

Washington
Paid Family & Medical Leave


 **Employment Security Department**
WASHINGTON STATE

Advisory Committee Meeting

July 15, 2021



Agenda

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- Introductions & approve minutes
 - Legislative changes implementation update
 - Voluntary Plans: Impacts of 5097 and 1073
 - Projections assumptions
 - Agenda items for August
 - Open comment & adjourn

Meeting structure

- Only Advisory Committee and the presenters will be unmuted during the meeting, until open comment.
- Public to hold all feedback until the open comment period.
- Comments and questions in the chat will not be reviewed as part of the meeting structure, rather:
 - Open comments will be taken at the end of the meeting.
 - Please frame your questions as a comment.
 - “Raise your hand” if you have a comment.
 - The meeting host will unmute individual line to allow for the open comment.

Introductions

- Advisory Committee

(Note: We will use the Zoom feature to identify who is on the phone rather than announcing during meeting)

Approve June minutes

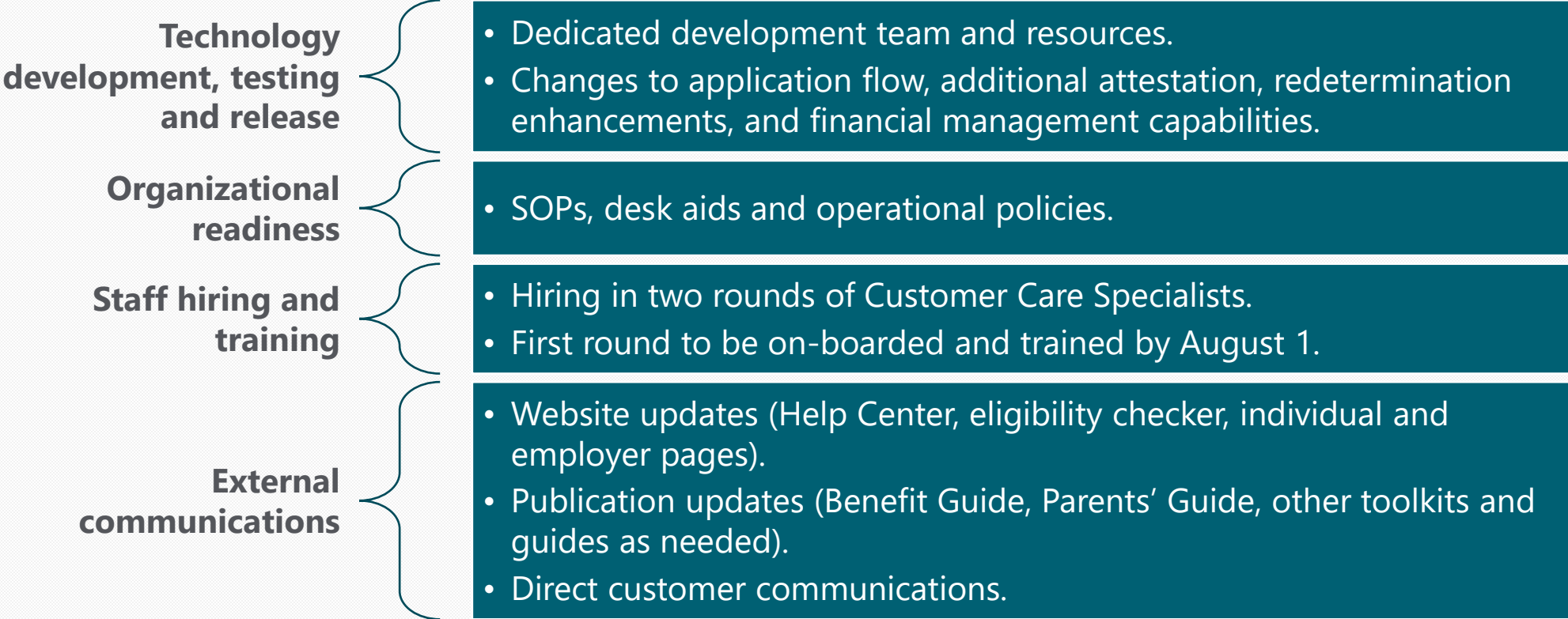
- Discussion

Legislative changes implementation update

Timeline



Details



Communications plan

Benefit customers

Updated denial letters (July 1)

Web and publication updates (July 2 – 30)

Targeted customer communications (August 2 - 6)

Broad communications via social media (August 16 – 20)

Employers

Employer Toolkit and website updates (July 2 – 23)

Voluntary Plan materials updated and targeted communications (July 12)

Employer newsletters (July and August)

Small employer targeted communications (TBD)

Stakeholders

Email to listservs (July 26 – 30)

Shareable content available (August 16 – 20)

Voluntary Plans

Impacts of 1073 and 5097

5097 impacts

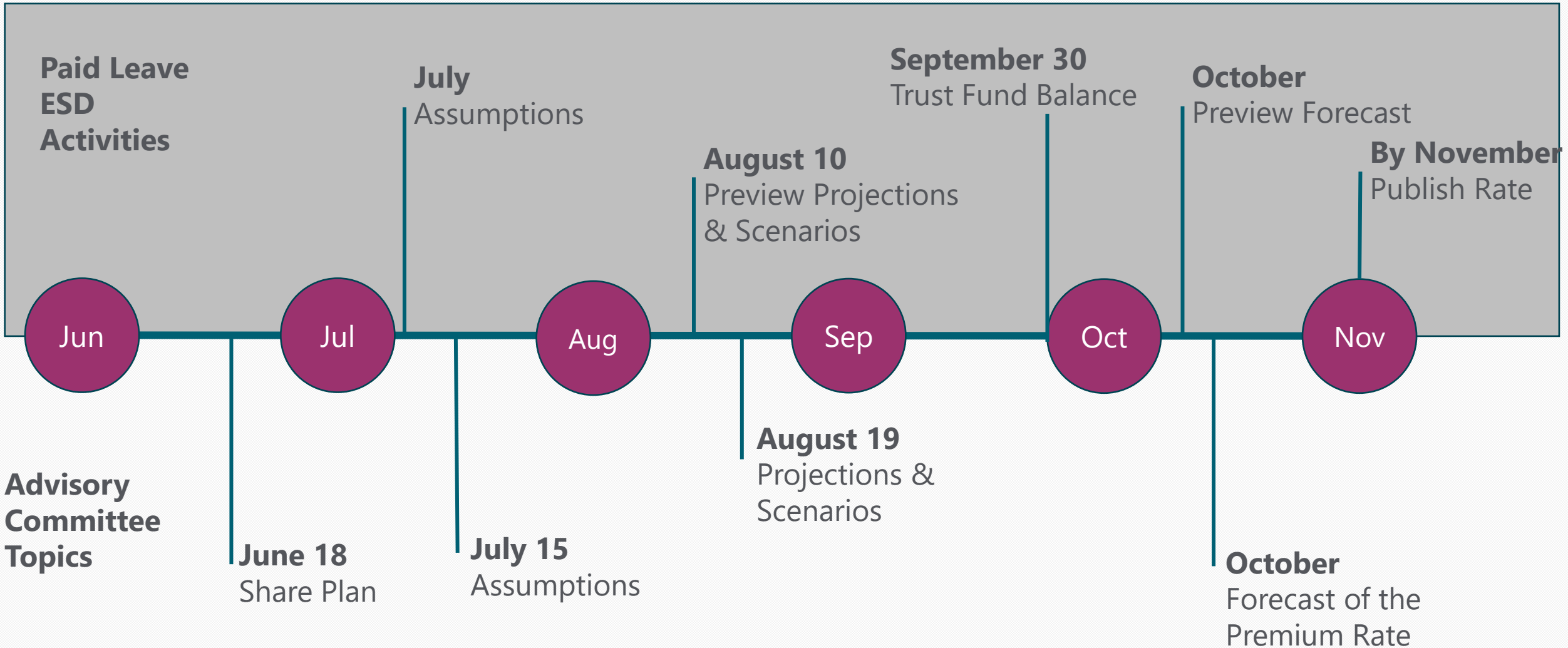
- Expanded family member definition
 - Administer benefits using new definition starting July 25.
 - Voluntary plans should be updated during the employer's recertification process.
- Voluntary plan employer survey
 - Sent to voluntary plan employers July 12.
 - Asks for information on number of leaves, length, benefits paid in past year, location, size, industry.

1073 impacts

- Voluntary plan employers will continue to process benefit applications as they do currently.
- If they deny someone for not having worked enough in the qualifying period, they can direct employees to apply with us.

Projections assumptions

Paid Leave Premium Rate & Projections



General approach to revising projections & assumptions

- Where we can make the switch to informing projections with historical data, do so
- Where substantial new information does not yet exist OR historical data aligns with prior assumptions, continue to use prior assumptions
- Components
 - Benefit Payments
 - Administrative & Implementation Costs
 - UI fund transfer
 - Small business grants
 - Premium Revenue
 - Fund Interest

Benefits payments

Total Estimate = # of Claims Paid * Avg Length * Avg Weekly Benefit

of Claims

- First five years ramp-up period

2021	15%
2022	10%
2023	5%
2024	5%



- 2021 weekly claims up about 10% thus far
- Claim volumes trending up
- Recommend to keep

- Growth after 2024
 - None



- Set claims growth to ERFC employment growth rate projections (1.17%)
 - Eligibility is based on employment
 - More employed people will generally mean more eligible to apply

Benefits payments, cont.

Average length of leave

- Average claim length of leave
 - 7 weeks



- Keep – data supports this
- Continue to monitor and adjust




Avg Weekly Benefit

- Growth Rate
 - 1%



- Weekly benefit amount is a function of wages
- 1% will likely underestimate
- Maximum growth would be tied to growth in average annual wage (5% historical average)
- Propose: base on historical yearly increase in median wage
 - 4% over past 5 years
 - 3% over past 10 years

Other expenditures

- Administrative & Implementation  • Based on budget, continuing to assume 2% growth
- Transfer to Unemployment  • No substantial new evidence
- Small Business Assistance grants  • Too early to adjust future years' expectations
• 2021 likely to be an overestimate
 - Estimated \$8 million
 - In first half of 2021, paid out \$700,000.
• Projections assumed ramp-up to \$40 million in 2023

• Suggest monitoring and revisiting next year

Premiums revenue

Total wages -> Premium wages -> Premium

Total Wages

- ERFC annualized projections



- ERFC quarterly projections
- Premium calculation is mid-year

Taxable wage base

- Derived from UI wage reports pre-implementation



- Switch to Paid Leave wage reports
- Align 2021 with 2020
- 2022 and on a rolling average of historical data

	2021	2022
Q1	94%	94%
Q2	90%	92%
Q3	83%	82%
Q4	71%	72%

Premiums revenue

Share of wages covered by Voluntary Plans

- 5% of wages



- Keep - data supports this, with some fluctuation
- Monitor and adjust to align with experience in future




Adjustment for small employers' employer share

- 30% of wages not assessed employer portion of premium



- Keep - data supports this
- Monitor and adjust to align with experience in future

Other revenue

- Voluntary Plan application fees  • Negligible amount, not included in projections
- Fund Interest  • Still assuming 1%
- Conditional waivers  • Negligible amount, not included in projections

August meeting

Details

- 10 a.m. on Thursday, August 15

Agenda

- Projections
- Other topics?

Open Comment

Continue the conversation

Lisa Kissler

Director, Paid Family & Medical Leave
Employment Security Department

lisa.kissler@esd.wa.gov



Visit us online at
www.paidleave.wa.gov



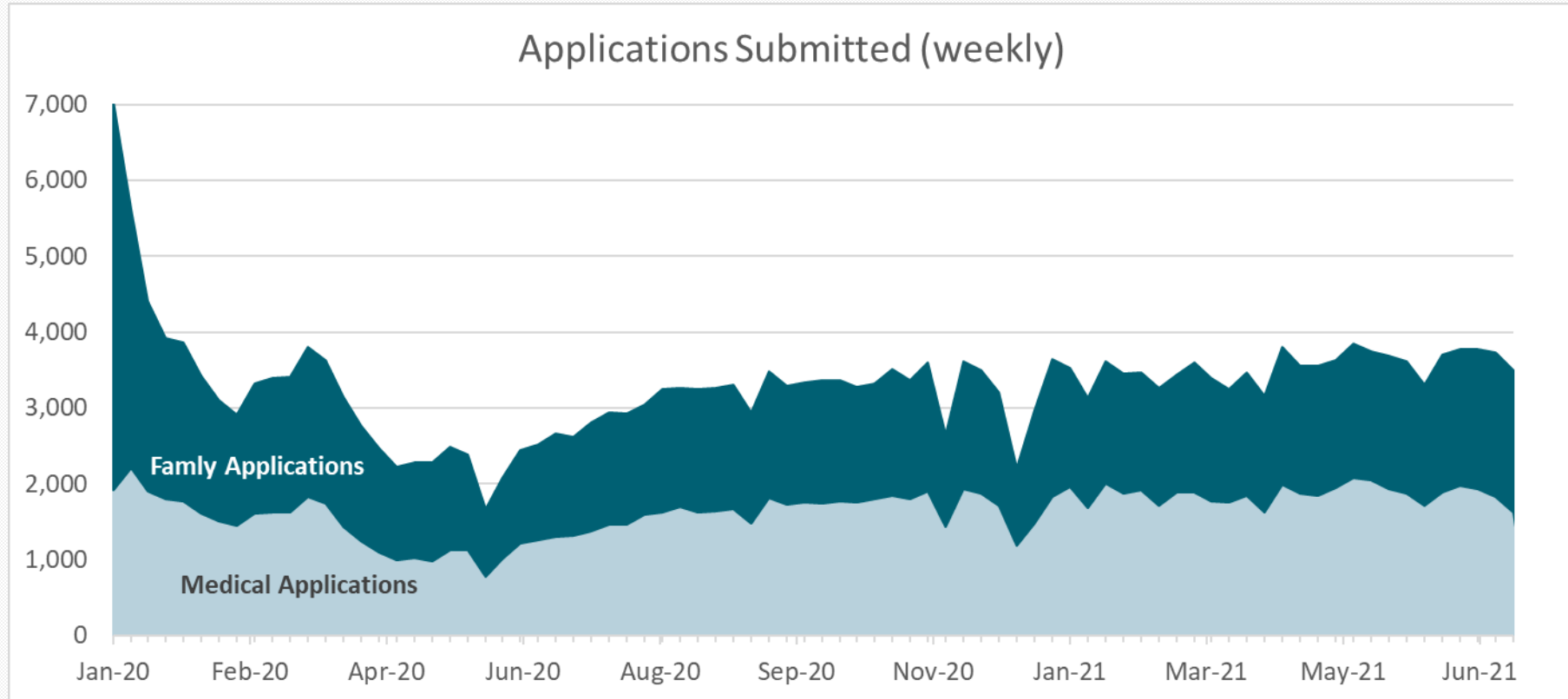
Join our listserv at
bit.ly/PaidLeaveList

Operations telephony data

Last 10 weeks

Customer Care Call Processing	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21	6/28	7/5
	5/7	5/14	5/21	5/28	6/4	6/11	6/18	6/25	7/2	7/9
Calls Presented to PFML	10,615	9,573	11,570	10,774	12,358	12,363	13,021	11,289	10,638	13,833
Calls Presented	7,488	7,554	7,444	7,093	5,848	7,529	7,396	7,485	7,458	5,350
Calls Answered	3,474	3,827	3,301	3,143	2,384	3,473	3,342	3,528	3,074	2,232
Calls Abandoned	4,014	3,727	4,143	3,950	3,464	4,056	4,054	3,957	4,384	3,118
Average Handle Time	0:10:37	0:10:14	0:10:10	0:09:52	0:10:34	0:09:51	0:10:01	0:10:06	0:10:29	0:09:50
Max Handle Time	2:05:40	3:12:03	2:48:49	1:55:25	1:41:00	1:44:56	1:51:58	1:32:56	1:39:06	2:57:50
Average Queue Time	0:50:32	0:42:21	0:59:49	0:57:53	1:07:59	0:56:05	0:56:40	0:50:49	1:00:14	1:08:14
Max Queue Time	2:53:24	2:15:53	3:14:04	2:52:47	3:23:17	3:02:54	3:02:27	2:54:27	3:14:44	4:10:50

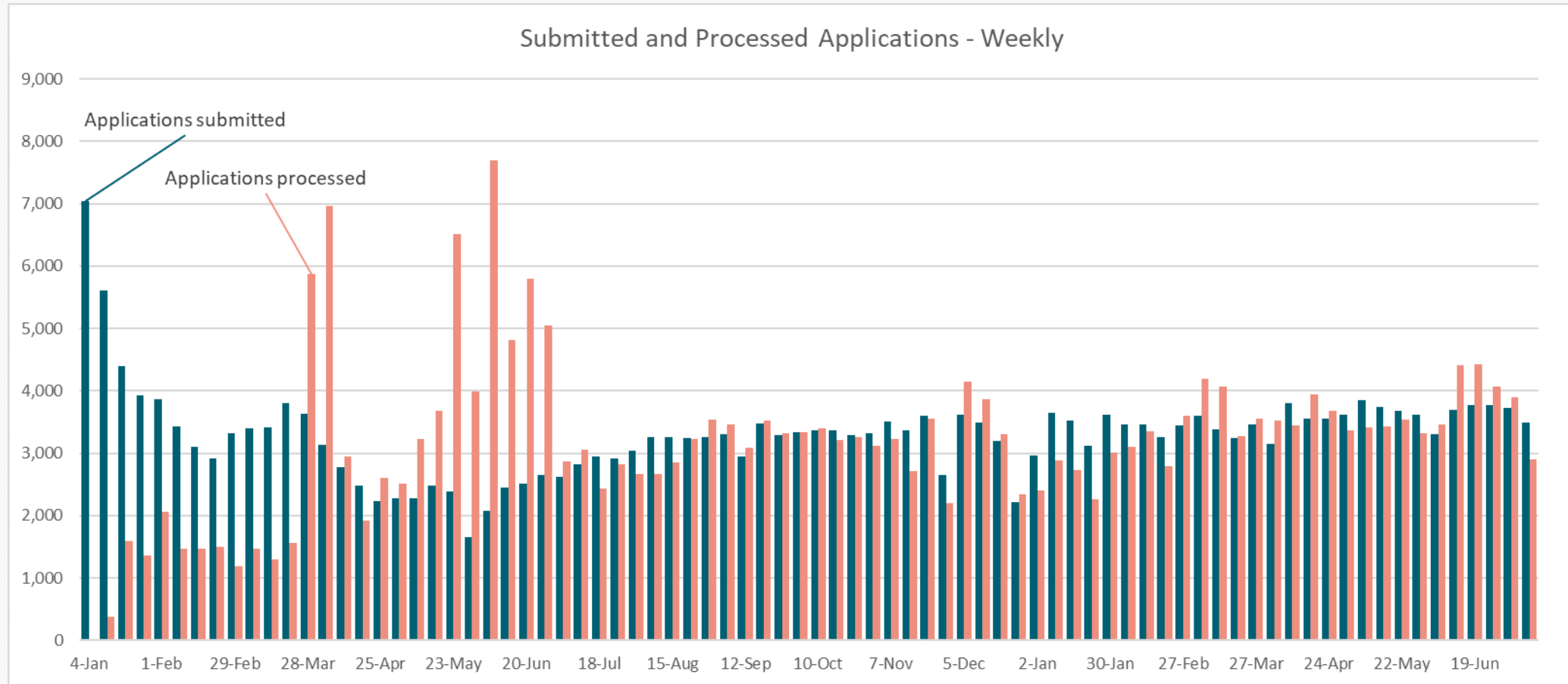
Application & weekly claim data through 7/10/21



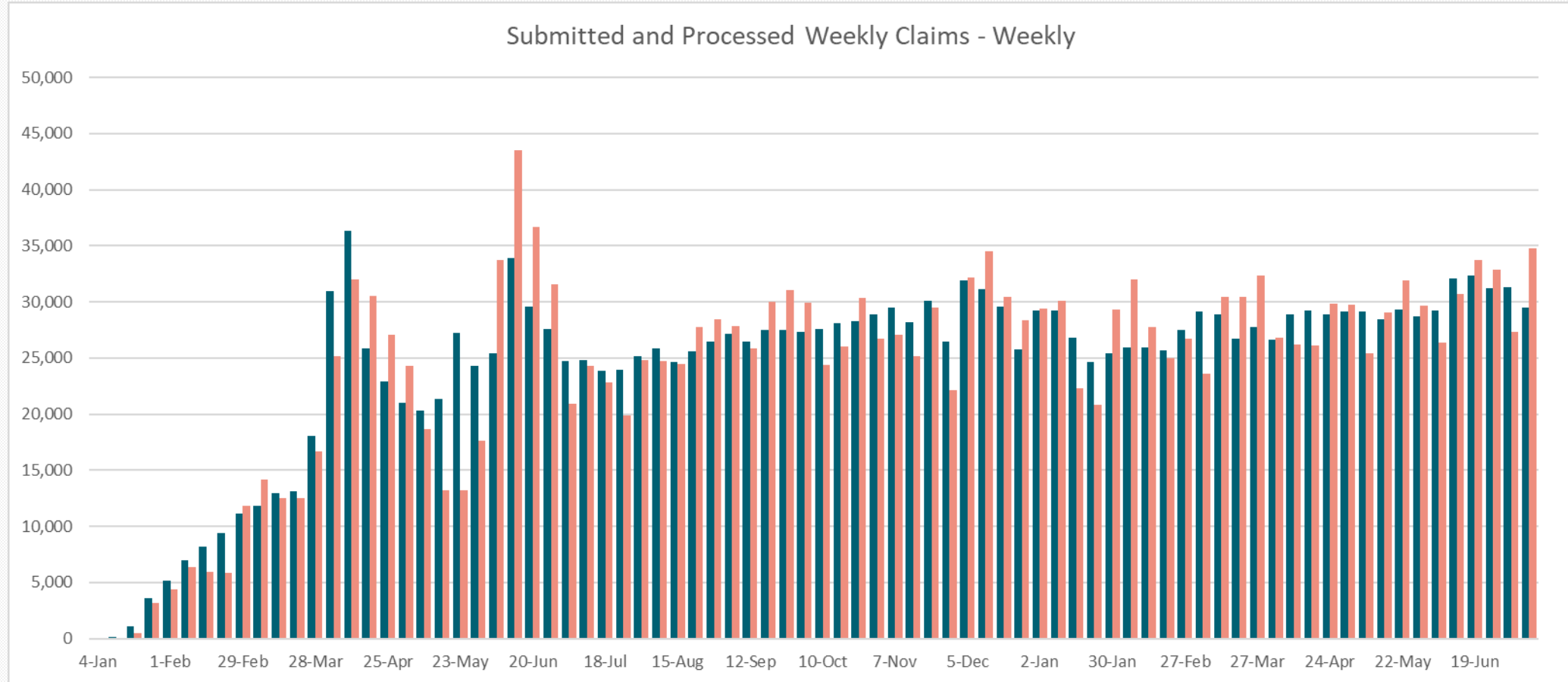
Application & weekly claim data past 10 weeks

Week Ending	8-May	15-May	22-May	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul
Applications submitted	3,848	3,744	3,683	3,613	3,312	3,694	3,774	3,779	3,732	3,495
Submitted via paper	32	21	56	63	36	59	26	36	53	29
Family total	46%	45%	47%	48%	49%	49%	48%	49%	51%	54%
Family Bonding	34%	34%	35%	35%	37%	37%	37%	37%	38%	40%
Family Care	12%	12%	12%	13%	12%	12%	11%	12%	13%	13%
Family Military	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%
Medical total	54%	55%	53%	52%	51%	51%	52%	51%	49%	46%
Medical Self	46%	45%	45%	44%	44%	43%	44%	43%	36%	33%
Medical Pregnancy	8%	9%	8%	8%	8%	8%	8%	8%	14%	13%

Application & weekly claim data – through 7/10/21



Application & weekly claim data – through 7/10/21



Processing time – past 10 weeks

Week Ending	8-May	15-May	22-May	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul
Avg weeks processing time for applications processed in the week indicated	2.4	2.5	2.5	2.6	2.7	2.5	2.3	2.2	2.2	2.3
Median weeks processing time for applications processed in the week indicated	2	2.1	2.3	2.3	2.4	2.3	2	1.9	1.9	2