

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

February 22, 2023

Agenda

Introductions & approve minutes

Program & fiscal update

Current priorities

Legislative session check-in

Workgroup updates

Agenda items for March 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

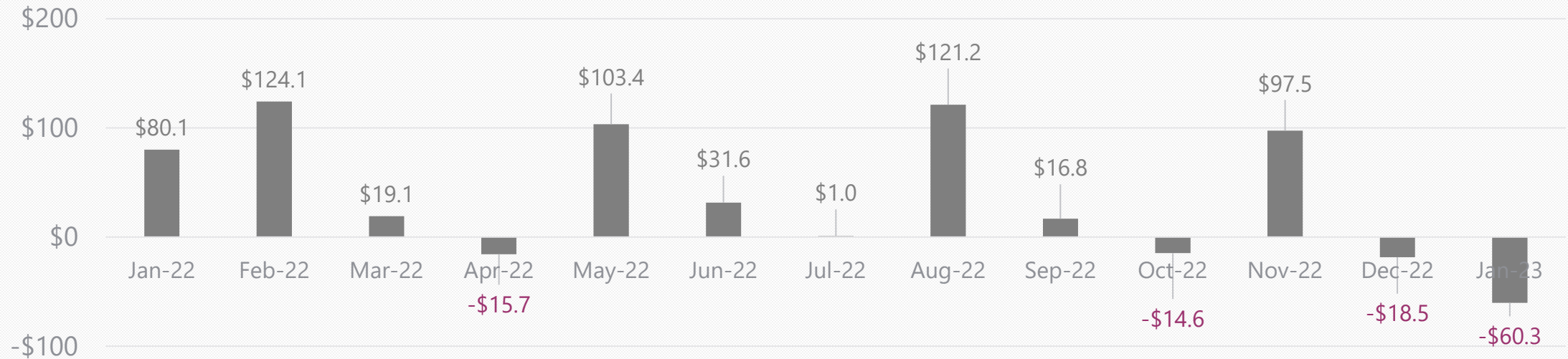
- January

Program update

Steve Zawoysky, Treasury Manager

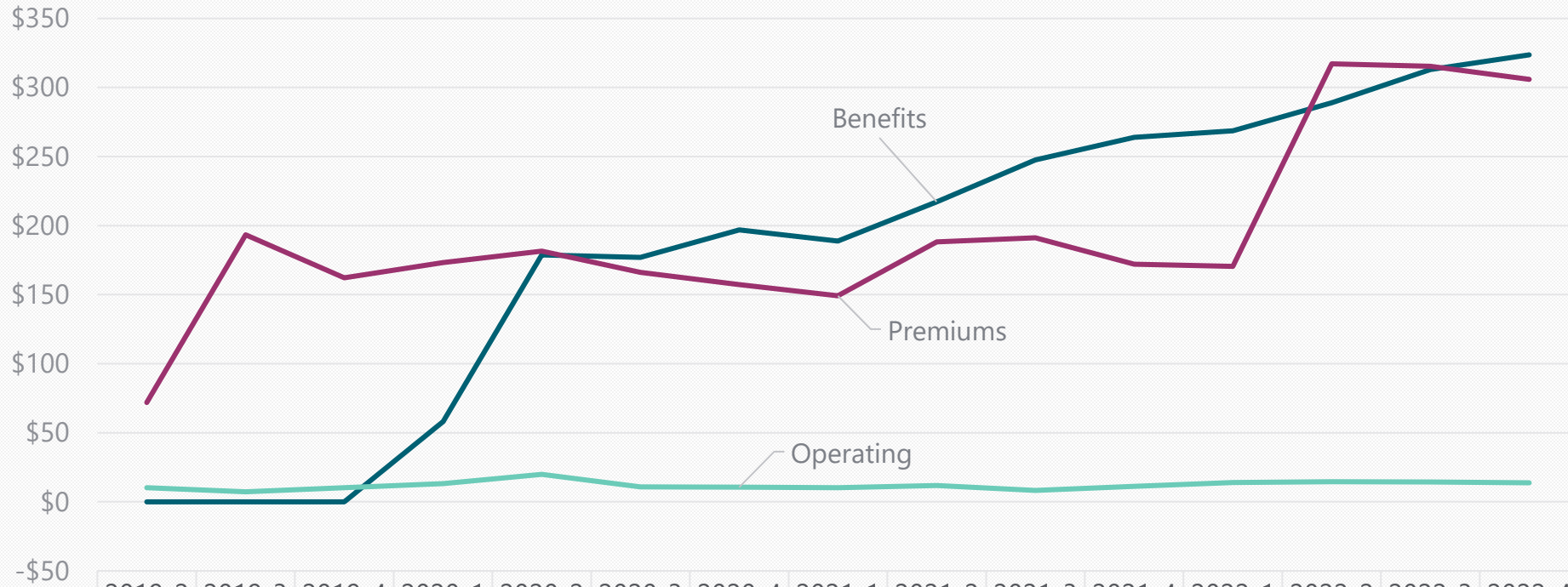
Brian Kennedy, Forecast & Economic Analyst

Monthly ending account balance (millions)



- Ended January at -\$60.3 million
- Maximum deficit of -\$72.2 million on January 26th
- Trust fund returned to positive balance of \$85.8 million on February 1st
- 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

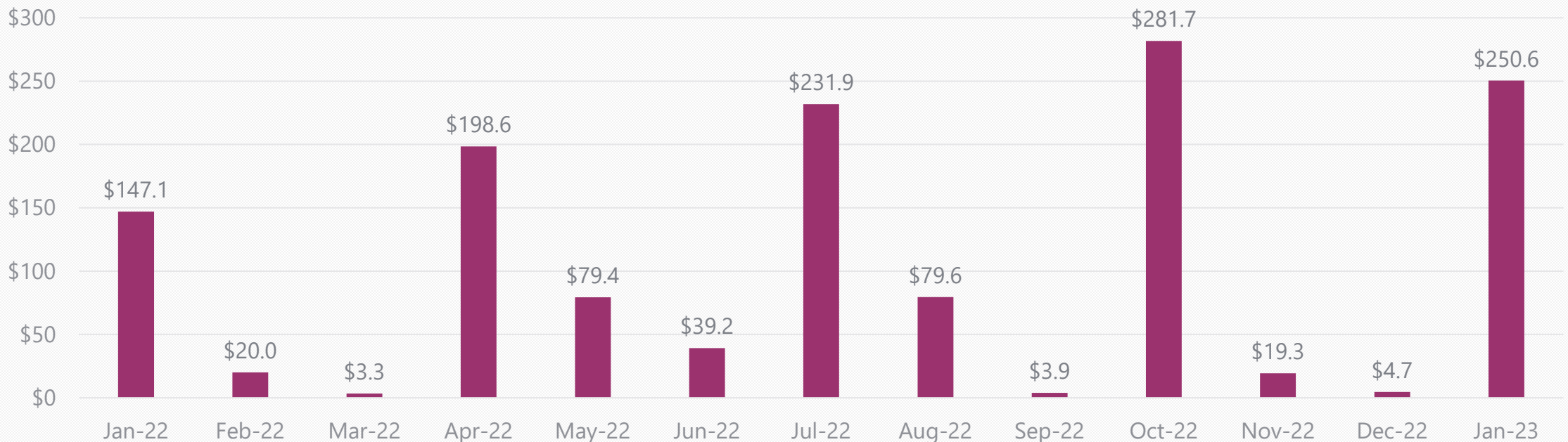
Premiums, benefits, operating expenses, and account balance by quarter (millions)



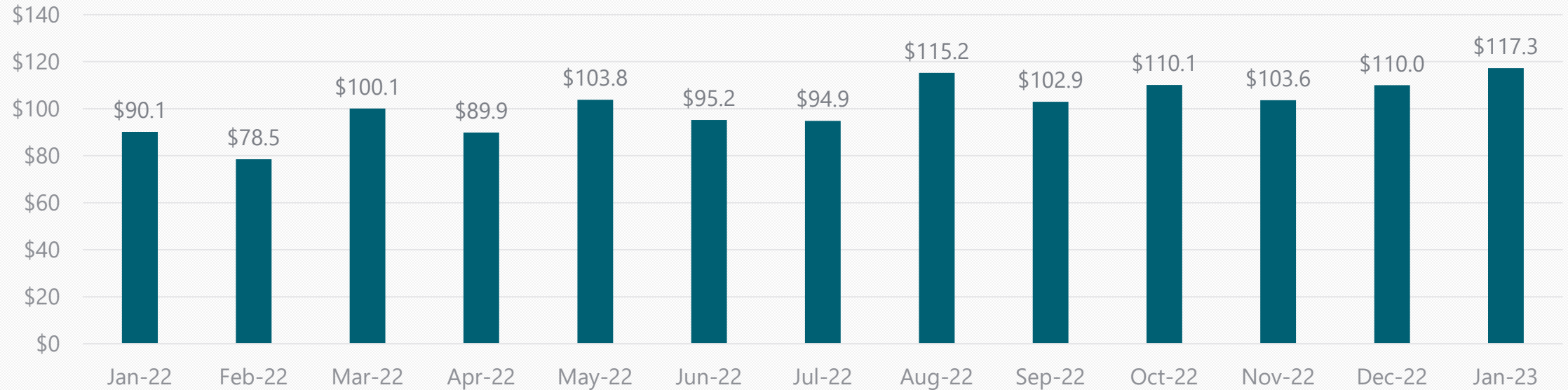
| | 2019-2 | 2019-3 | 2019-4 | 2020-1 | 2020-2 | 2020-3 | 2020-4 | 2021-1 | 2021-2 | 2021-3 | 2021-4 | 2022-1 | 2022-2 | 2022-3 | 2022-4 |
|-----------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 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
 - \$250.6 million premiums remitted in January 2023
 - \$103.5 million more than last January
- Cyclical pattern through year of lower quarterly assessments as more wages fall over taxable cap
- Last premium collections from 2022 premium rate of 0.6%



Monthly benefits paid



- January 2023, \$117.3 million – Highest monthly benefits paid to date
 - 30% higher than January of last year
 - 7% higher than last month
- \$1.194 billion in benefits paid in 2022
 - Revised 2022 Benefit Projections: \$1.187 billion
 - Underestimated by \$6.7 million



Fiscal projections

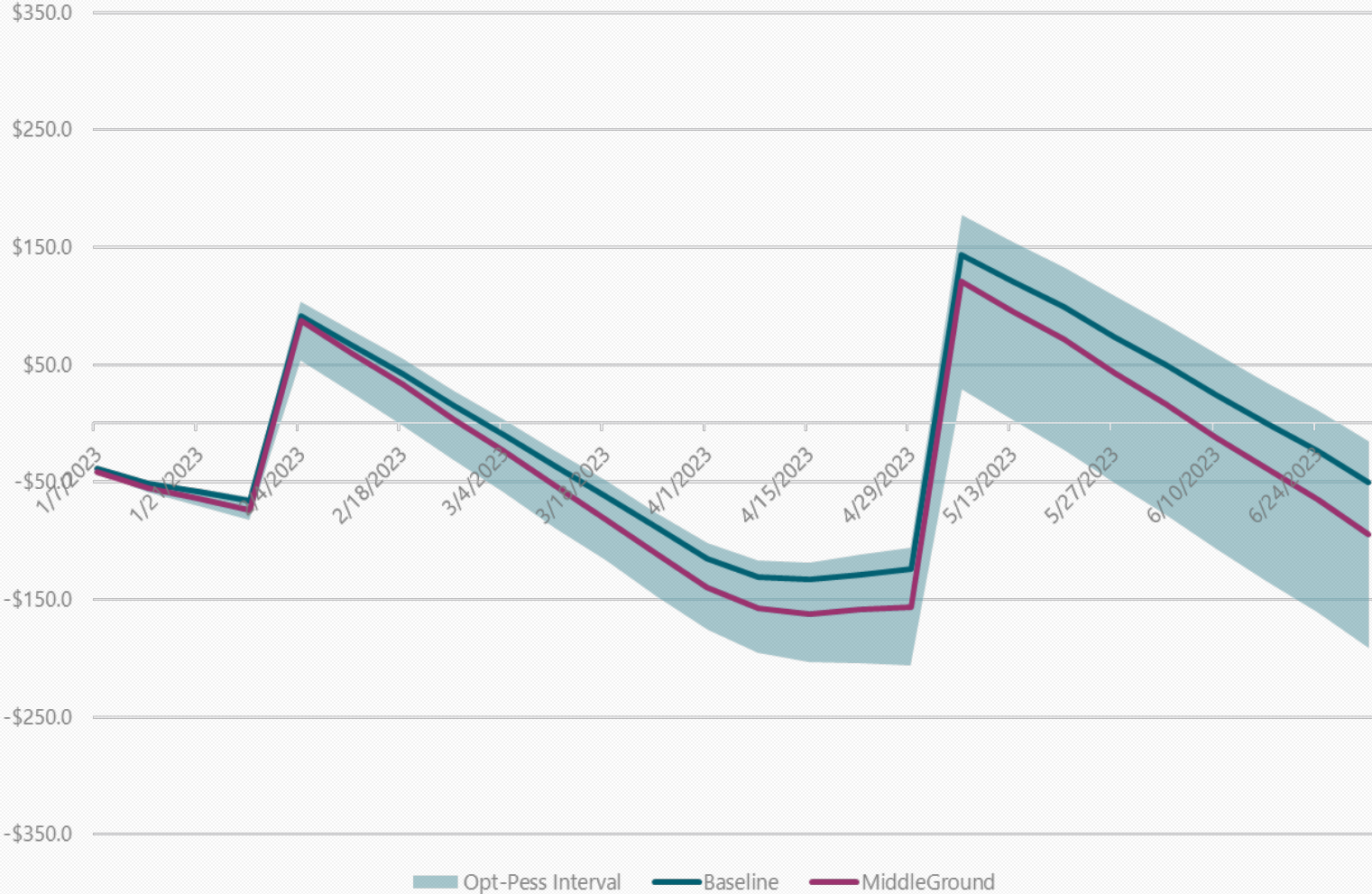
Last Deficit

- Lasted 35 Days
- Maxed out at \$-72.8 million
 - Slightly better than expectations of -\$80 million

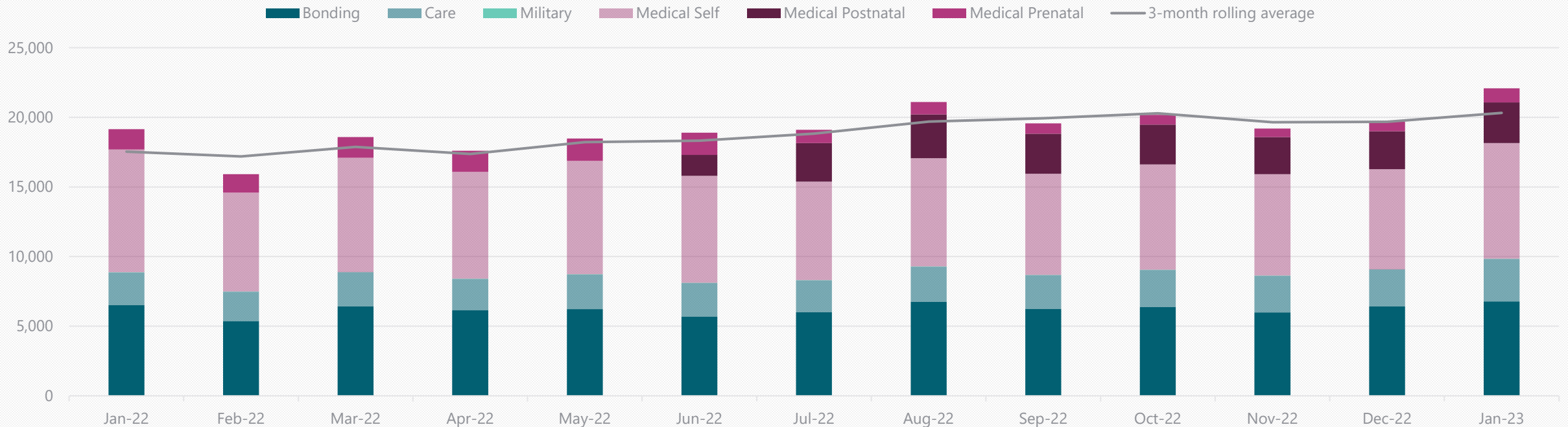
Next Deficit

- Recent Max Balance ~ \$109 million, about \$70 million less than last reporting period.
- Begin late February – early March
- Will be the largest one yet
- Last through April (first collection on new rate)

Paid Leave Account Balance: Cash Flow Projections
 Historical data through week ending 02-11-23



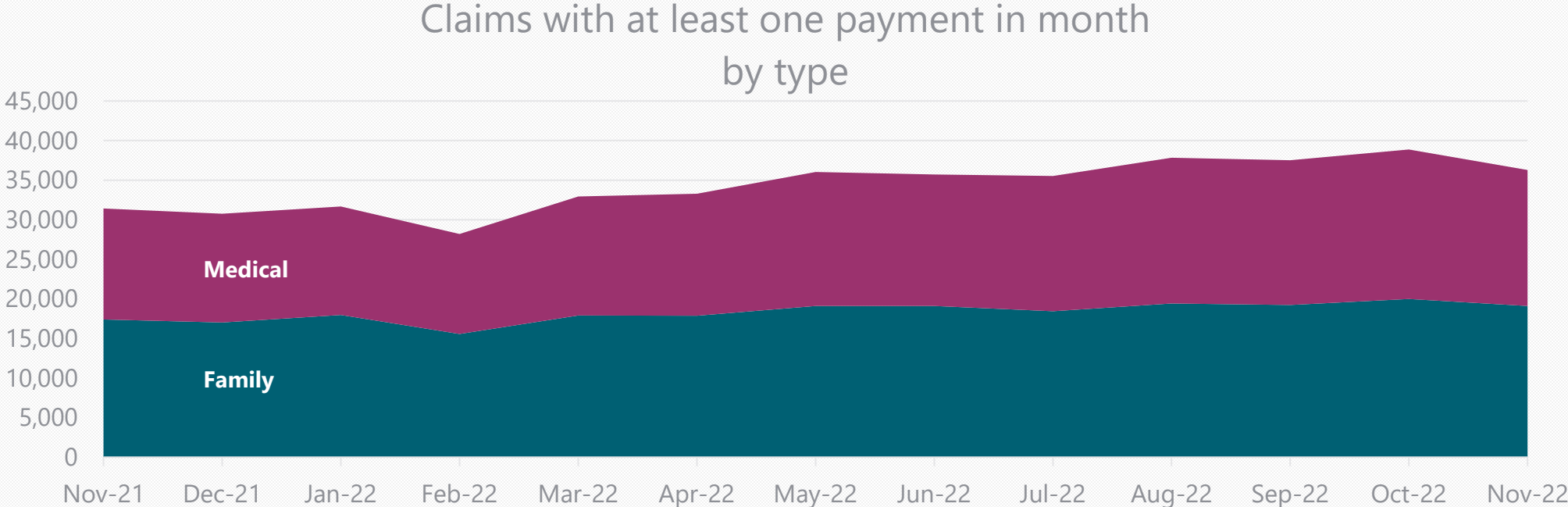
Claim applications submitted by type



- January 2023, we received 22,077 applications – highest on record (outside of initial month)
 - 12% more than last month
 - 15% more than January of last year
- Continue to see shift towards medical leave types ~ 55% medical, 45% family
- Three-month rolling average broke 20K claim applications

Approval rate and monthly claims with payment(s)

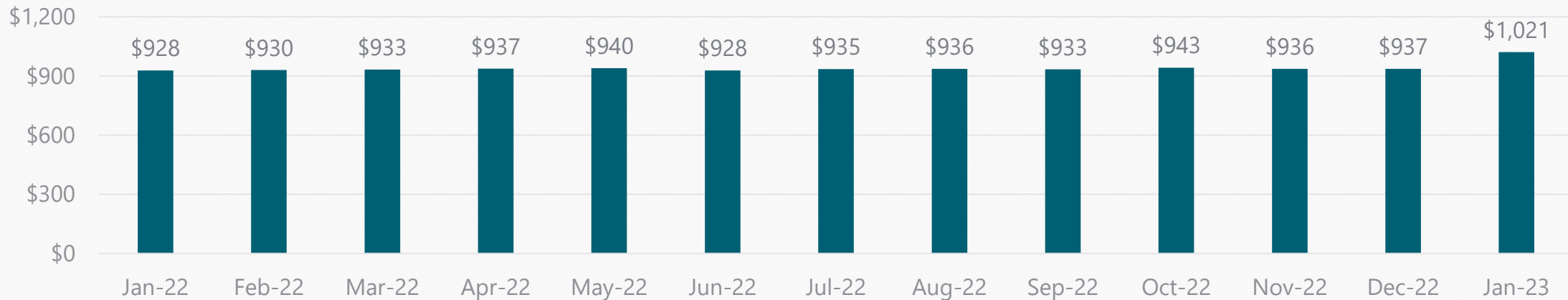
- Percentage of claims approved continues to be relatively stable in past year
 - About 84% approved overall
- Unique leave claims in the last 12 months – 100,530 family and 104,652 medical
- January 2022 total unique paid leave claims: 39,637
 - 25% more than January of last year



Benefit levels and lengths

- January average: \$1021
 - 10% higher than January last year, \$928
- Weekly benefit amounts increased in January
 - January still preliminary and very early February data indicates slightly lower than January

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
 - 7.3 weeks avg per claim for claims ending in the last 12 months
 - 7.2 weeks avg per claim for claim ending in the last 6 months

Time from application submission to first payment

| Month | Average weeks | Median weeks |
|----------|---------------|--------------|
| Jan 2022 | 5.2 | 3.9 |
| Jan 2023 | 4.5 | 3.3 |

| Month | Average weeks | Median weeks |
|-------------|---------------|--------------|
| 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 | 4.3 | 3.0 |
| Jan. 2023 | 4.5 | 3.3 |

Phones

| Month | Percentage of calls into queue* | Percentage of calls answered from Paid Leave queue | Queue time for Paid Leave** |
|----------------|---------------------------------|--|-----------------------------|
| 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 |
| January 2023 | 79% | 68% | 08:27 |

Since January 2022:

- 4% increase in calls into queue.
- 25% increase in calls answered.

Current program priorities

Matt Buelow, Deputy Director

Division portfolio projects

Active

- 2022 1099s
- Cloud migration (AX)
- Small employer premium opt-in phase one
- Electing coverage 2023
- Premiums & wage reporting 2023
- Increasing Paid Leave support in WorkSource centers
- Partnership to increase equitable benefit access
- Developing a community engagement model for Paid Leave benefits

Initiating

- SFT to MFT migration
- Enable remaining employers to report online
- Enable multiple contact types for employers

To do

- Employer sizing recalculation
- Elective coverage 2023 reporting and payments
- Leg. session outcomes
- Small employer premium opt-in phase two

Legislative session check-in

Caitlyn Jekel, Government Relations Director



Current Legislative Activity

- **HB 1107** - Removing the terms "master" and "servant" from Titles 50 and 50A (Unemployment Insurance and the WA PFML)
- **HB 1570** – Creates a pilot program for TNC drivers to elect to pay for Paid Family and Medical Leave coverage as well as Unemployment employment insurance and other benefits to drivers for companies such as Uber and Lyft.
- **SB 5286** - Modifies the premium provisions of the paid family and medical leave program; removes expired and outdated language.



Current Legislative Activity

- **HB 5586:** Seeks to assist employers and employees with sharing non-confidential data about PFML claims
- **HB 1502:** Allows the UW Evans School of Public Policy to conduct a study on the impacts of job protection when workers take Paid Family Medical Leave.

Workgroup updates

Alison Eldridge, Transformation Manager

Small employer premium opt-in

Phase one solution in place.

- Opt-in form posted online Dec. 31, 2022.
- Back-end tech process deployed.

Phase two planning to start in spring.

- Date TBD (end of or after session).

March meeting

Details

- March 22 from 4 – 5 p.m.

Agenda

- Topics?

Open comment

Continue the conversation

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