1,600.

Beginning on January 1, 2023, Elise's employer will deduct 0.45% of her wages from her paycheck for FAMLI premiums, or **\$7.20**.

Because Elise's employer has 10 or more employees, her employer will also contribute an equal employer premium of **\$7.20**, for a total premium of **\$14.40** per paycheck. The employer can also choose to pay some or all of Elise's premium share as an added benefit.

Private Plans and Self Insurance

- Private plans must be pre-approved by the Division and provide all of the same rights, protections, and benefits as Colorado's FAMLI paid leave program.
- The Division is coordinating with the Colorado Division of Insurance to create rules and a regulated market for employers and insurance companies.
- Self Insurance will require a surety bond, and will follow similar requirements as the state's self-insured worker compensation plans.

FAMLI Timeline

January 1, 2022

Initial FAMLI rules adopted



January 1, 2023

Employers can begin remitting
FAMLI premium payments



January 1, 2024

Covered workers can begin
submitting requests for FAMLI leave



July 1, 2022

Public education campaign begins



April 1, 2023

First quarterly premium payments
due (30-day grace period)



1. Determine how FAMLI will apply to your business

How many people do you employ?

2. Estimate your premium liability

Use the calculator on FAMLI website, or for multiple employees, use the set formula and rate to create a spreadsheet that works for your business needs.

3. Begin familiarizing staff

More detailed information will be released in the fall, but our Employer Toolkit, available at famli.colorado.gov, includes a break room poster and fact sheet for HR administrators that can be shared with staff now.

4. Talk to HR

Beginning in Fall 2022, you will want to begin incorporating language into employee manuals regarding premium deductions.

Beginning in Fall 2023, you will want to adopt clear guidance for employees around the FAMLI benefits, notices to you etc.

5. Payroll

Whether you use a payroll company or process payroll yourself, you will need a plan in place to begin deducting and remitting FAMLI premiums to CDLE beginning on January 1, 2023.

6. Ask questions

FAMLI will begin registering employers in the fall of 2022, and we are committed to helping you navigate the process.

FAQs from Colorado employers

ADMINISTRATION

- Is this optional for the employee/employer?
- Can you take this leave intermittently?
- Does the employee apply directly to the government?
- Are premium and benefits payments taxable?
- Will there be an administrative cost to opt out and use a private plan or self insurance?
- Will an unlimited PTO policy qualify as an acceptable plan to apply for an exemption?

FAQs from Colorado employers

BENEFITS

- Will employers be notified when an employee applies for FAMLI?
- How much leave can an employee take?
- If there is no more money in the individual's fund, does it stop paying out?

PREMIUMS

- How do employers report their wages and remit their premium payments?
- Will this be a separate filing or filed with unemployment taxes?

We want to hear from you!

We want to build a FAMLI program that is fair and meets the needs of both employers and workers.

Please help us by:

- Participating in our webinar series*
- Sharing your ideas and concerns*
- Inviting us to speak to other business groups and organizations*

Your input is essential!



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FACEBOOK & TWITTER
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Next Webinar

Thursday, June 30

Calculating FAMLI Premiums

- Live webinar
- Q & A open forum
- Registration link will be shared on famli.colorado.gov, Facebook, and Twitter



Thank
You!

