

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

December 15, 2022

Agenda

Introductions & approve minutes

Program & fiscal update

Current priorities

Legislative session priorities

Workgroup updates

2023 meeting cadence

Agenda items for January meeting

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 minutes

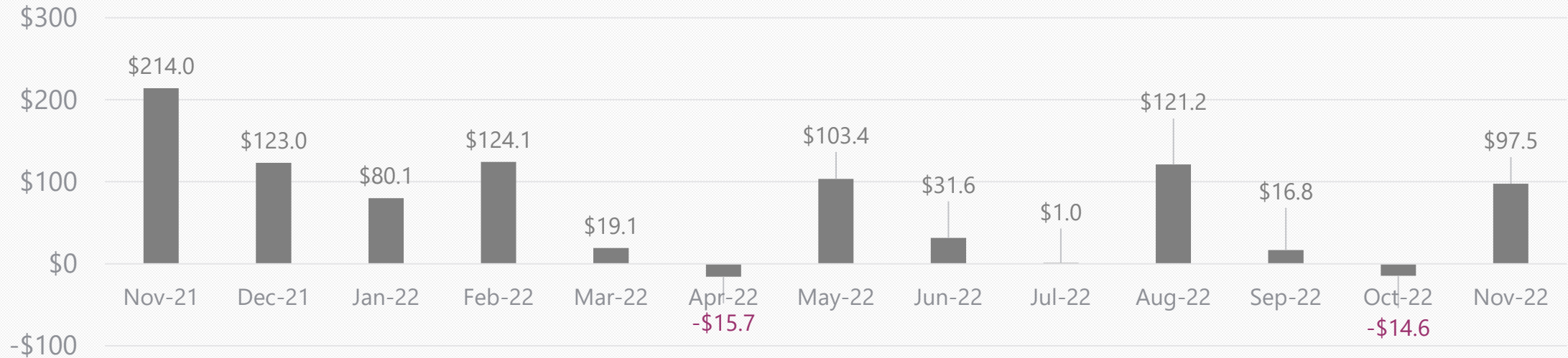
- October

Program update

Steve Zawoysky, Treasury Manager

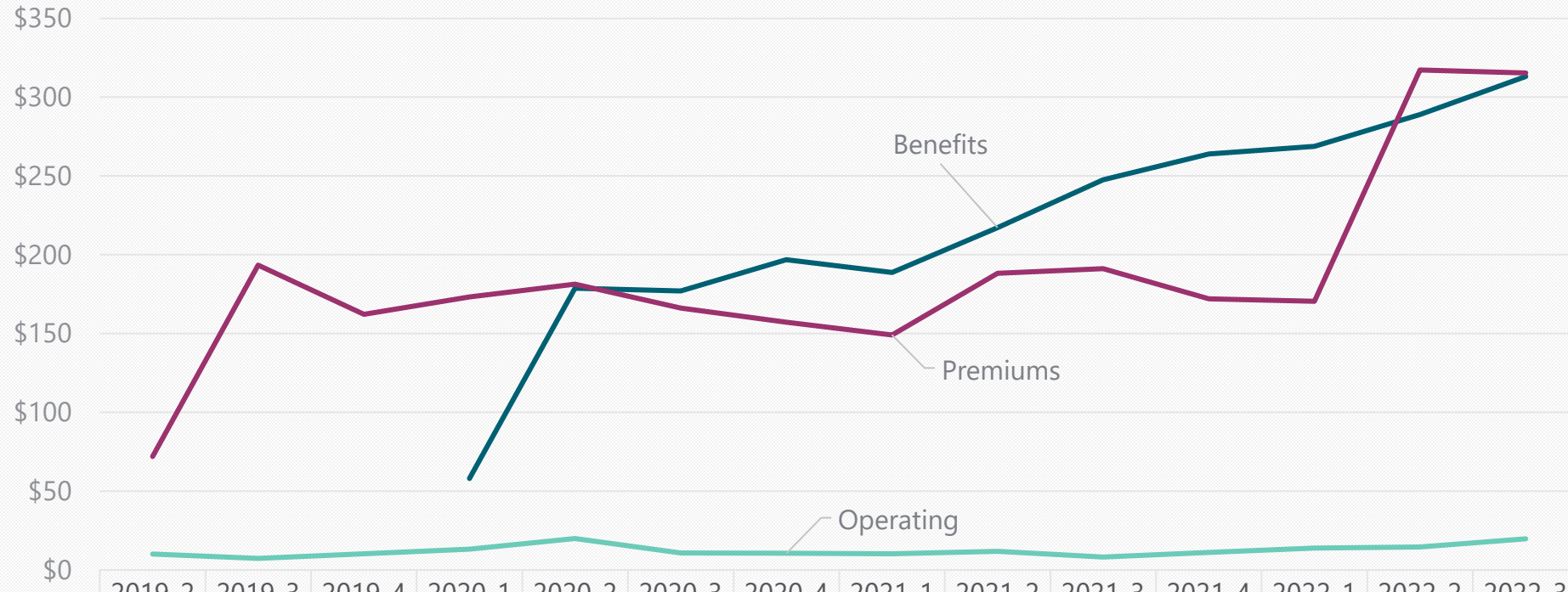
Brian Kennedy, Forecast & Economic Analyst

Monthly ending account balance (millions)



- Ended November at \$97.5 million
- Last negative balance on October 31st
- Next short-term cash deficit expected to begin during the last week of December
- ESSB 5693 provides up to \$350 million coverage for an account deficit on June 30, 2023
 - Have yet to draw from these funds → premiums are offsetting negative balance

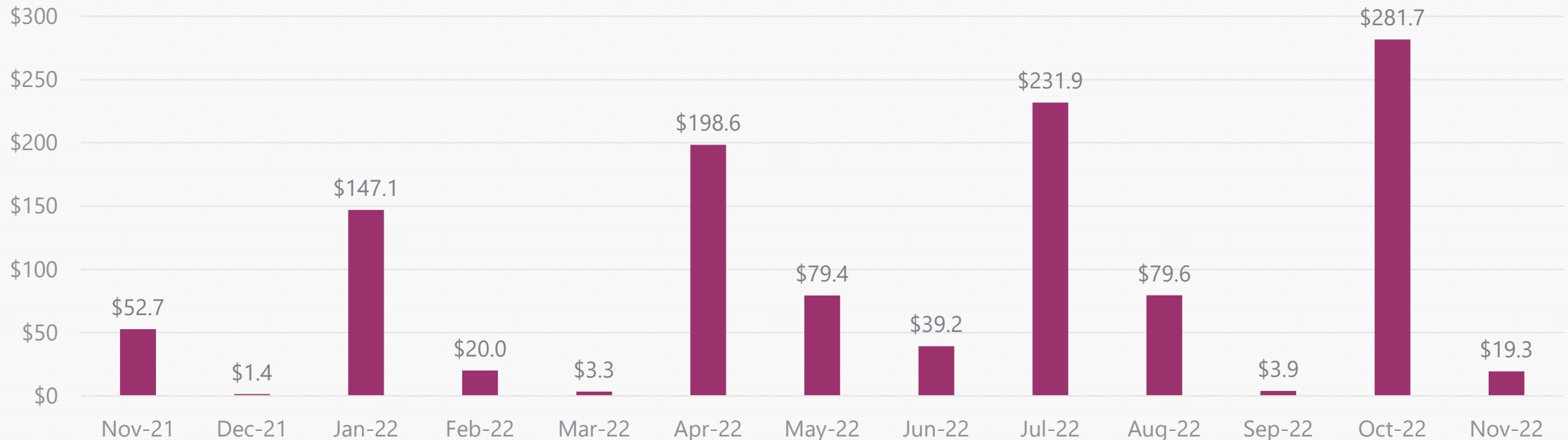
Premiums, benefits, operating expenses, and account balance by quarter (millions)



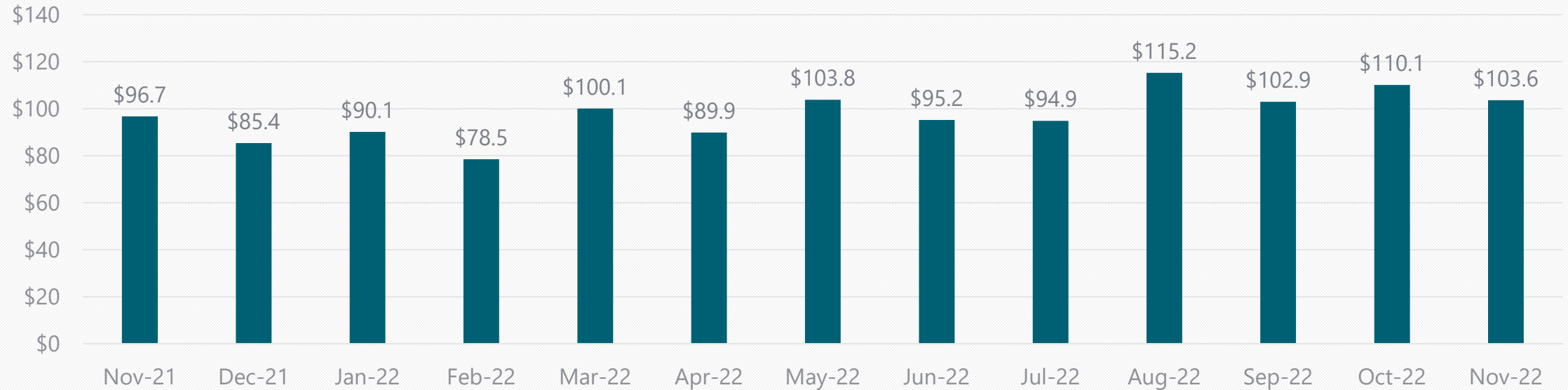
	2019-2	2019-3	2019-4	2020-1	2020-2	2020-3	2020-4	2021-1	2021-2	2021-3	2021-4	2022-1	2022-2	2022-3
Benefits				\$58.1	\$178.7	\$177.0	\$196.9	\$188.7	\$217.2	\$247.6	\$264.0	\$268.7	\$289.0	\$313.0
Premiums	\$72.0	\$193.4	\$162.2	\$173.3	\$181.4	\$166.2	\$157.2	\$149.2	\$188.3	\$191.2	\$172.1	\$170.4	\$317.2	\$315.4
Operating	\$10.2	\$7.3	\$10.3	\$13.2	\$19.9	\$10.8	\$10.6	\$10.3	\$11.8	\$8.3	\$11.2	\$13.9	\$14.7	\$19.8
Account Balance	\$26.8	\$209.8	\$372.1	\$467.2	\$454.2	\$426.8	\$376.4	\$326.6	\$286.5	\$221.5	\$123.0	\$19.1	\$31.6	\$16.8

Monthly premiums (millions)

- Premiums assessed for each quarter are remitted in the following quarter
- Cyclical pattern within quarters – most premium transactions occur at end of reporting months
 - October was the highest monthly collections to date
 - \$19.3 million premiums remitted in November 2022, 63% or \$33.4 million less than last November where the month ended on a weekend and split between October and November
- Cyclical pattern through year of lower quarterly assessments as more wages fall over taxable cap



Monthly benefits paid



- November 2022, \$103.6 million – 4th highest monthly payments to date
 - 7% higher than November of last year
 - 6% lower than last month
- Over \$1 billion in benefits paid thus far in 2022
 - 30% higher than Jan-Nov 2021

Fiscal projections

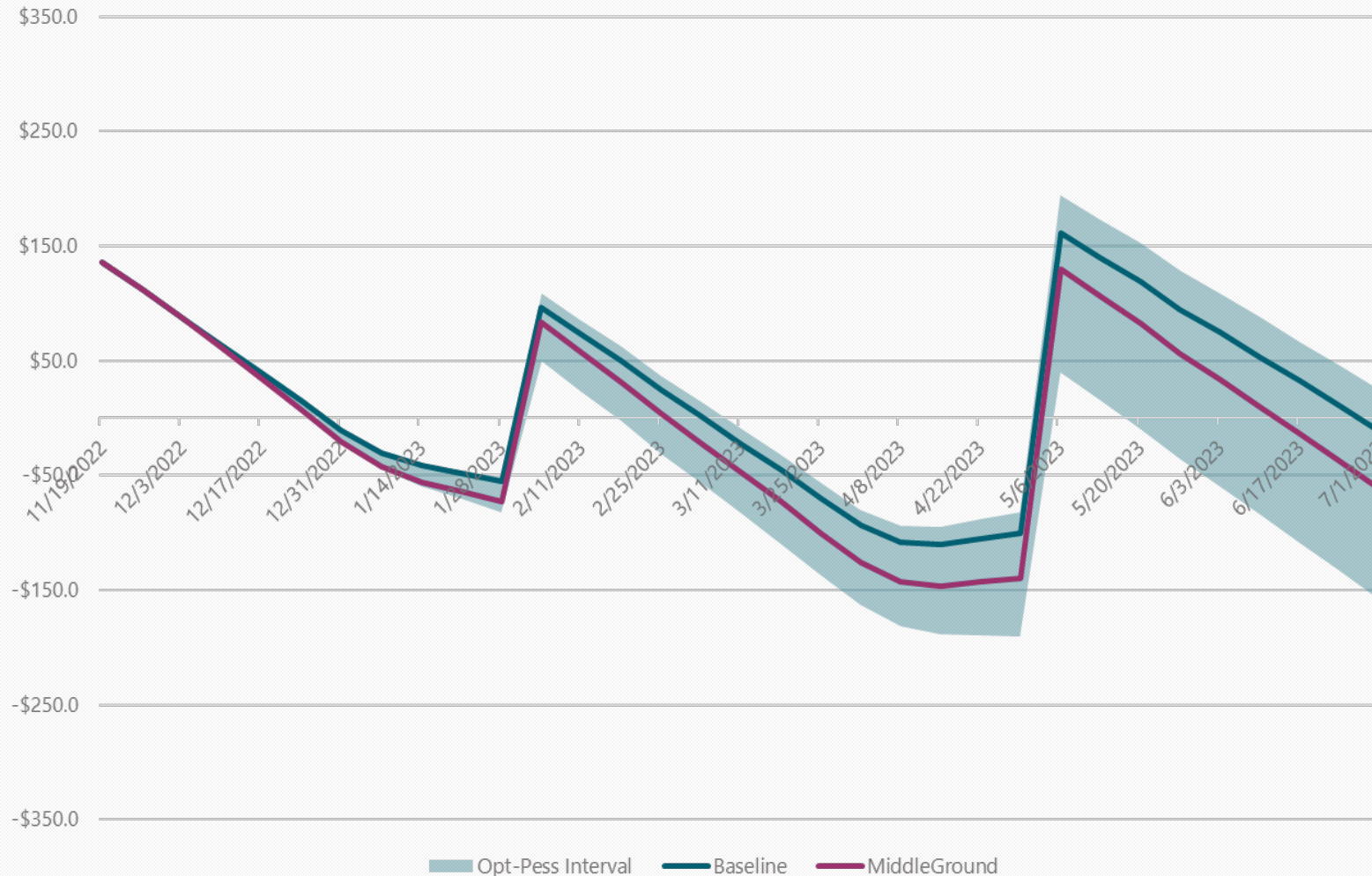
- Last Deficit

- Went into deficit Oct 5th
- Max negative balance reached - \$27 million
- In deficit for 27 days, through October 31st

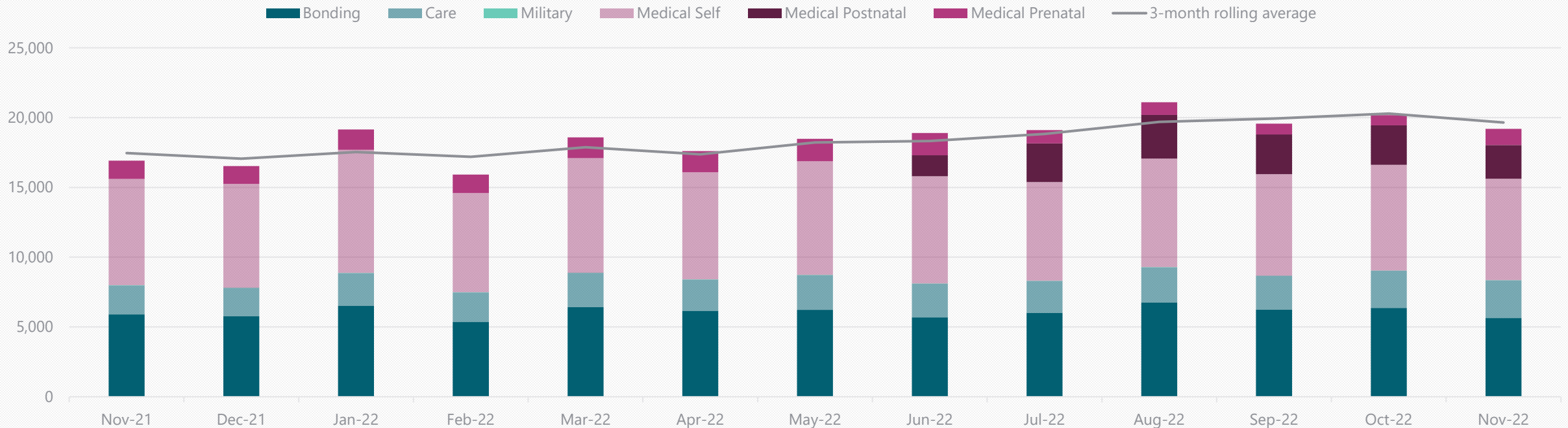
- Next deficit expected, December through January

- Will be the last premiums collected at the 0.6% rate
- Expected max negative balance to range about \$50-\$80 million.

Paid Leave Account Balance: Cash Flow Projections
Historical data through week ending 12-03-22



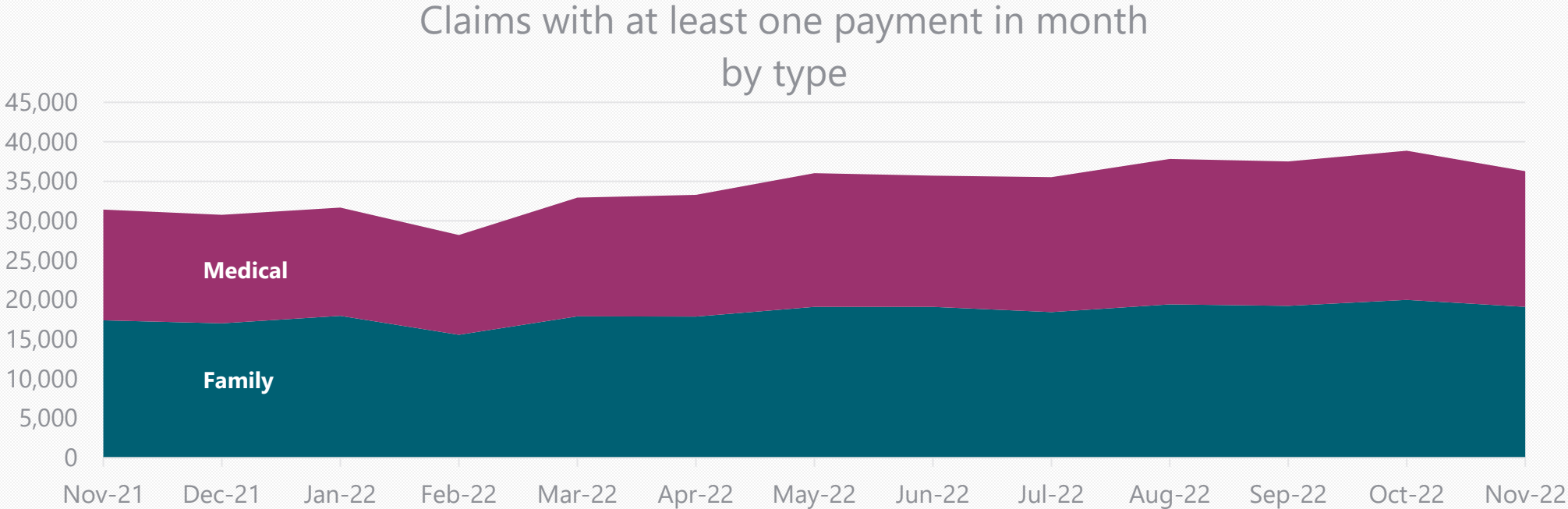
Claim applications submitted by type



- November 2022, we received 19,186 applications – 5th highest on record
 - 5% less than last month
 - 13% more than November of last year
- Starting to see shift towards medical leave types ~ 56% medical, 44% family
- Three-month rolling average back under 20K claim applications

Approval rate and monthly claims with payment(s)

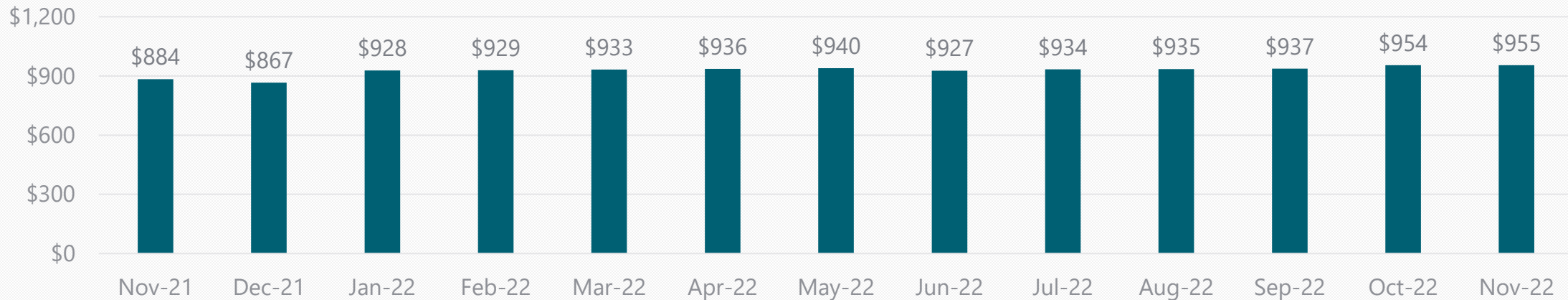
- Percentage of claims approved continues to be relatively stable in past year
 - About 85% approved overall
- Unique leave claims in the last 12 months – 98,823 family and 101,513 medical
- November 2022 total unique paid leave claims: 36,280
 - 15% more than November of last year



Benefit levels and lengths

- Jan-Nov 2022 average: \$937
 - 7% higher than same period last year, \$878
- 2022 AWB is expected to stabilize throughout rest of year.
 - Statewide average annual wage grew 7.3% from 2020 to 2021

Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.



- Length of leave relatively stable month-over-month
 - 7.4 weeks avg per claim for claims ending in recent months
 - 9.5 weeks avg per claim year for claim years ending in recent months

Time from application submission to first payment

Month	Average weeks	Median weeks
Jan. 2022	5.2	3.6
Feb. 2022	4.9	3.6
March 2022	4.5	3.4
April 2022	4.0	2.7
May 2022	3.6	2.4
June 2022	4.2	2.6
July 2022	4.2	2.6
August 2022	4.0	2.6
Sept. 2022	4.1	2.7
Oct. 2022	4.1	2.7
Nov. 2022	4.3	3.0

Month	Average weeks	Median weeks
Nov 2021	5.0	3.6
Nov 2022	4.3	3.0

Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave**
May 2022	85%	91%	02:47
June 2022	64%	78%	07:27
July 2022	82%	67%	12:23
August 2022	81%	75%	08:52
September 2022	81%	78%	08:29
October 2022	81%	73%	09:23
November 2022	81%	69%	09:25

Since November 2021:

- 5% increase in calls into queue.
- 29% increase in calls answered.

**Includes WaCares*

*** Prior to August 2022, queue time included WaCares*

Current program priorities

Matt Buelow, Deputy Director

Rob Rohrer, Customer Service Manager

Active division portfolio

Projects

- 2022 1099s
- 2022 weekly benefit amount increase
- 2022 premium rate and Social Security cap changes
- Cloud migration (AX)
- Small employer premium opt-in

Language access for customers

We provide free language access services to customers with limited English proficiency. Services include:

Written document translation

Oral interpretations

Written translations

- Benefit application available in 19 languages.
- All standard benefit letter templates and forms available in Spanish.
 - Other letters and forms translated on demand.
- Improved document translation processes.
- Added instructions explaining next steps for weekly claims and provide additional assistance with weekly claims as needed.
- Improved/expanded website translations
 - Amharic, Arabic, simplified & traditional Chinese, Farsi, Khmer, Korean, Laotian, Oromo, Punjabi, Russian, Spanish, Somali, Tagalog, Vietnamese

Paper benefit applications

Available in:

- English
- Russian
- Khmer
- Korean
- Spanish
- Simplified Chinese
- Vietnamese
- Arabic
- Japanese
- Laotian
- Punjabi
- Somali
- Tagalog
- Ukrainian
- Oromo
- Amharic
- Marshallese
- Traditional Chinese
- Farsi-Persian

Language	Applications received January to November
Spanish	960
English	854
Chinese	445
Somali	380
Russian	45
Amharic	38
Vietnamese	38

Oral language services

- In-house Spanish language customer service in place since 2020.
 - Recently consolidated dual language staff into specialized team.
 - Added four dual language staff members to our CRT team.
- Phone tree updated to better assist customers with LEP.
 - Customers can select an option to speak directly with Spanish-speaking Specialist.
- Updated outbound call SOPs
 - Specialists review customer's preferred language and bring in interpreter before initiating call when needed.

Call queue time

Month	Overall queue time for Paid Leave	Queue time for DL queues
June 2022	07:27	03:10
July 2022	12:23	02:53
August 2022	08:52	06:40
September 2022	08:29	04:10
October 2022	09:23	04:10
November 2022	09:25	04:16

Phone data

Month	Total calls handled	Calls handled by dual language staff	Calls handled using interpreter service
June 2022	28,809	2,333	1,271
July 2022	27,104	2,304	1,189
August 2022	29,881	2,515	762
September 2022	26,473	2,113	832
October 2022	28,503	2,438	760
November 2022	26,020	2,585	905

Calls using interpreter service

Language	Total calls
Spanish	4,328
Vietnamese	314
Amharic	290
Farsi (Persian)	88
Russian	84
Other	615

Calls between June – November 2022

Employer access to data

Matt Buelow

Privacy – History

2019

- Substitute House Bill 1399
- Created Chapter 50A.25, the privacy chapter for Paid Leave

2020

- Substitute House Bill 2614
- Made a minor technical change to the privacy chapter

2022

- House Bill 1613
- Made privacy amendments to chapter for administration of department responsibilities related to the WA Cares program

Privacy law *(Chapter 50A.25 RCW)*

- General provisions (RCW 50A.25.020)
 - (1) Any information or records concerning an individual or employer obtained by the department pursuant to the administration of this title shall be private and confidential, except as otherwise provided in this chapter or RCW 50A.05.040.
- Access to information (RCW 50A.25.040)
 - (2) An employer shall have access to:
 - (a) Its own records relating to any claim or determination for family or medical leave benefits by an individual;
 - (b) Records and information relating to a decision to allow or deny benefits if the decision is based on material information provided by the employer; and
 - (c) Records and information related to that employer's premium assessment.

Example privacy scenario

- Ralph from Ralph's Plumbing calls the department asking for specific information about an employee's Paid Leave claim.
 - Under RCW 50A.25.040, the department cannot share specific information with the employer about an employee's claim because the request was not based on material information provided by the employer.
 - The department sends a letter to Ralph indicating that the employee applied for benefits and subsequently whether that application was approved or denied.

Legislative Session Priorities

Caitlyn Jekel, Government Relations Director

Legislative session priorities

Removing the terms "master" and "servant" from Titles 50 and 50A

Proposed agency request legislation to remove reference to "the relationship of master and servant" in the definition of employment in the UI and PFML statutes.

Incorporating Transportation Network Companies in Titles 50 and 50A

ESD completed facilitation of a workgroup and report as directed in HB 2076 (2021). Recommendations include:

- Establish a 3-year PFML pilot where TNC drivers may opt-in for elective coverage and companies pay the cost of TNC related premiums.

Legislative session priorities

Legislative Task Force on PFML Insurance Premiums Recommendation F

- Remaining \$350M, one-time transfer
- Remove solvency surcharge & cap rate at 1.2%
- New formula based on historical program usage that establishes the equivalent of roughly three months in benefits in reserve:
 - 140% of the previous fiscal year's expenses, subtract the account balance from that amount, and divide by the prior fiscal year's taxable wages.
 - Round the result to four decimal places. Next, round up to set the rate at two decimal places to arrive at the rate.
 - If the rate calculated results in projected balance above an amount equivalent to the estimated 3-month reserve, the rate must be set at the minimum level necessary to maintain an annual end balance of at least that amount.

Workgroup updates

Alison Eldridge, Interim Transformation Manager

Workgroups

- Small employer premium opt-in
 - Agreement on initial approach (launch by end of 2022)
 - Continue developing complete solution (launch summer 2023)

2023 Meeting Cadence

January meeting

Details

Agenda

- Topics?

Open comment

Continue the conversation

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Visit us online at
www.paidleave.wa.gov



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bit.ly/PaidLeaveList