

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

Division of Family and Medical Leave Insurance  
famli.colorado.gov  
July 19, 2022



**COLORADO**  
Department of  
Labor and Employment



AFFILIATE OF  
**SHRM**  
SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

# Agenda

---

- What is FAMLI?
- Benefits to Small Businesses
- Timeline
- Funding
- Calculating Premiums
- Private Plans
- Rulemaking
- Local Governments
- Preparing for FAMLI
- Tech Compatibility
- Questions

# What is FAMLI?



FAMLI will provide Colorado workers 12 - 16 weeks of paid 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.

Premiums are set to 0.9% of the employee's wage, with 0.45% paid by the employer and 0.45% paid by the employee.

# 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** – Paid family and medical leave is a benefit workers want, and FAMLI will allow Colorado employers to provide it easily and cost-effectively.
- **More competitive** – Providing paid family leave enables Colorado employers to better compete for top talent with employers nationwide.
- **Happier, healthier employees** – Research shows that access to paid family leave can boost employee morale, and happier employees are often more productive.

**January 1, 2022**

Initial FAMLI rules adopted

**January 1, 2023**

Employers begin payroll deductions for FAMLI premiums and remitting premium payments to the FAMLI Division

**January 1, 2024**

Covered workers can begin submitting requests for FAMLI leave

# FAMLI Timeline



**July 2022**

Public education campaign begins



**April 30, 2023**

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



# 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

# Will FAMLI premiums increase?

- The initial 0.9% FAMLI premium rate is fixed through 2024.
- For 2025 and beyond, the director of the FAMLI Division sets the premium rate according to formula based on monetary value of fund each year.
- The FAMLI premium rate is statutorily capped at 1.20%.

FAMLI  
wages  
=  
SUI wages



Wages subject to FAMLI premiums will be the same wages subject to Unemployment Insurance (UI).

[Payments Considered Wages](#)

# Counting Your Employees

- Employer count will be calculated **once a year**.
- Total # of employees = # of employees on the payroll during each of 20 or more calendar workweeks in the preceding calendar year.
- If an employer has ten or more employees who worked during 20 or more weeks in all of 2022, the employer is required to pay the employer share of the premium for all four quarters in 2023.
- Employees on leave must be counted if they are expected to return to active employment including:
  - paid/unpaid leave, sick or medical leave, other leaves of absence, disciplinary suspension etc.

# How much will employees receive when using FAMILI benefits?

Weekly wage	Weekly deduction	Weekly benefit	Maximum annual benefit	Percent of weekly wage
\$500	-\$2.25	\$450	\$5,400	90%
\$1,500	-\$6.75	\$976.60	\$12,216	65%
\$2,000	-\$9.00	\$1,100	\$13,200	55%
\$2,500	-\$11.25	\$1,100	\$13,200	44%
\$3,000	-\$13.50	\$1,100	\$13,200	37%

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

# EMPLOYEE PAY STUB

Last Name, First  
POSITION TITLE

EMPLOYEE ID  
KAA 990000000

Payment Period  
04/01/2023 - 05/01/2023

Payment Date  
05/04/2023

Earnings	PAY PERIOD HOURS	PAY PERIOD GROSS	YTD
	168.00	5,000.00	20,000.00

Deductions	INFO	PAY PERIOD	YTD
NOT subject to FAMLI premiums	Kaiser Cafe 125 Medical	55.00	220.00
NOT subject to FAMLI premiums	EyeMed Cafe 125 Medical	5.00	20.00
NOT subject to FAMLI premiums	FSA Cafe 125 Medical	20.00	80.00
NOT subject to FAMLI premiums	Group Term Life Cafe 125	20.00	80.00
	401k Retirement Contribution	700.00	2,800.00
	Medicare	65.00	260.00
	Federal Tax	600.00	2,400.00
	State Tax	225.00	900.00
	Local Tax	5.00	20.00
	Social Security Tax	310.00	930.00
	FAMLI Premium	22.05	88.20

Example of FAMLI deduction  
0.45% of wages (Gross wages - deductions  
not subject to FAMLI premiums)

**Total Deductions:** 2,027.05 7,798.20

**Net Pay:** 2,972.95 12,201.80

# Private Plans and Self Insurance

---

- **Private plans must include:**
  - the same number of weeks of benefits
  - same level of wage replacement
  - include no additional requirements or conditions
  - deduct no more than the same amount from employee paychecks
  - cover all employees through the duration of their employment
- 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.

# The Rulemaking Process

---

- A public hearing for our proposed Benefits Rules is set for:
  - **August 2, 2022 at 5 p.m.**
- Proposed and adopted rules and public comments are published at [famli.colorado.gov/proposed/adopted-rules](https://famli.colorado.gov/proposed/adopted-rules).
- To send us your comments on our proposed rules, email [cdle\\_famli\\_rules@state.co.us](mailto:cdle_famli_rules@state.co.us).

# FAMLI and Local Governments



Unlike private employers, local governments have options regarding their participation in Colorado's paid FAMLI program.

# A local government's options to participate:

## Participate in FAMLI.

- You pay the employer share of the premium like any other employer.
- That's 0.45% of wages if you have 10 or more employees, and 0% of wages if you have fewer than 10 employees.
- You remit employees' share of the premium (0.45% of wages) and submit wage data to the FAMLI Division once a quarter.

## Decline *all* participation in FAMLI.

- Your local government must vote not to participate.
- Then you must notify the FAMLI Division of your decision.
- The local government must revisit the decision to opt out at least every eight years.
- Not offering paid family leave could place a local government at a disadvantage when competing for talent with employers who do.

## Decline *employer* participation in FAMLI.

- If the local government votes to decline, it still has the option to assist its employees who want to individually participate in FAMLI.
- This means the local government would facilitate voluntary payroll deductions, remit the employee share of the premium, and submit wage data once a quarter to the FAMLI Division.

## 1. Determine how FAMILI will apply to your organization

How many people do you employ?

## 2. Estimate your premium liability

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

## 3. Consider options

Private sector employers considering private plan options may want to consult with your insurance brokers and financial planners.

## 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 FAMILI 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 FAMILI premiums to CDLE beginning on January 1, 2023.

## 6. Ask questions

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

# Technical Support for Remitting Premiums and Submitting Wage Reports

Method / Function	Employer Registration	Wage Reporting	Payments
	Process for creating an employer account with FAML I	Process to submit employee wage data to FAML I.	Electronic (ACH) payment of premium contributions due.
<b>Online</b> via My FAML I+ Employer Portal	Available	Available	Available
<b>API (JSON)</b>	Available	Available	Available
<b>File Upload (XML)</b> via My FAML I+ Employer Portal	Available	Available	No
<b>File Upload (CSV)</b> via My FAML I+ Employer Portal	Available	Available	No
<b>File Transfer</b> via SFTP to FAML I Servers	No	No	No
<b>Other Payment Methods</b> ACH Credit via NACHA File, Check or Bill Pay (Note: all occur outside of FAML I systems)	N/A	N/A	Available

● Method is available for the function



## Example: 9 or fewer employees

Mateo works for a business 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 FAMILI premiums, or **\$5.40** per pay period.

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**.

$$\begin{array}{r} \$5.40 \text{ biweekly employee premium} \\ \times 6 \text{ number of pay periods in} \\ \times 8 \text{ quarter} \\ \hline \$259.20 \text{ number of employees} \\ \text{total quarterly premium} \\ \text{remittance} \end{array}$$



## Example: 10 or more employees

Elise works for a business 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 FAMI premiums, or **\$7.20** per pay period.

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.

# Additional Resources

---

## Employer Tool Kit

- [HR Fact Sheet](#)
- [Pay Stub Example](#)
- [Breakroom Poster](#)
- [Premium and Benefits Calculator](#)
- [Local Government Fact Sheet](#)
- [Local Governments Page](#)
- [Pre-Recorded Local Governments Webinar](#)

# 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*

*Your input is essential!*



## WEBSITE

[famli.colorado.gov](https://famli.colorado.gov)



## EMAIL

[cdle\\_famli\\_info@state.co.us](mailto:cdle_famli_info@state.co.us)



## FACEBOOK, TWITTER INSTAGRAM, LINKEDIN

@ColoradoFAMLI



Thank You!

Questions?

