

Washington  
**Paid Family & Medical Leave**



**Employment Security Department**  
WASHINGTON STATE

# Advisory Committee Meeting

January 25, 2023

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# Agenda

Introductions & approve minutes

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Program & fiscal update

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Current priorities

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Legislative session check-in

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Workgroup updates

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Agenda items for February meeting

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Open comment & adjourn

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# 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

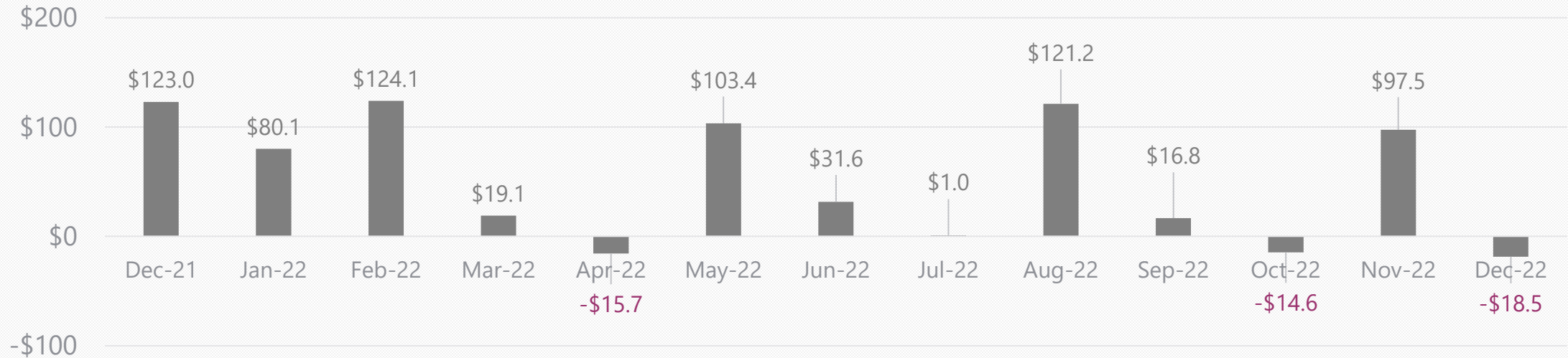
- December

# Program update

Steve Zawoysky, Treasury Manager

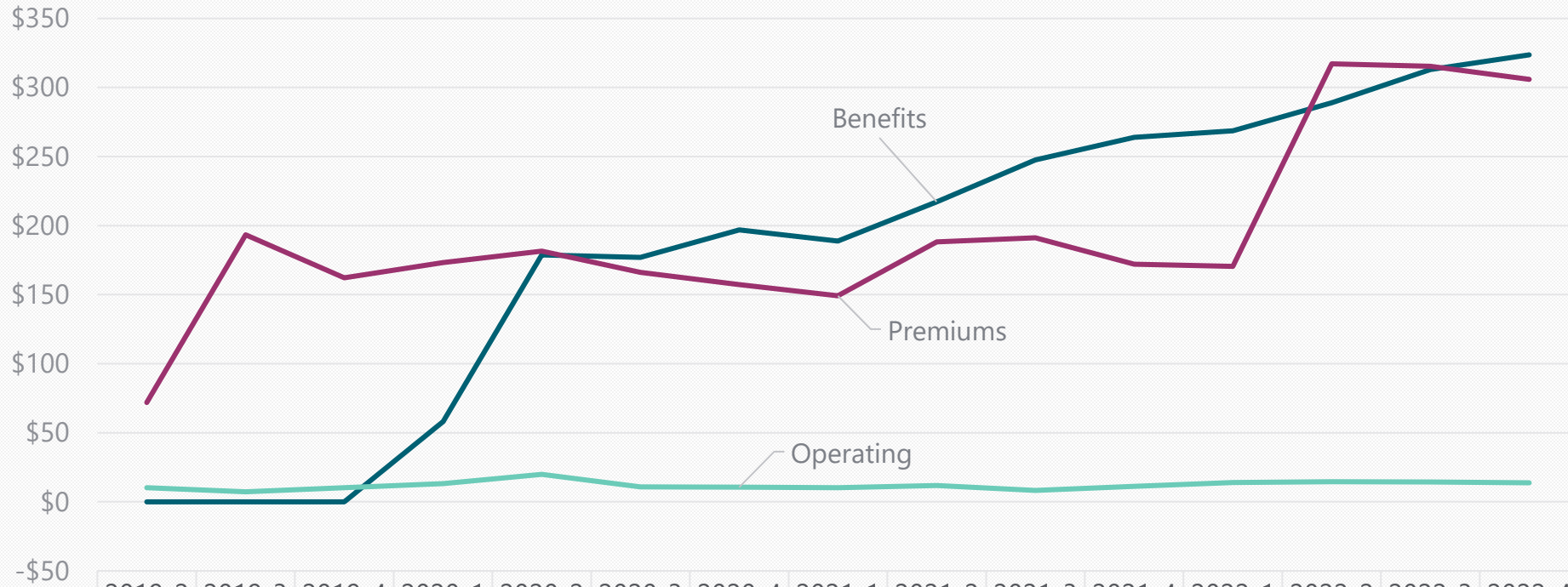
Brian Kennedy, Forecast & Economic Analyst

# Monthly ending account balance (millions)



- Ended December at -\$18.5 million
- Went into deficit on Dec 28<sup>th</sup>
- Expected to stay in deficit until end of January when fourth quarter premiums are due
- 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)

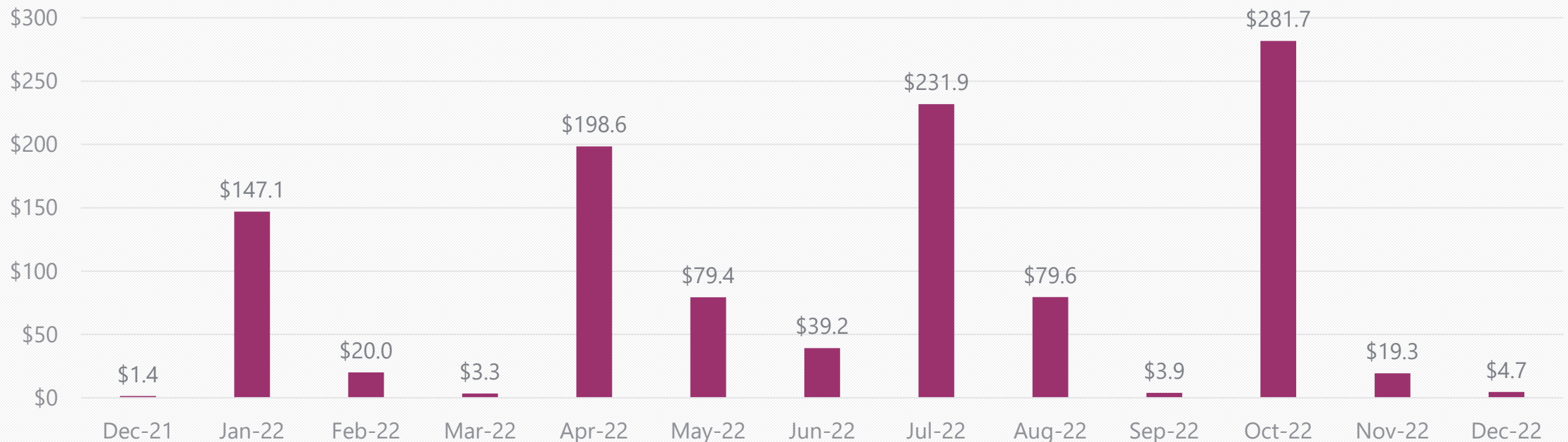


	2019-2	2019-3	2019-4	2020-1	2020-2	2020-3	2020-4	2021-1	2021-2	2021-3	2021-4	2022-1	2022-2	2022-3	2022-4
Benefits	\$0.0	\$0.0	\$0.0	\$58.1	\$178.7	\$177.0	\$196.9	\$188.7	\$217.2	\$247.6	\$264.0	\$268.7	\$289.0	\$313.0	\$323.7
Premiums	\$72.0	\$193.4	\$162.2	\$173.3	\$181.4	\$166.2	\$157.2	\$149.2	\$188.3	\$191.2	\$172.1	\$170.4	\$317.2	\$315.4	\$305.8
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	\$14.3	\$13.9
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	-\$18.5

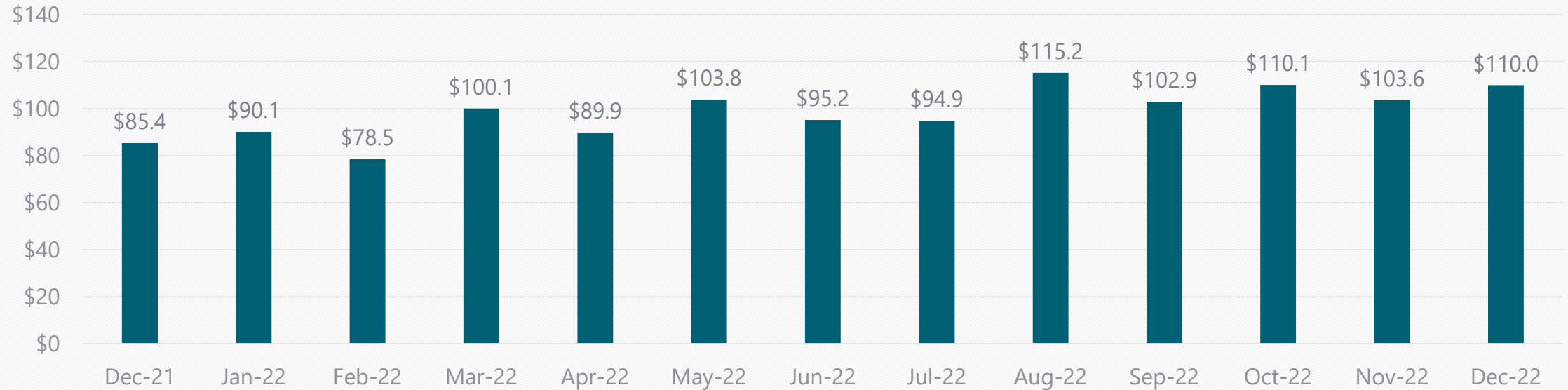


# Monthly premiums remitted (millions)

- Premiums assessed for each quarter are remitted in the following quarter
- Cyclical pattern within quarters – most premium transactions occur at end of reporting months
  - \$4.7 million premiums remitted in December 2022
  - \$3.2 million more than last December
- Cyclical pattern through year of lower quarterly assessments as more wages fall over taxable cap
- Collected \$1.1 billion in premiums during 2022



# Monthly benefits paid



- December 2022, \$110 million – 3<sup>rd</sup> highest monthly payments to date
  - 29% higher than December of last year
  - 6% higher than last month
- \$1.194 billion in benefits paid in 2022
  - Revised Benefit Projections: \$1.187 billion
  - Underestimated by \$7 million

# Fiscal projections

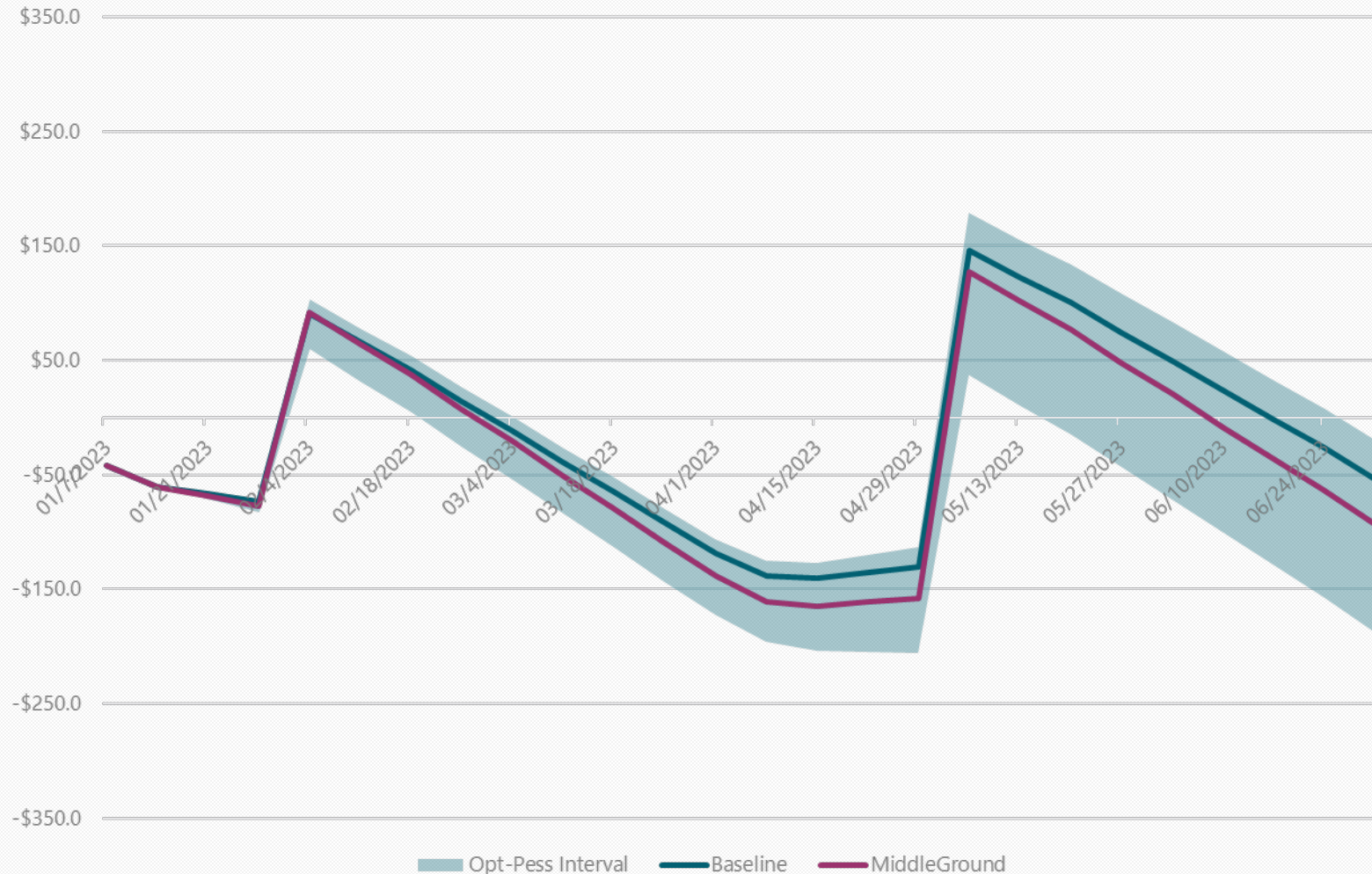
- Current Deficit

- Will be the last premiums collected at the 0.6% rate
- Expected max negative balance to be about -\$80 million
- Will last until reporting comes due January 31<sup>st</sup>

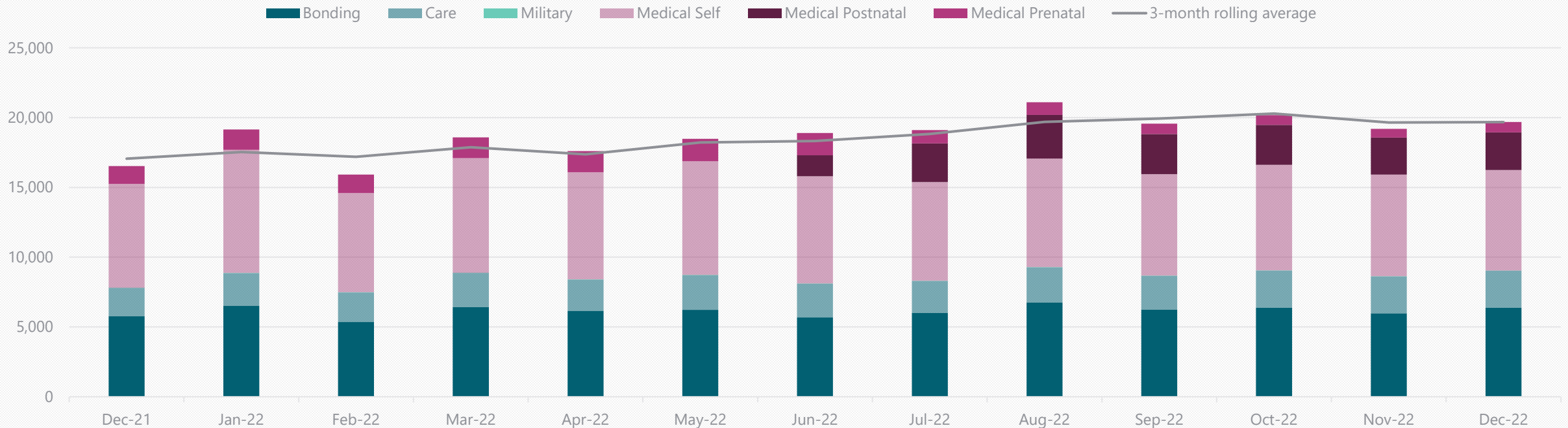
- Next Deficit

- Begin late February – early March
- Will be the largest one yet
- Will persist through April (first collection at new rate)

Paid Leave Account Balance: Cash Flow Projections  
Historical data through week ending 01-14-22



# Claim applications submitted by type

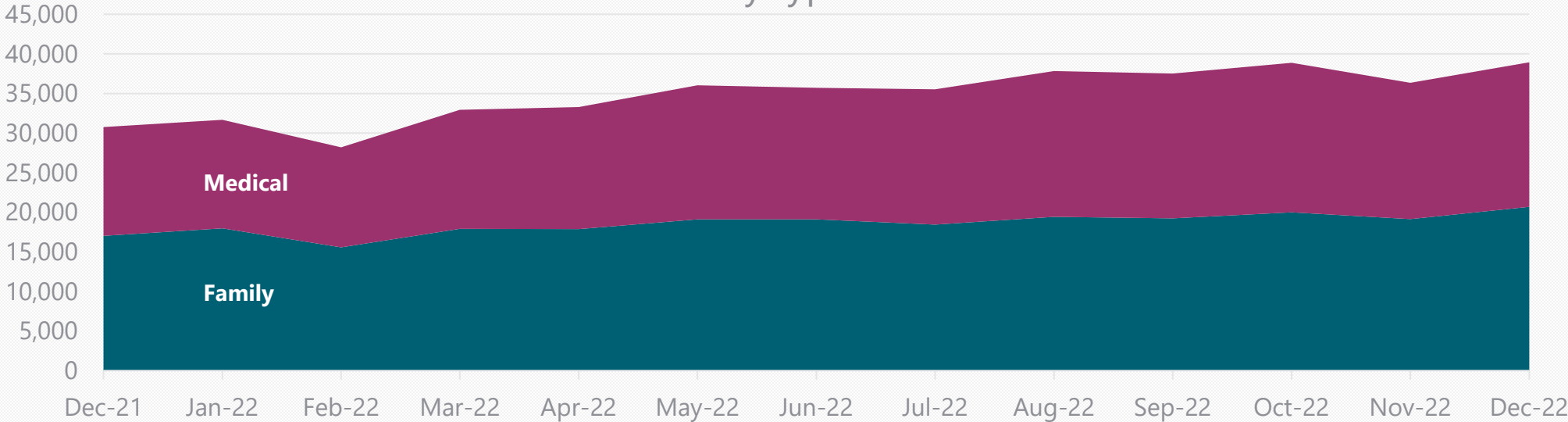


- December 2022, we received 19,685 applications – 3<sup>rd</sup> highest on record (outside of initial month)
  - 3% more than last month
  - 19% more than December of last year
- Starting to see shift towards medical leave types ~ 54% medical, 46% family
- Three-month rolling just under 20K claim applications

# 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 – 98,724 family and 101,935 medical
- December 2022 total unique paid leave claims: 38,945
  - 27% more than December of last year

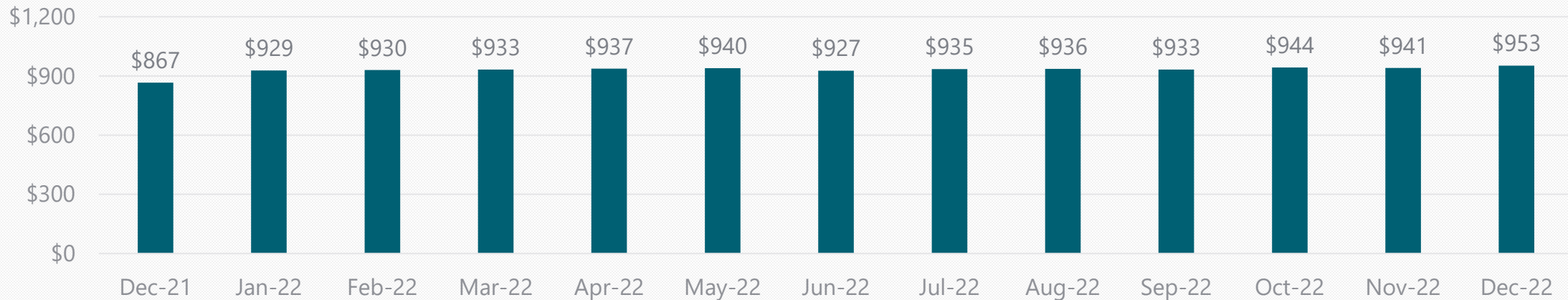
Claims with at least one payment in month  
by type



# Benefit levels and lengths

- 2022 average: ~\$936
  - 7.5% higher than same period last year, \$870
- Weekly benefit amounts increased in January
  - Avg estimated to grow by about 5%

*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 starting to fall slightly
  - 7.2 weeks avg per claim for claims ending in second half of the year
  - 7.4 weeks avg per claim for claim ending in the first half of the year

# Time from application submission to first payment

Month	Average weeks	Median weeks
Dec 2021	4.9	3.6
Dec 2022	4.3	3.0

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
Dec 2022	4.2	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%	08:30
October 2022	81%	73%	09:23
November 2022	81%	69%	09:26
December 2022	78%	65%	08:16

## Since December 2021:

- 13% increase in calls into queue.
- 12% increase in calls answered.



# A preliminary look: Expanded definition of family member report

Brian Kennedy, Forecast & Economic Analyst

# Expanding coverage of the paid family and medical leave program

"Family member" means a child, grandchild, grandparent, parent, sibling, or spouse of an employee, and also includes ***any individual who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for the person***, and that individual depends on the employee for care. "Family member" includes any individual who regularly resides in the employee's home, except that ***it does not include an individual who simply resides in the same home with no expectation that the employee care for the individual.***

# Cost sharing and reporting

If more than 500 individuals utilize this expansion in a calendar year the expenses of additional leave is paid by general fund.

- Effective until July 1, 2023

Two reports on the usage and impact on rate setting as a result of this expanded family member definition.

- Due June 30 of 2022 and 2023

# Expanded family member claims

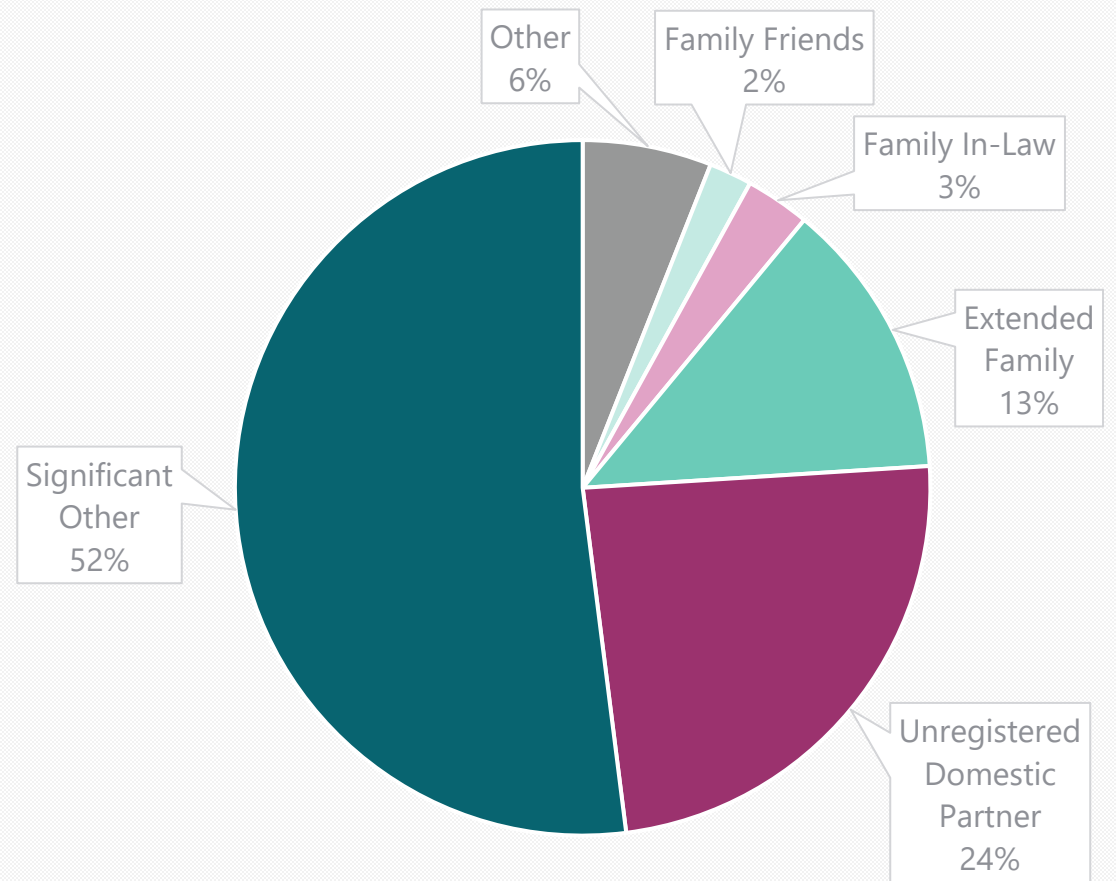
July 25, 2021 – Dec. 31, 2022	Approved claims	Unique customers	Benefits approved
Total	591	567	\$2,423,392
Share	0.2%	0.3%	0.2%

Jan. 1, 2022 – Dec. 31, 2022	Approved claims	Unique customers	Benefits approved
Total	441	427	\$1,760,714
Share	0.2%	0.3%	0.2%

Fell short of GFS reimbursement by 73 individuals utilizing the expansion this year.

# Expanded family member by relation

- 3 out of 4 claims come from unmarried partners/significant others.
- Aunts, uncles, cousins, and other extended family make up a large portion as well.
- “Other” includes ex-spouses, roommates, or others relying on care.



# Key takeaways

- Relatively small number of claims.
- Unmarried partners benefited most from this expansion.
- No impact on rate setting.
- Last chance of reimbursement from general fund by July 1, 2023.

# Current program priorities

Matt Buelow, Deputy Director

# 2022 year-end recap

Applications received	227,429
New paid claims approved	183,708
Family claims	87,373
Medical claims	96,335
Number of people receiving benefits	163,986
Total benefits paid	\$1.194 billion
Small business grants approved	87
Small business grant payments	\$208,157



# 2022 accomplishments

## Delivered 94+ new features and 75+ fixes in 36 production releases

- Implemented postnatal medical leave, waiting week change, and COVID data collection.
- Added conditional logic to weekly claims, made payment history visible to benefit customers, added automated notifications for application events/changes.
- Improved validations and processing of employer wage files.
- Migrated customer case management system (CRM) to the cloud.
- Implemented 2023 premium rate and maximum weekly benefit amount.
- Generated 2022 1099-G forms to 92,100 benefit customers.
- Streamlined refunds process for employers.

## Completed 14 division portfolio projects

- Multi-factor authentication for customer accounts
- Family member expansion (5097)
- Voluntary plan cost report
- Small employer premium opt-in

# Division portfolio

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## Active projects

2022 1099s

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Cloud migration (AX)

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Small employer premium opt-in

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Electing coverage 2023

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Premiums & wage reporting 2023

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Increasing Paid Leave support in WorkSource centers

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Partnership to increase equitable benefit access

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Developing a community engagement model for Paid Leave benefits

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# Legislative session check-in

# Workgroup updates

Alison Eldridge, Transformation Manager

# Workgroups

## Small employer premium opt-in

- Manual process launched Dec. 31, 2022
- Continuing planning for integrated solution

## Privacy provisions

- Met Jan. 12, 2023
- Reviewed current state; discussed feedback we've received
- Draft language sent to members for review

# February meeting

## Details

- February 22 from 4 – 5 p.m.

## Agenda

- Topics?

**Open comment**

# Continue the conversation

**Justin DeFour**

Director, Paid Family & Medical Leave  
Employment Security Department

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