

Washington  
**Paid Family & Medical Leave**



**Employment Security Department**  
WASHINGTON STATE

# Advisory Committee Meeting

Wednesday, March 22, 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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Future meeting dates & agenda items for April 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 Members

*(Note: We will use Zoom to identify call-in participants rather than announce names during meeting)*

# Approve minutes

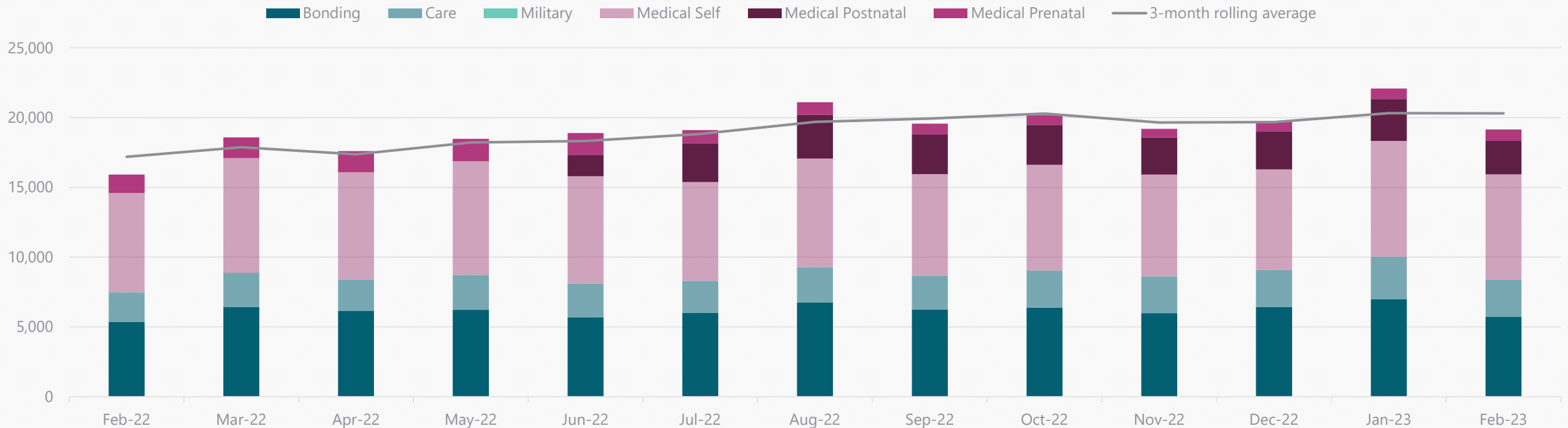
- February

# Program update

Steve Zawoysky, Treasury Manager

Brian Kennedy, Forecast & Economic Analyst

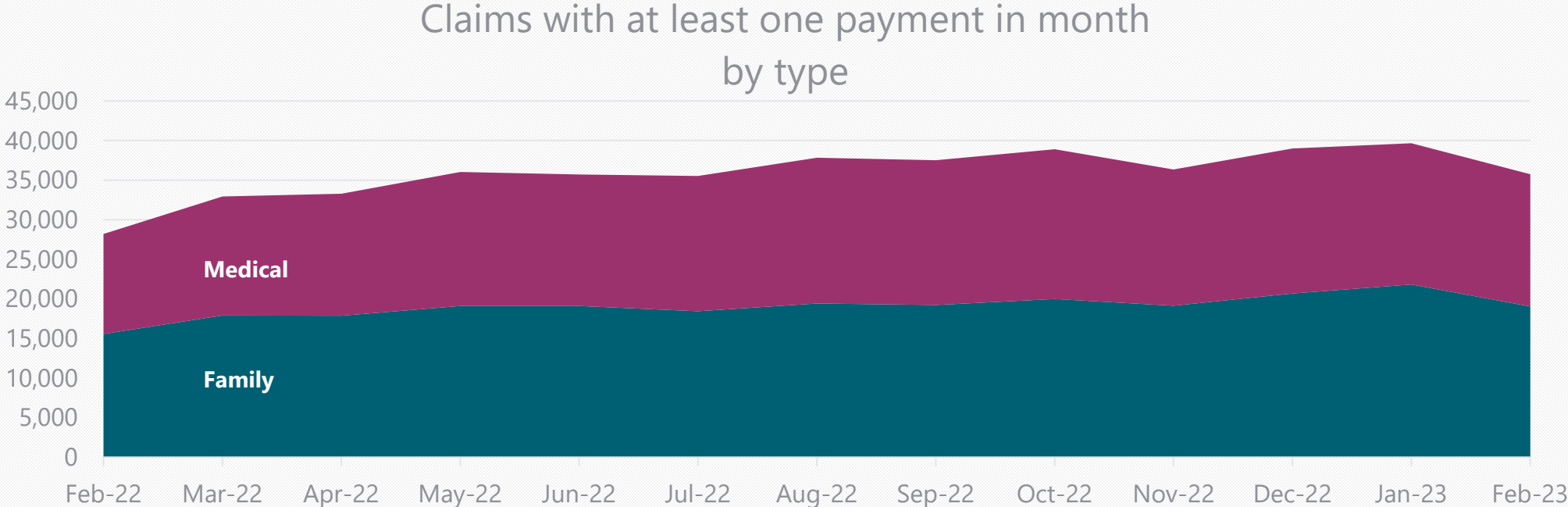
# Claim applications submitted by type



- February 2023, we received 19,149 applications
  - 13% less than last month
  - 20% more than February of last year
- Continue to see shift towards medical leave types ~ 56% medical, 44% family
- Three-month rolling average staying over 20K claim applications

# Approval rate and monthly claims with payment(s)

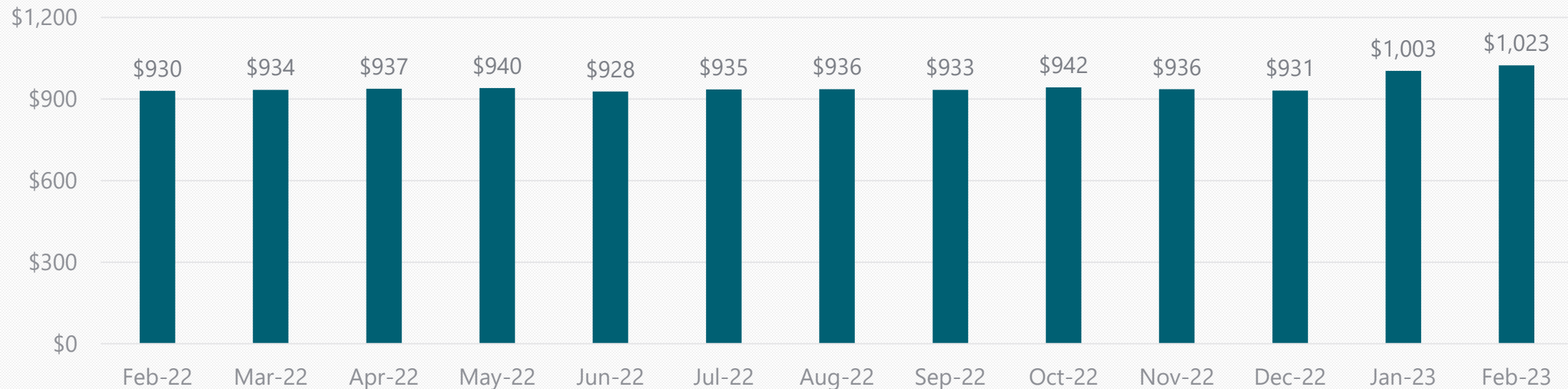
- Percentage of claims approved continues to be relatively stable in past year
  - About 84% approved overall
- Unique leave claims in the last 12 months – 101,683 family and 106,763 medical
- February 2023 total unique paid leave claims: 35,740
  - 27% more than February of last year





# Weekly benefit levels

- Jan-Feb average: \$1,007
  - 8% higher than Jan-Feb of last year, \$929
- Weekly benefit amounts increased in January
  - January reflects increase more than February

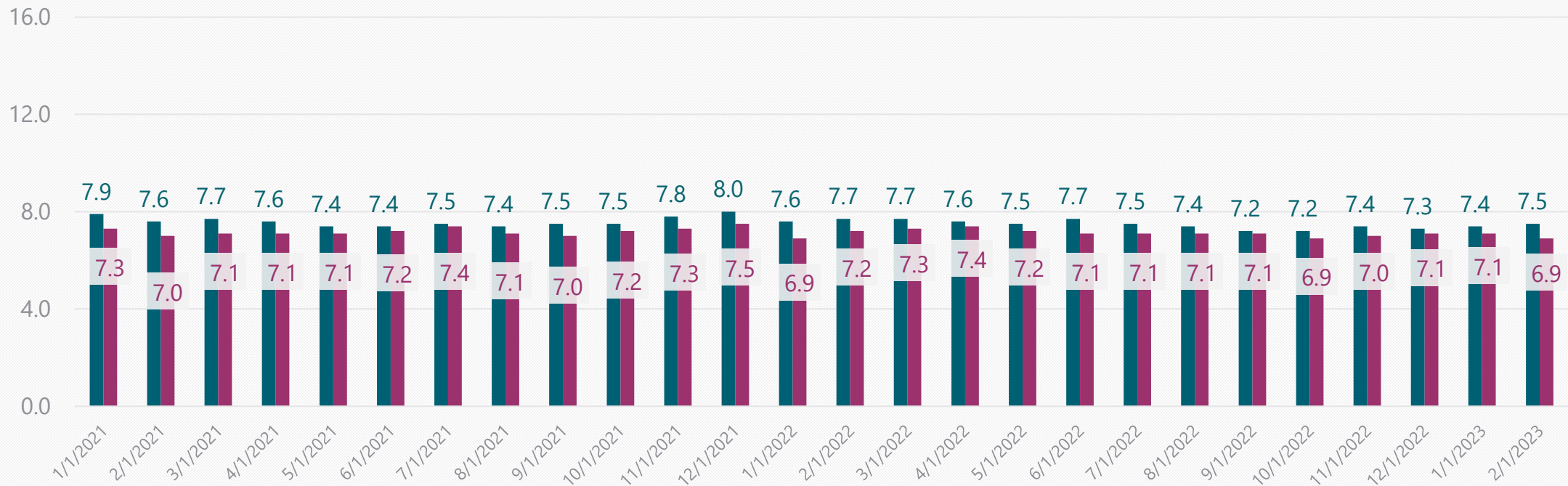


*Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.*

# Length of leave, by claim

- Overall avg lengths of leave
  - 2022: 7.4 weeks
  - 2021: 7.5 weeks

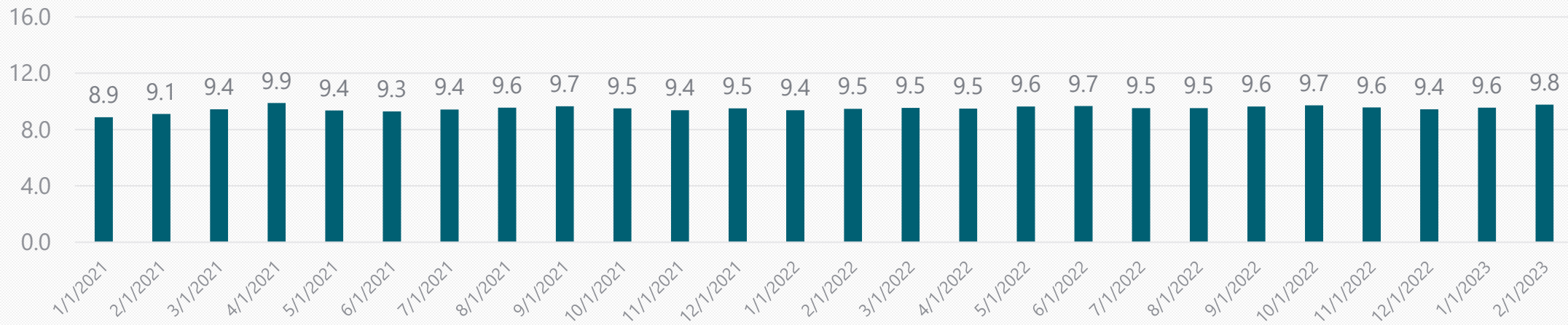
Month	2021	2022
Family Claims	7.7	7.6
Medical Claims	7.2	7.3
Overall	7.5	7.4



# Length of leave, by claim year

- Overall avg lengths of leave
  - 2022: 9.6 weeks
  - 2021: 9.4 weeks
- Too early to assess bonding → post-natal medical changes in June
  - Shouldn't expect changes at the customer level

Month	2021	2022
Medical Pregnancy Complication	16.6	16.6
Medical + Family Bonding	14.6	14.8
Family Bonding Only	8.9	9.3
Medical Only	7.9	8.0
Family Care Only	6.7	7.0
<b>Overall</b>	<b>9.4</b>	<b>9.6</b>



# Paid Leave Dashboard

- Claims Dashboard
  - county, processing times, applications submitted, lengths of leave...
- Customer Dashboard
  - demographics, wage, employer size, industry...
- <https://esd.wa.gov/labormarketinfo/paidleave/claims-data>

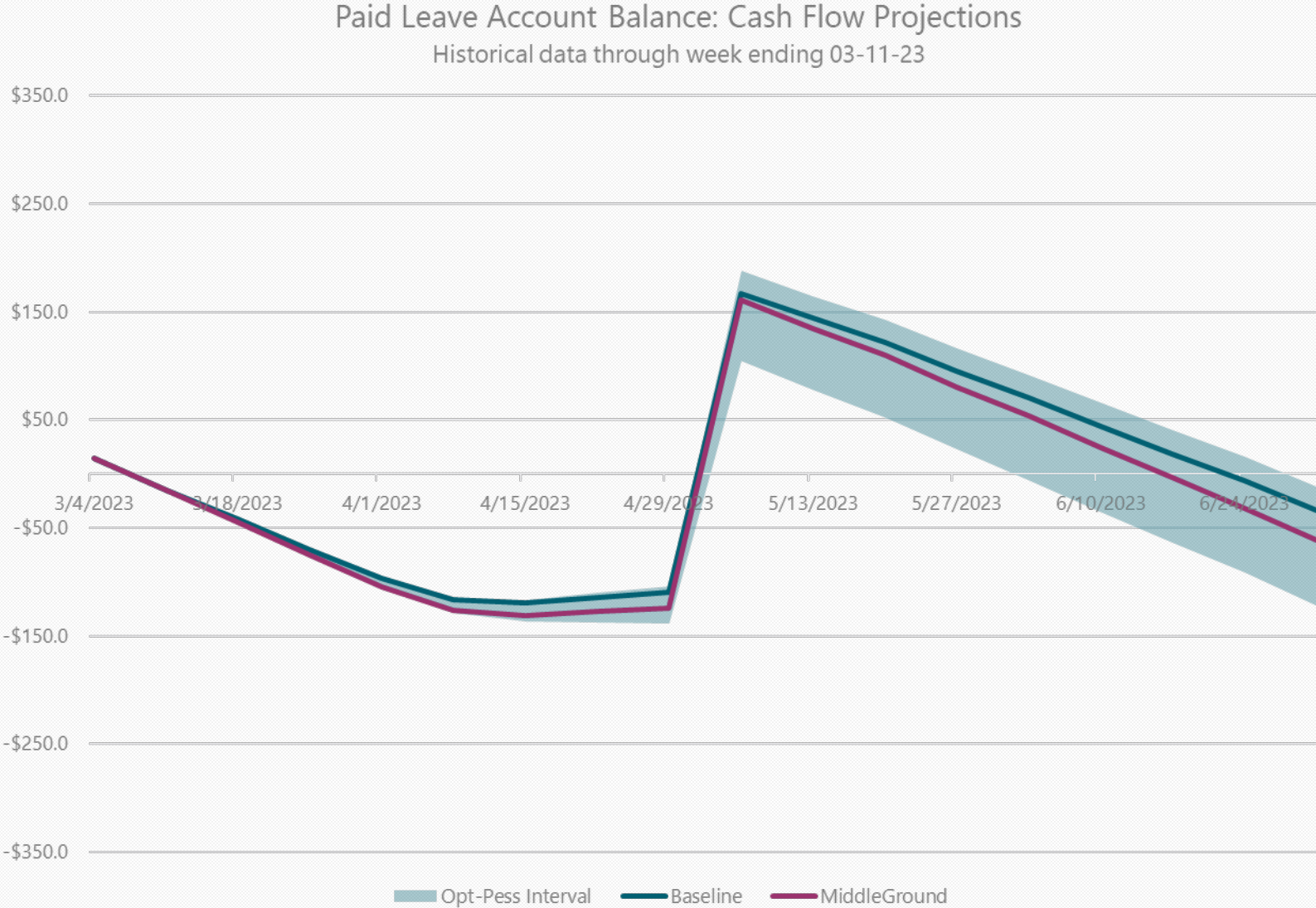
# Fiscal projections

## Current Deficit

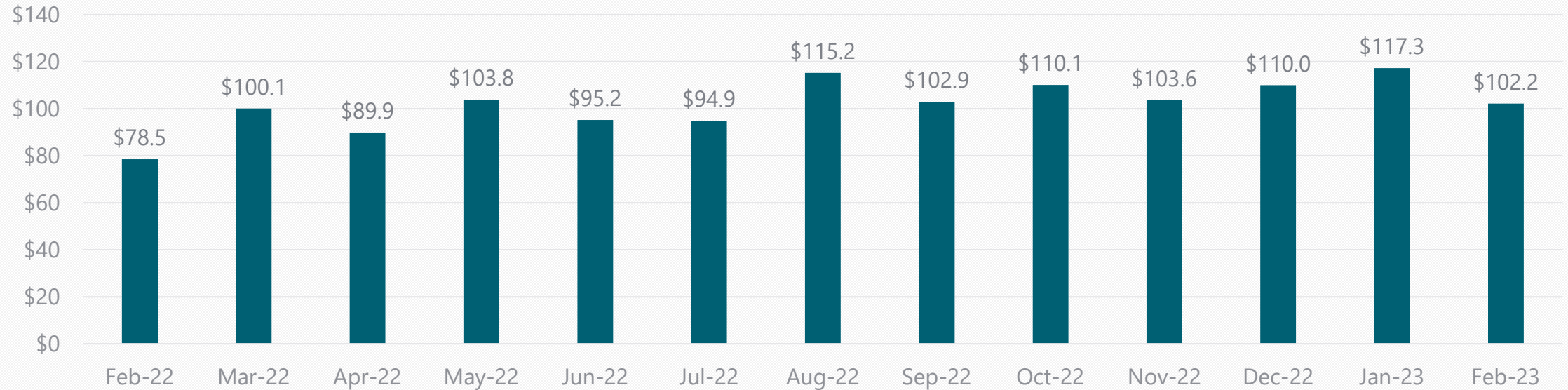
- Began: March 7<sup>th</sup>
- Last through April (first collection on new rate)
- Expected max negative balance: \$120m - \$140m

## Next Deficit

- Expected to begin in June
- Will have a negative balance at the end of the biennium



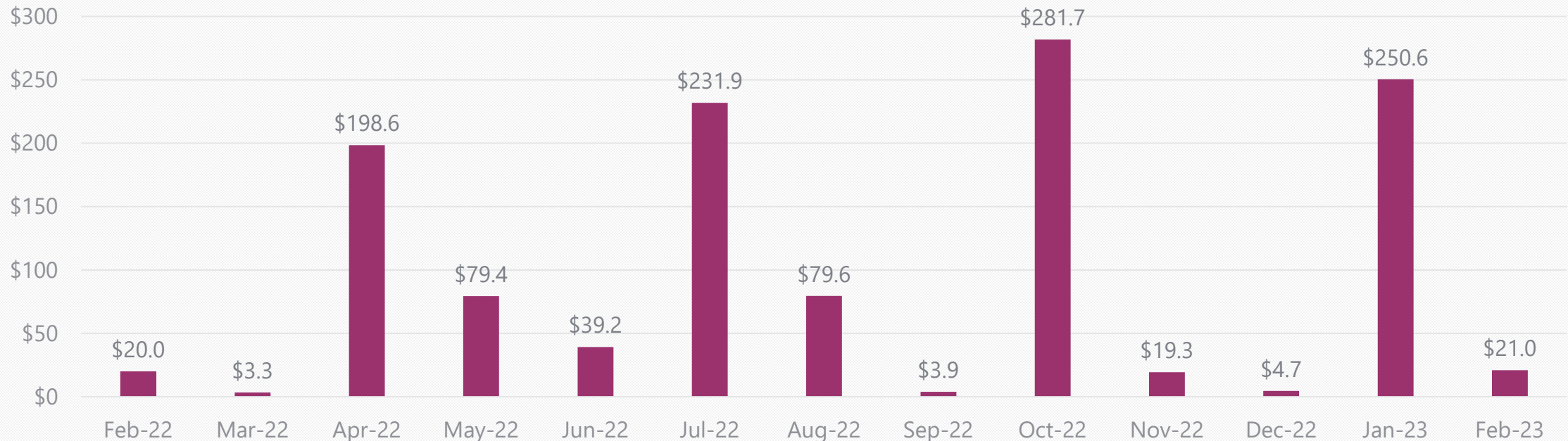
# Monthly benefits paid



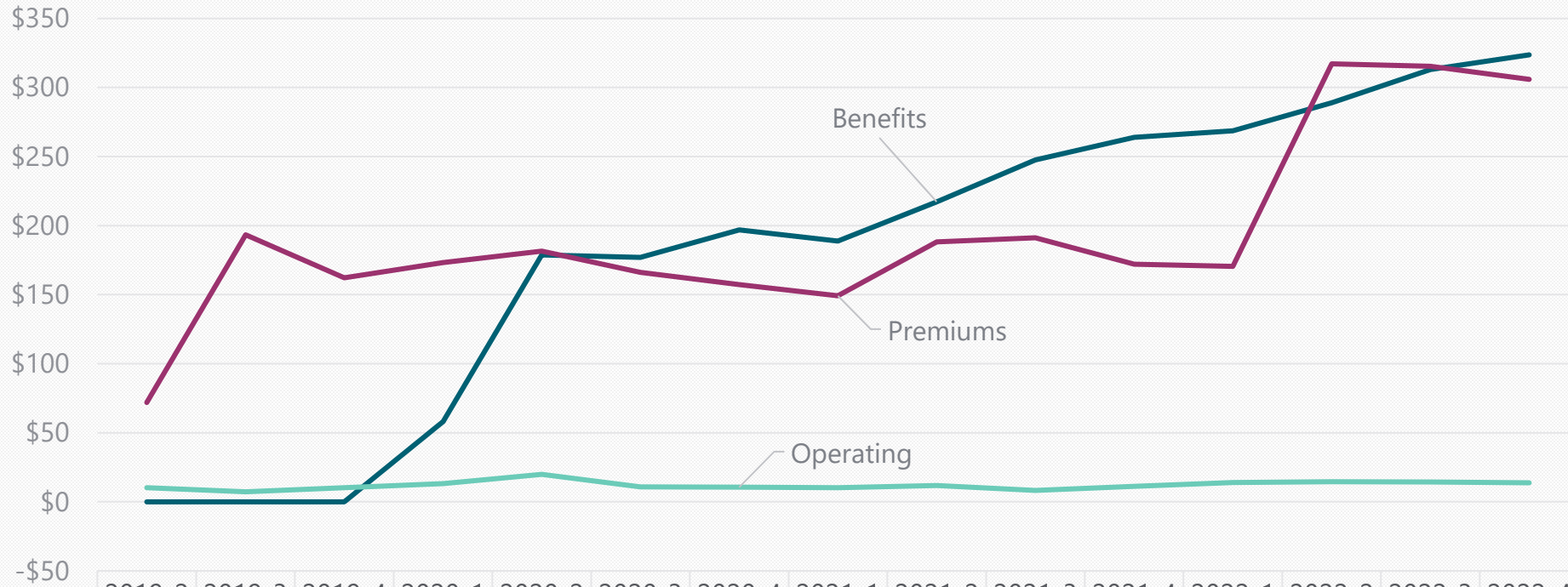
- February 2023, \$102.2 million
  - 30% higher than February of last year
  - 13% lower than last month
- \$219.5 million in benefits paid so far in 2023
  - \$50.9 million more, or 30% higher, than Jan-Feb of 2022

# Monthly premiums remitted (millions)

- Cyclical pattern with highest monthly premium transactions occurring at end of quarterly reporting months
- Premiums assessed for each quarter are remitted in the following quarter
  - \$104.5 million (62%) increase in premium remittance for first two months of 2023 compared to same months in 2022
  - Q4 premiums expected to be smallest each year as more wages fall over taxable cap
- Last quarterly premium collections at 2022 premium rate of 0.6%



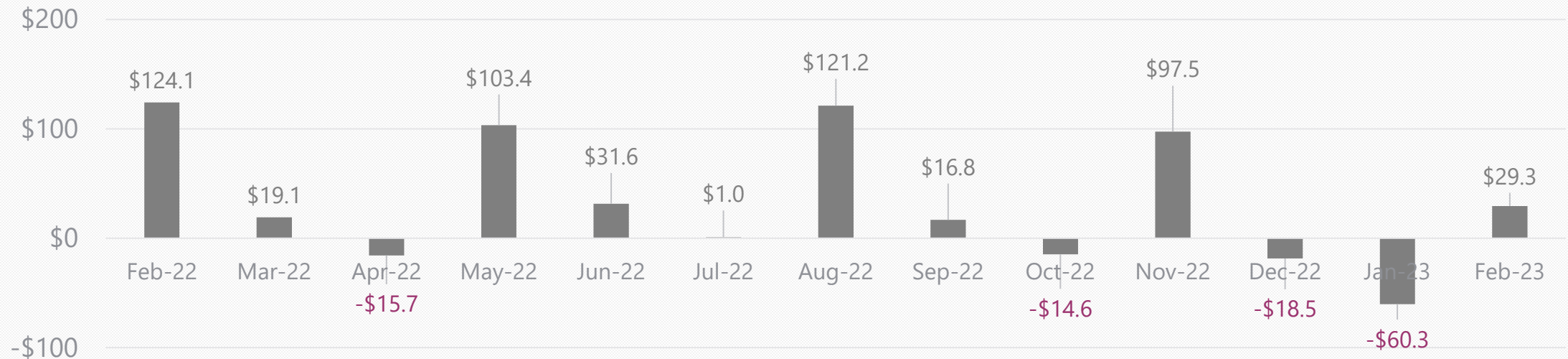
# Premiums, benefits, operating expenses, and account balance by quarter (millions)



	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 ending account balance (millions)



- Maximum February daily fund balance of \$110.9 million occurred on February 7<sup>th</sup>
- End of February fund balance was \$29.3 million
- February ending balance \$94.8 million less than previous year
- Trust fund returned to negative balance on March 7<sup>th</sup>
- 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

# Time from application submission to first payment

Month	Average weeks	Median weeks
Feb 2022	4.9	3.6
Feb 2023	4.3	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
Feb. 2023	4.3	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
February 2023	81%	65%	09:42

## Since February 2022:

- 40% increase in calls into queue.
- 16% increase in calls answered

# Current program priorities

Matt Buelow, Deputy Director

# Overview

- How we got here
- Where we stand
- Next steps and asks of the committee

# Legislative history

Year	Legislation	Major implementations
2017	<ul style="list-style-type: none"> <li>PFML passes</li> </ul>	
2018	<ul style="list-style-type: none"> <li>Minor technical corrections</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary plans</li> </ul>
2019	<ul style="list-style-type: none"> <li>Privacy provisions</li> <li>Minor clarifications/ modifications</li> </ul>	<ul style="list-style-type: none"> <li>Legislation</li> <li>Wage reporting, premium assessment and collection, elective coverage for self-employed, conditional waivers</li> </ul>
2020	<ul style="list-style-type: none"> <li>Supplemental benefits</li> <li>Waiting week modifications</li> <li>Minor clarifications/ modifications</li> </ul>	<ul style="list-style-type: none"> <li>Legislation</li> <li>Benefits</li> </ul>
2021	<ul style="list-style-type: none"> <li>Expanded definition of family</li> <li>Pandemic leave assistance</li> </ul>	<ul style="list-style-type: none"> <li>Legislation</li> </ul>
2022	<ul style="list-style-type: none"> <li>Changes to postnatal period</li> <li>Modifying how TNC drivers interact with PFML</li> </ul>	<ul style="list-style-type: none"> <li>Legislation</li> <li>WA Cares premiums and wage reporting and elective coverage (pre-delay)</li> <li><i>Other WA Cares functionality</i></li> </ul>
2023*	<ul style="list-style-type: none"> <li>Anticipating:             <ul style="list-style-type: none"> <li>TNC Pilot</li> <li>Privacy modifications</li> <li>Premium rate changes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Legislation</li> <li>WA Cares premiums and wage reporting and elective coverage premiums and wage reporting (post-delay)</li> </ul>

# Remaining work from initial law

- Benefit overpayments and conditional payments
- Penalties and interest
- Elective coverage for tribes
- Child support withholding
- UI/LNI crossmatch
- Robust outreach program
- IRS withholding\*

\*Pending IRS determination of taxability

# Other high priority PFML work

- Reducing manual work arounds and technical debt
- Improving employer case management and compliance activities
- Premium billing
- Small employer premium opt-in (phase 2)
- Enabling remaining employers to report online (*in progress*)
- Multiple contact types for employers (*in progress*)
- Phone application
- Improving authorized representative processes
- Pre-application for benefits
- Single application for birthing people
- Additional supports for customers with LEP (*in progress*)
- Developing a community engagement and partnership program (*in progress*)



# Next steps and asks

## ESD

- Draft a plan/timeline to complete remaining work:
  - Identify resource needs.
  - Recommend priorities for remaining work.
- Present to committee members.

## Advisory Committee

- Provide input into plan and prioritization of remaining work.
- Support us by:
  - Helping to tell our story.
  - Assisting with resource asks.

# PFML and WA Cares funding

Matt Buelow, Deputy Director

# Legislative session check-in

Caitlyn Jekel, Government Relations Director

# Legislative updates

<b>HB 1107</b>	<b>HB 1570</b>	<b>HB 5586</b>	<b>SB 5286</b>
<b>Removing “Master/Servant” language</b>	<b>Establishing a PFML pilot program for TNC drivers</b>	<b>Concerning employee PFML data</b>	<b>Modifying PFML premium provisions</b>

# Workgroup updates

Alison Eldridge, Transformation Manager

# April meeting

## Details

- Wednesday April 26 from 4 – 5 p.m.

## Agenda

- Topics?

# Future meeting dates:

Currently the 3<sup>rd</sup> or 4<sup>th</sup> Wednesday of every month

- 4 – 5 p.m.

***How is this working for folks?***

**Open comment**



# Continue the conversation

**Justin DeFour**

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Employment Security Department

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