

Washington  
**Paid Family & Medical Leave**



**Employment Security Department**  
WASHINGTON STATE

# Advisory Committee Meeting

Friday, February 16, 2024

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# Agenda

Introductions & approval of January minutes

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Job protection study: Dr Hill and Team

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Actuarial update

Legislative Update

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Open comment & adjourn

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# Meeting structure

Only committee members and presenters will be unmuted during the meeting.

Members of the Public are asked to hold questions and comments until Open Comment.

Comments and questions in chat will be reviewed during Open Comment.

# Introductions

Advisory committee members will introduce themselves in-person or online.



# Approve January minutes



# Job protection study

Dr. Heather Hill, Tom Lindman and Diane Rucavado  
Evans School of Public Policy  
University of Washington

# UW STUDY OF PAID LEAVE & JOB PROTECTION

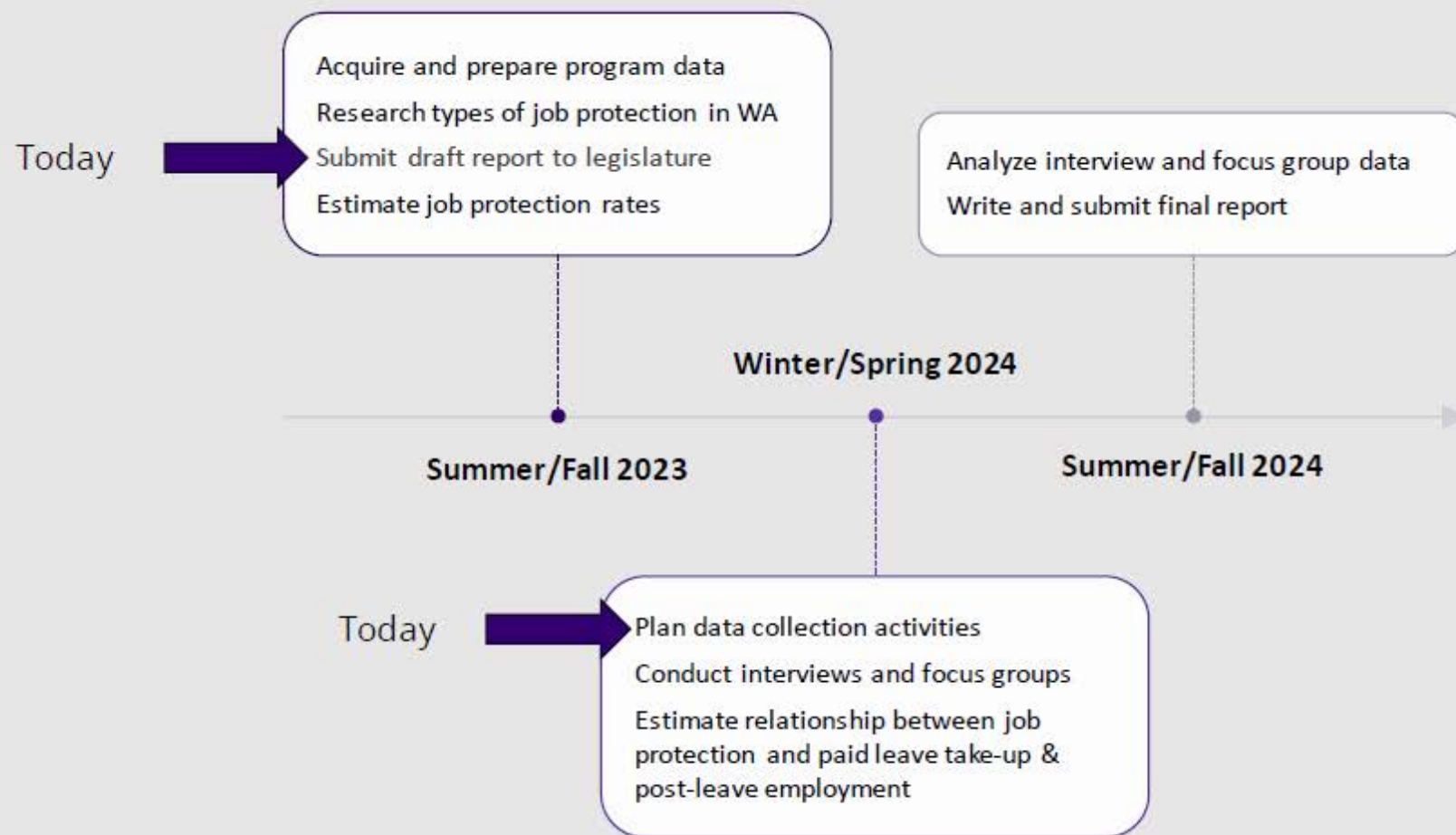
Heather D. Hill, Tom Lindman, & Diana Rucavado  
PFML Advisory Committee Meeting  
February 16, 2024



EVANS SCHOOL OF PUBLIC POLICY & GOVERNANCE

UNIVERSITY *of* WASHINGTON

# STUDY TIMELINE





# PRELIMINARY LEGISLATIVE REPORT: KEY FINDINGS

- Several federal and state laws and programs offer job protection for shorter leaves related to health or caregiving.
- No other program or policy offers WA workers job-protected paid leave for longer durations and for bonding with new children.
- FMLA has similar requirements for job protection as WA Paid Leave.
- FMLA studies suggest that the WA eligibility requirements for job protection will disadvantage women, less-educated workers, and workers of color.

SAMPLE OF LAWS OFFERING JOB PROTECTED  
FAMILY OR MEDICAL LEAVE TO WA WORKERS

	Program	Eligibility	Job Protection	Paid Leave
US FMLA	US FMLA	Yes	Yes	Yes
WA Paid Leave	WA Paid Leave	Yes	Yes	Yes
WA Paid Sick Leave	WA Paid Sick Leave	Yes	Yes	Yes
US ADA	US ADA	Yes	Yes	Yes
US ADEA	US ADEA	Yes	Yes	Yes

# SAMPLE OF LAWS OFFERING JOB PROTECTED FAMILY OR MEDICAL LEAVE TO WA WORKERS

	Length/year	Paid	Bonding	Family Care	Medical
WA Paid Leave	12-18 weeks	Yes	Yes	Yes	Yes
WA Family Care Act	<i>Depends on employer provided leave</i>	Yes		Yes	
WA Paid Sick Leave Law	<i>40 hours (accrued)</i>	Yes		Yes	Yes
ADA & WA extension	<i>Depends on employer provided leave</i>	Maybe			
FMLA	12 weeks	No	Yes	Yes	Yes

# WA WORKERS ARE ELIGIBLE FOR JOB PROTECTION DURING PAID LEAVE IF THEY:



Work for an employer with 50 or more employees



Have worked for that employer for 12 months or longer and at least 1,250 hours in the year before the first day they take Paid Leave.

# PRELIMINARY LEGISLATIVE REPORT: KEY FINDINGS

- Most WA firms (94%) are not covered by Paid Leave job protection because they have fewer than 50 employees.
  - Firm coverage rates vary from 3-30% by industry.
- About 50% of WA workers have the job tenure and hours needed to meet those components of job protection qualification.

Questions about the Leg Report Findings?

# PLANNED DATA COLLECTION ACTIVITIES

- *Interviews* with paid leave users
- *Focus groups* with workers in 3 industries in 3 locations
- Key features of qualitative research:
  - Sample "purposively" to hear from people with specific experiences or characteristics.
  - Try to understand individual experience not the average experience.
  - Ask open-ended questions. Follow up with probes for details and explanation.
  - Focus on subjective experience – feelings, understandings, thought processes, etc...



# INTERVIEWS WITH PAID LEAVE USERS

- Identify paid leave recipients in program data whose leave period ended between October 2022 and June 2023 (our most recent data).
- Stratify sampling frame by whether we've estimated they would have job protection at time of leave.
- Select a random sample of 60 total individuals, 30 with job protection, 30 without.
- ESD will send an email inviting them to participate in interviews with UW researchers about the program.
  - Offer \$30 incentive.
- Conduct interviews on zoom.

# INTERVIEWS: SAMPLE QUESTIONS

1. When you used Paid Leave benefits, what work were you doing at that time?
2. What events led you to take leave from work?
3. What discussions did you have with your supervisor or your coworkers about taking leave?
4. How did you know whether your job would be waiting for you when you returned from leave?
5. What was your experience at work when you returned from leave?

# FOCUS GROUP WITH WORKERS

- Focused on agricultural workers (Yakima), service-sector workers (Centralia), and construction & manufacturing (Bellingham area)
- Partner with area organizations willing to host and/or help us recruit participants. Examples:
  - OIC of Washington in Yakima
  - Community Action Council of Lewis, Mason, and Thurston Counties
  - **Let us know if you have ideas/contacts you are willing to share.**
- Advertise focus group and provide a QR code and phone number to sign up.
- Recruit ~10 people for each focus group.
- Offer \$20 incentive payment, printed materials about Paid Leave, and dinner.
- In person, 1.5 hours total, 1 focus group in Spanish



# FOCUS GROUP: SAMPLE QUESTIONS

1. Introductions: Tell us your name and what you do for work.
2. Can you describe a time when you've taken more than one day off from work to get well, go to the doctor, or help someone in your family who was sick?
3. Can you describe a time when you needed time off for your own health or a family member's health but it wasn't possible?
4. What do you know about the Washington Paid Leave program?  
Probe: Job protection with Paid Leave?  
  
(Describe basics for anyone in the room who is unfamiliar)
5. Would you consider using the program to take care of your own or a family member's health? Why or why not?

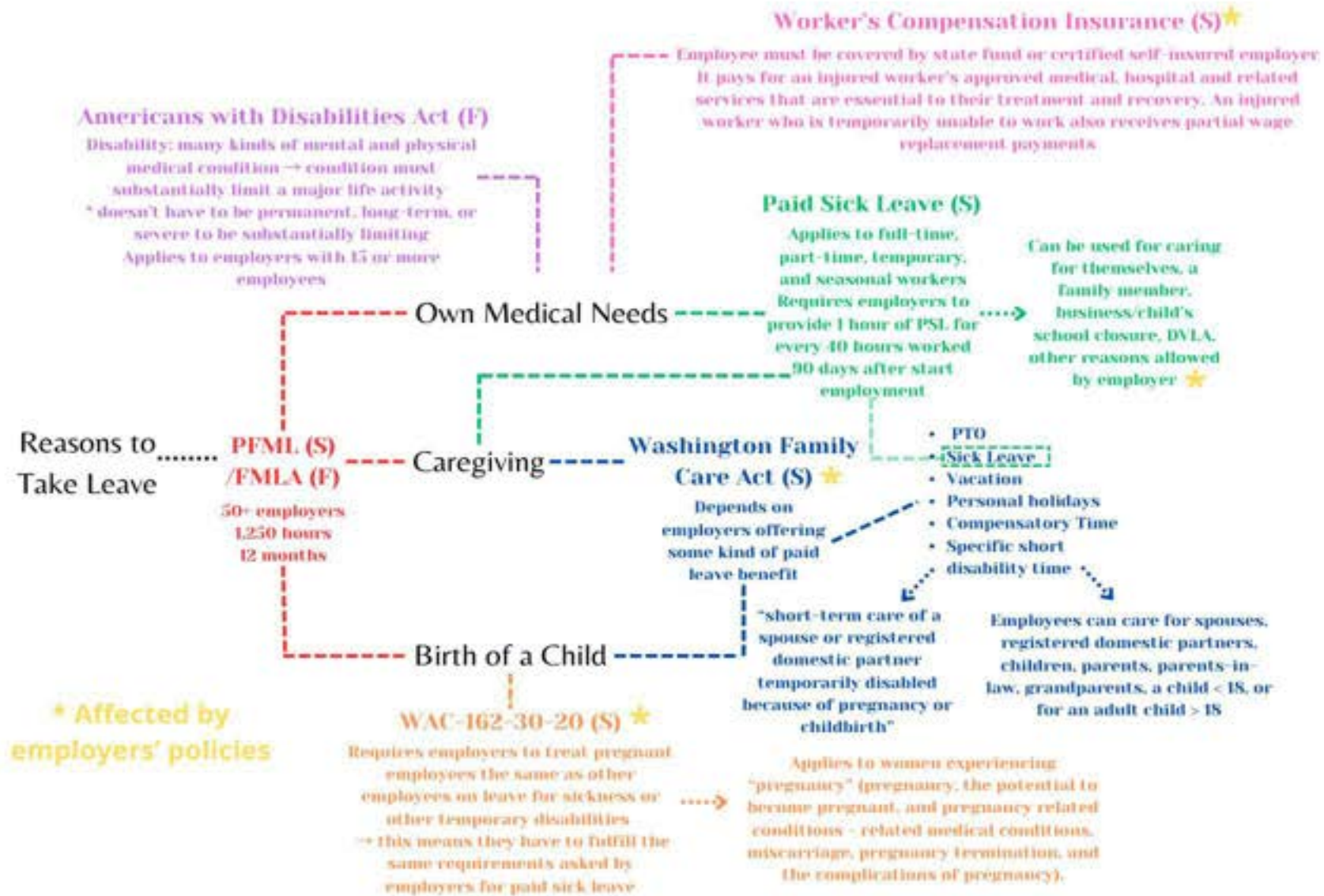


# QUESTIONS? SUGGESTIONS?

[hdhill@uw.edu](mailto:hdhill@uw.edu)



**EXTRA SLIDES**



# Actuarial update

Karissa Burgess

Eve Sheng

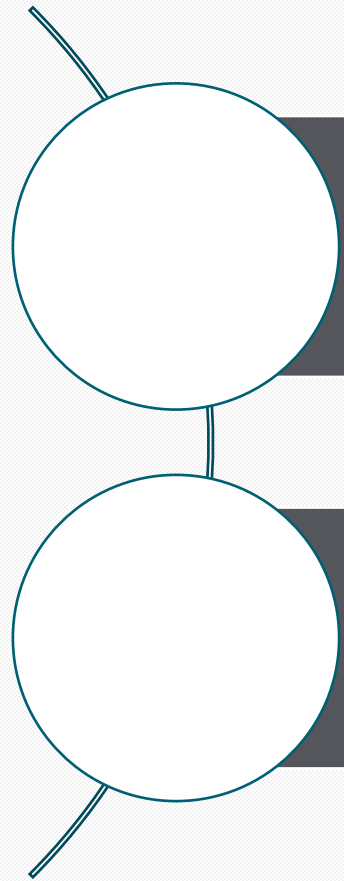


# PFML Actuarial February Updates



**Employment Security Department**  
WASHINGTON STATE

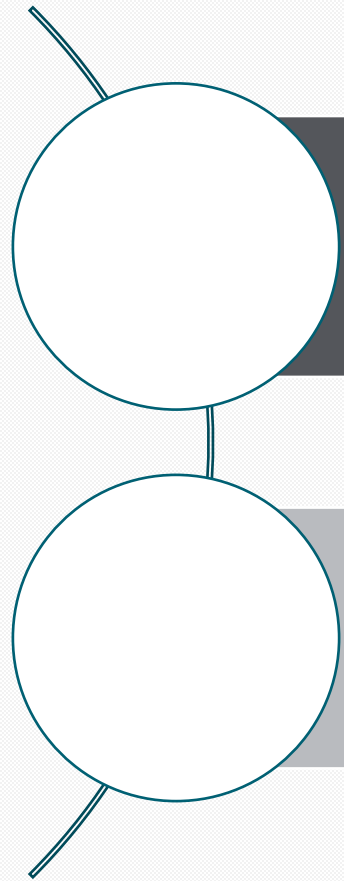
# Agenda



Employees, Wages – Actual to Expected

Leave Benefit – Actual to Expected

# Agenda

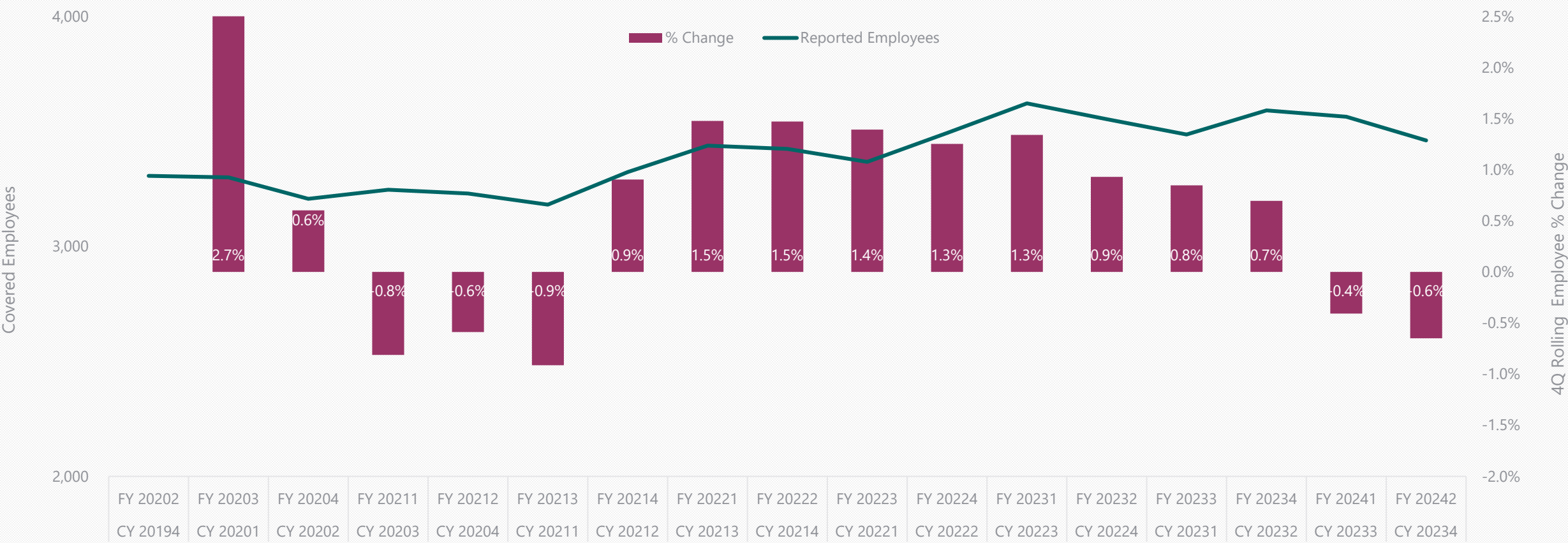


Employees, Wages – Actual to Expected

Leave Benefit – Actual to Expected

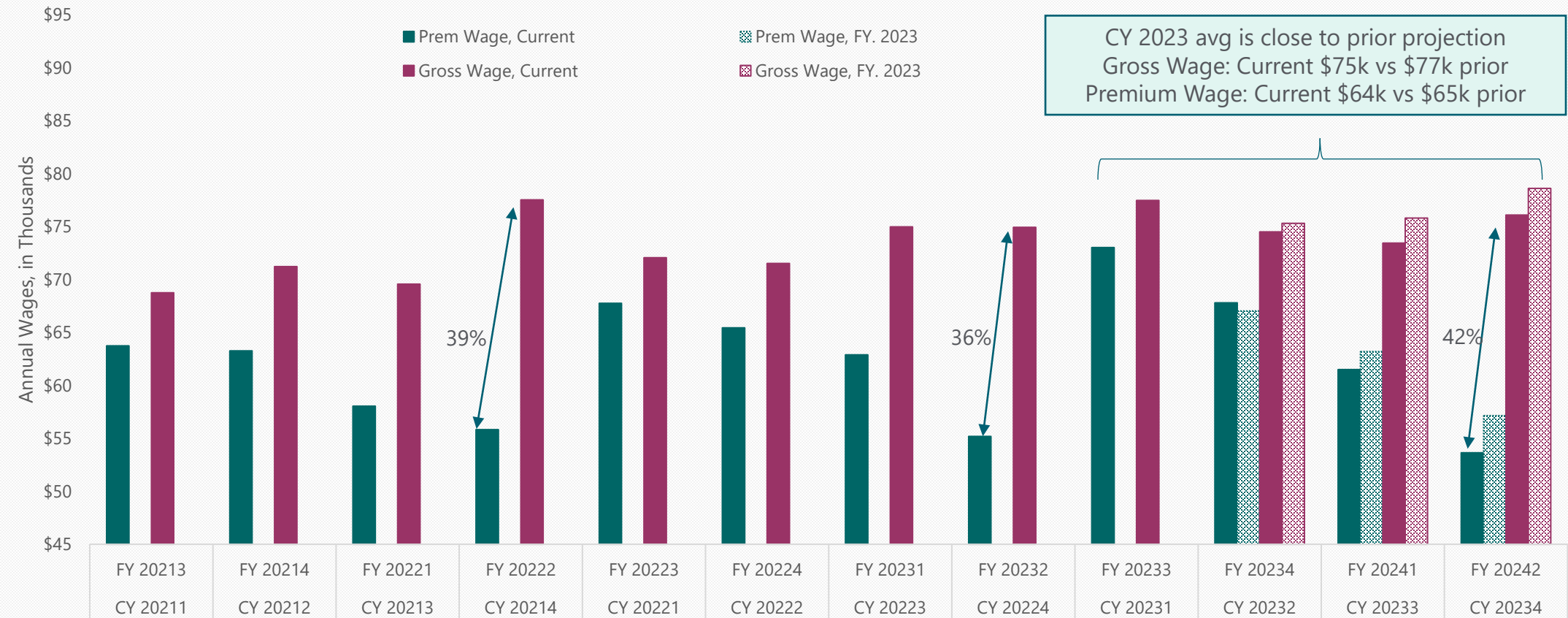


# Covered Employees Not Grown in Recent Quarters



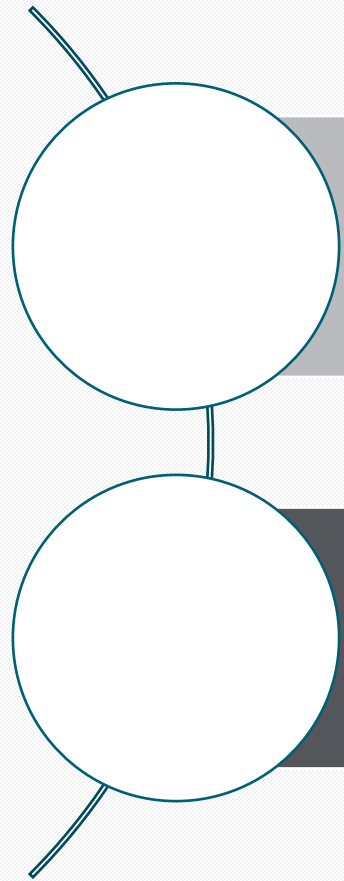
Most recent quarter shows a larger drop in covered employees than expected. Enrollment is seasonal so could expect some offset in future quarters.

# Average Wages, Actual to Projected



Most recent quarter shows larger gap between gross wage and premium wage.

# Agenda



Employees, Wages – Actual to Expected

Leave Benefit – Actual to Expected

# Incident Rate and Approval Rate

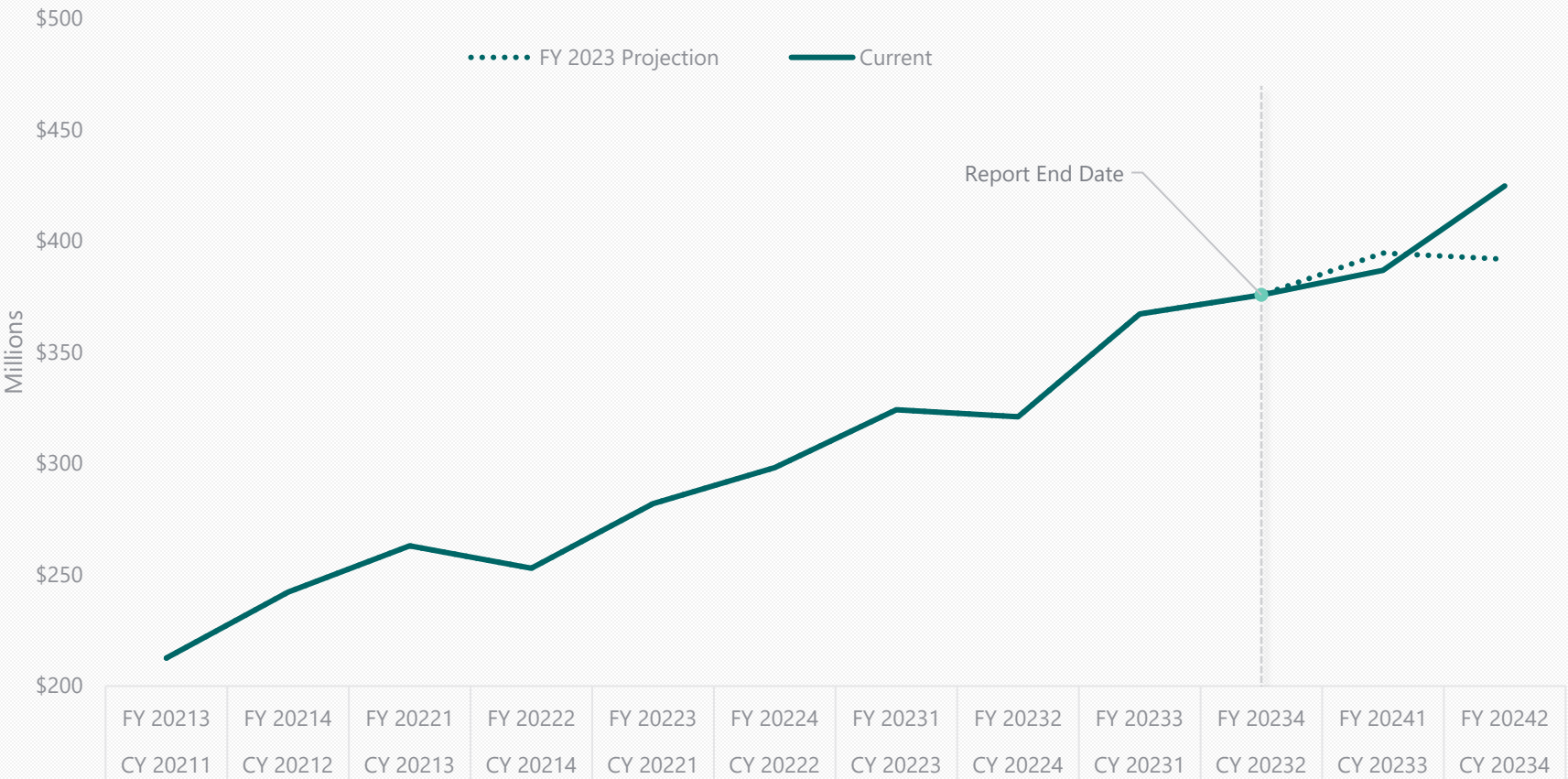


Larger increase in incident rate in most recent quarter. Incident rates are increased across most benefit types.

2023 & 2024 are actuarial estimates  
Claims shown by leave start date

# Leave Benefit by Fiscal Quarter

*Estimated ultimate payout for all the leaves first started in the quarter*

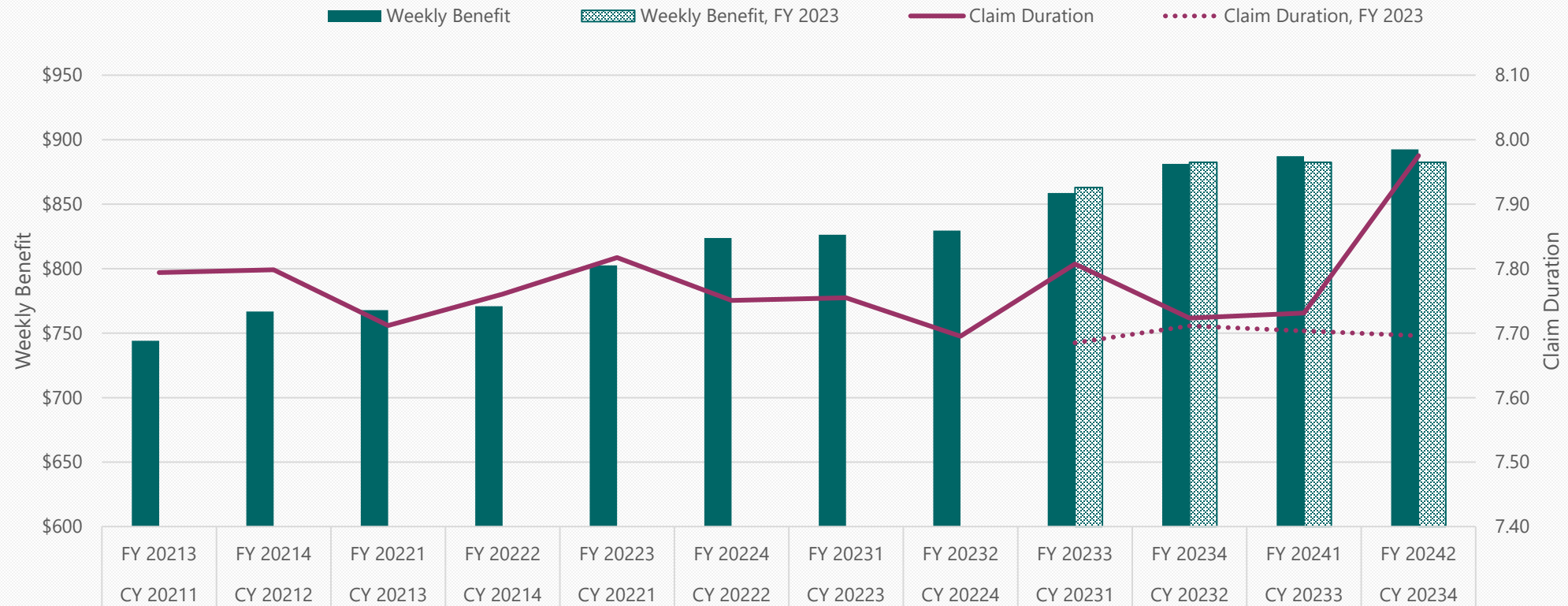


- Most recent quarter shows higher claims than projected with some offset in the previous quarter.
- Both Medical and Family benefits contribute to the difference.

+25

2023 & 2024 are actuarial estimates  
Claims shown by leave start date

# Weekly Benefit and Duration



2023 & 2024 are actuarial estimates  
Claims shown by leave start date

Claim duration in most recent quarter shows an increase.

Small differences in weekly benefits from what was projected, however seasonality difference could be driver.

# Account Balance Update

- Ending CY 2023 account balance close to projected:
  - \$284M Actual
  - \$272M FY 2023 Projection
- Current cashflows won't reflect all of CY 2023 Q4 experience
  - Premiums have quarter lag
  - Claims with leave start dates in Q3 & Q4 are still developing

# Next Month Topics

- Deeper dive into developing experience.
- Set the stage for the upcoming fall rate update.



# Legislative updates

Caitlyn Jekel, Government Relations Director

# Bills we're tracking

Passed house of origin cutoff

- **SHB 2102** – Requirements for the disclosure of health care information for qualifying persons to receive paid family and medical leave benefits.

Did not advance beyond house of origin cutoff

- **SB 6145** – Continued health benefits for firefighters of small fire districts.
- **HB 1959** – Extending certain requirements in the state paid family and medical leave program to employers with fewer than 50 employees.

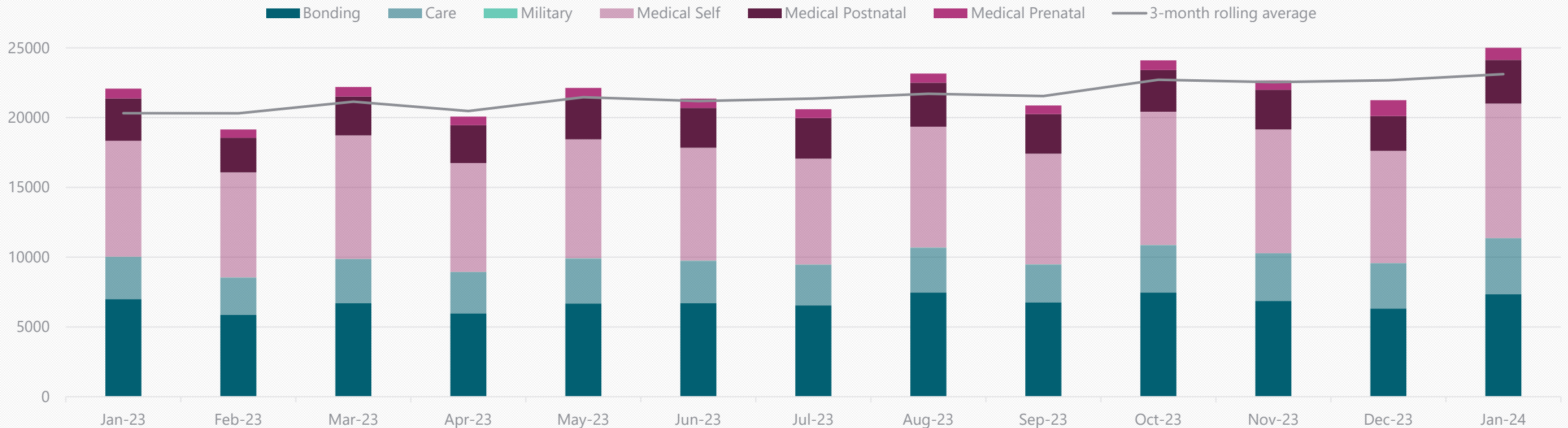
# Program and fiscal update

Rebecca Grady, Research and Data Manager

Steve Zawoysky, Treasury Manager

John Mattes, Operations Manager

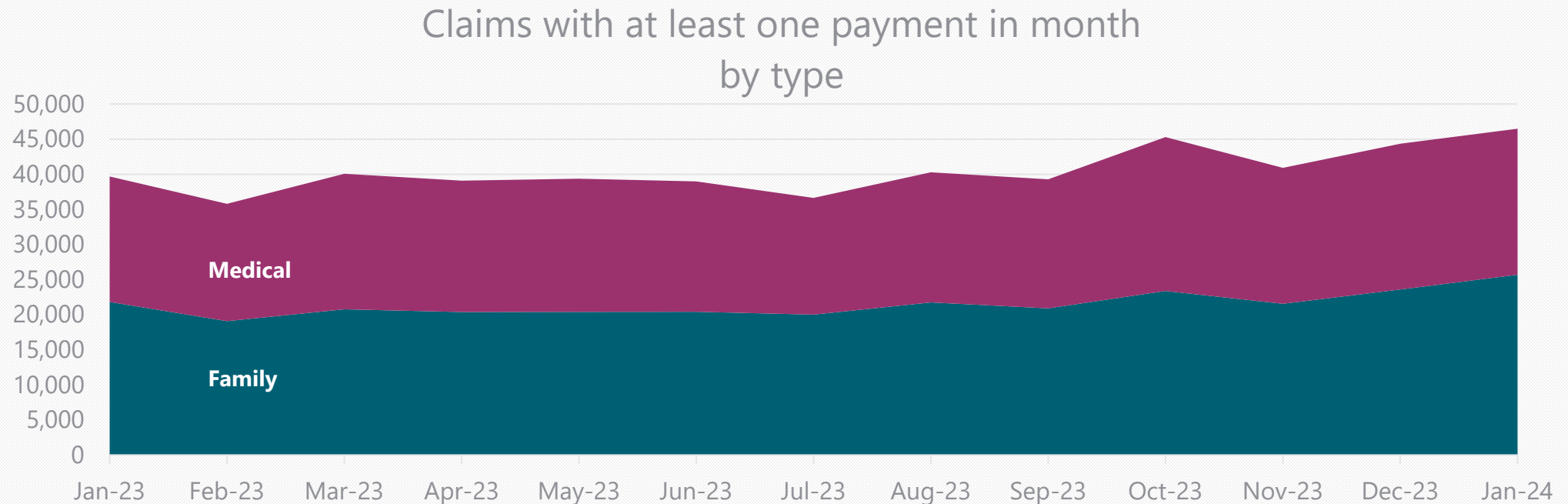
# Claim applications submitted by type



- January 2024, we received 25,423 applications
  - 20% more than last month
  - 15% more than January of last year
- Continue to see shift towards medical leave types ~ 45% family, 55% medical
- Three-month rolling average ~ 23K claim applications

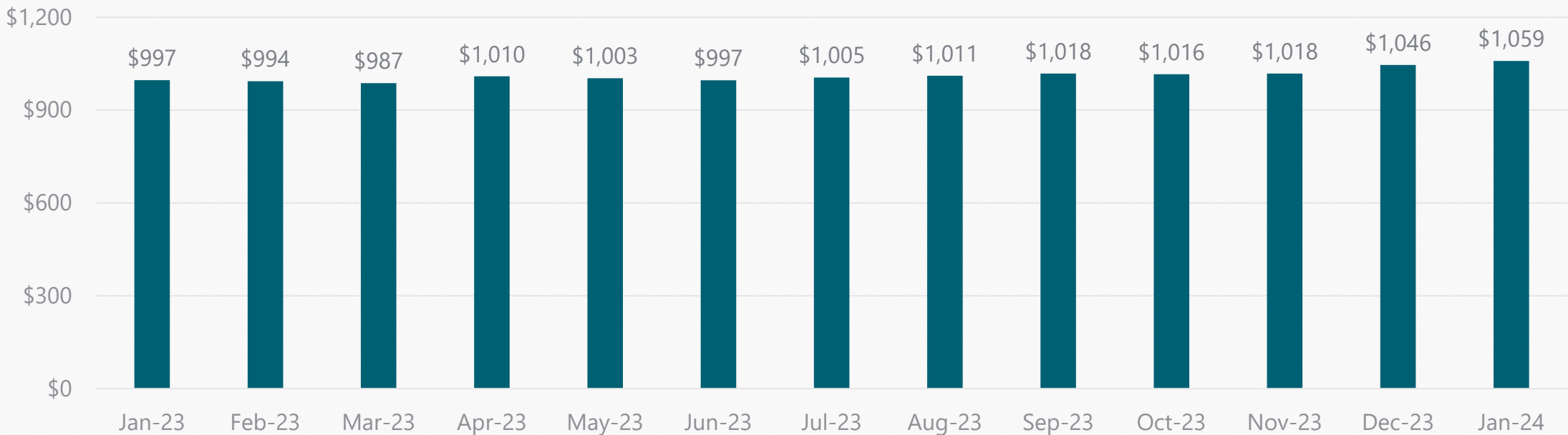
# Approval rate and monthly claims with payment(s)

- Percentage of claims approved continues to be relatively stable in past year
- Unique leave claims in the last 12 months – 121,862 family and 131,947 medical
- January 2024 total unique paid leave claims: 46,490
  - 17% more than January of last year



# Weekly benefit levels

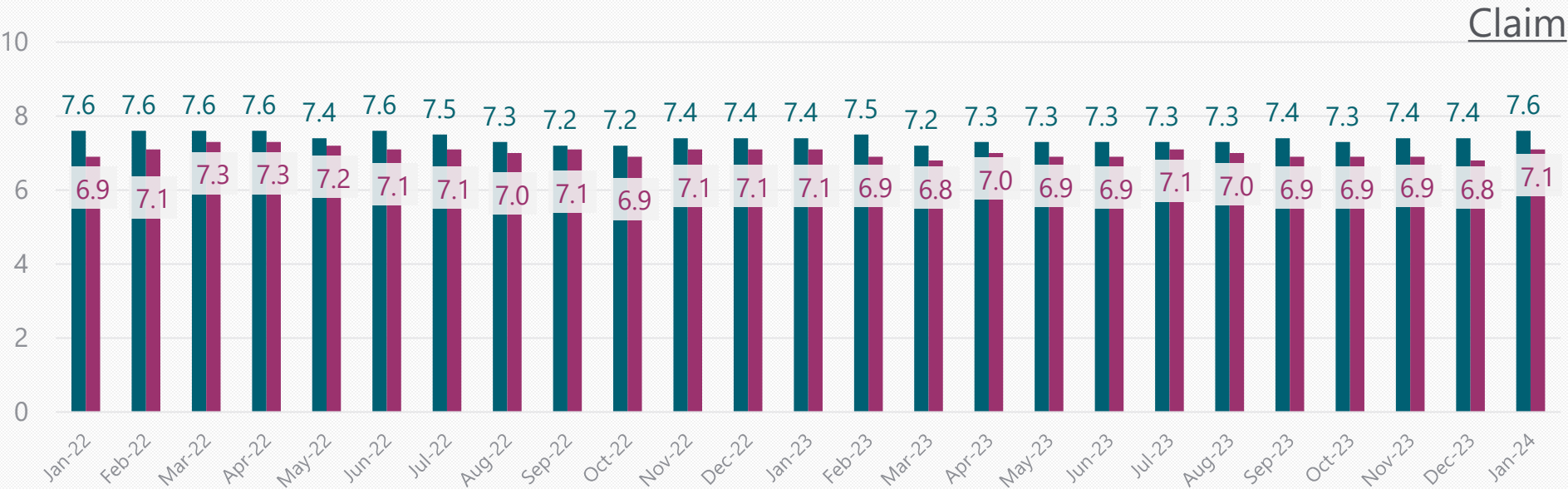
- January 2024 average weekly benefit: \$1,059
  - 6% higher than January 2023
  - 5% higher than the 2023 average of \$1,008



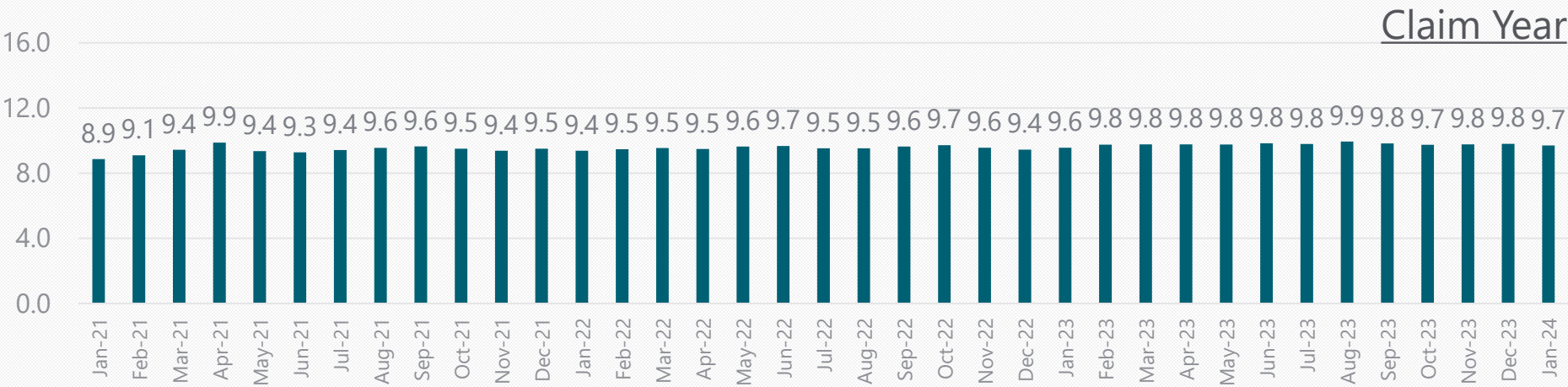
*Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.*

# Lengths of leave (average)

- January 2024
  - Family: 7.6 weeks
  - Medical: 7.1 weeks

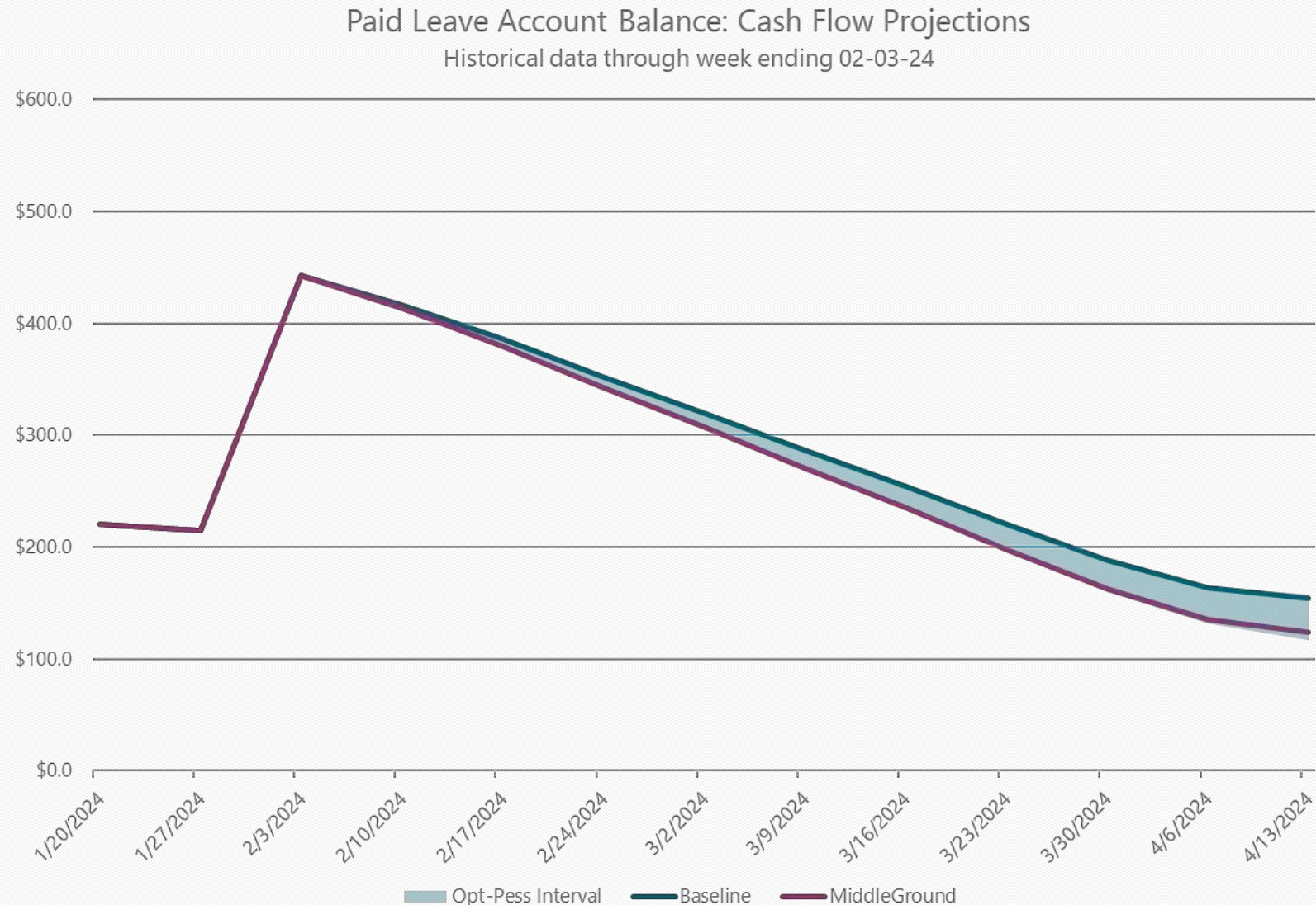


- January 2024
  - 9.7 weeks



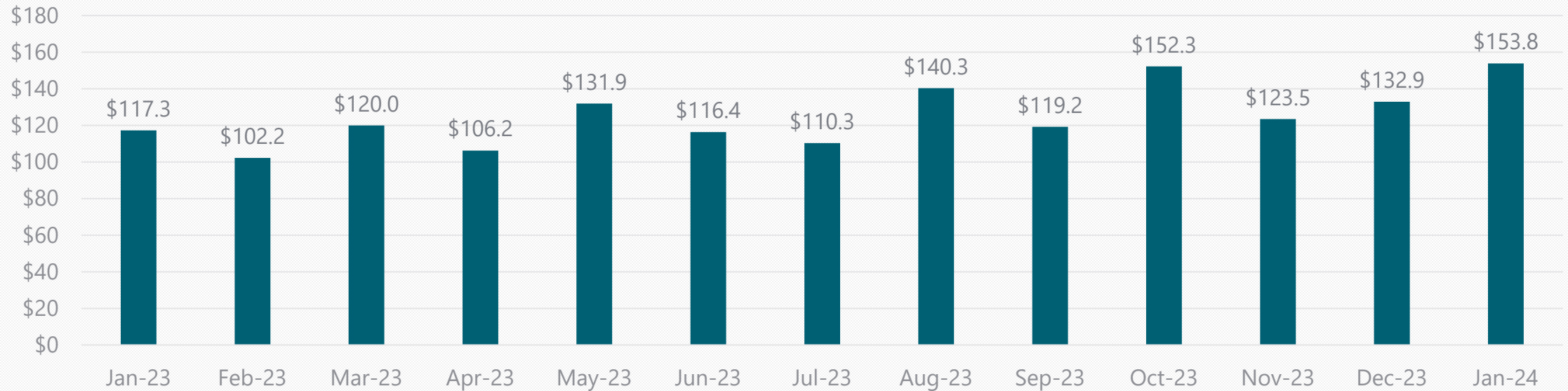
# Fiscal projections

- With the Q4 assessed premiums, our account balance exceeded \$442 million in early February.
- Lowered risk of short-term deficit in future cycles but still a concern for a couple years
- Will take a few years to establish 3-month reserve





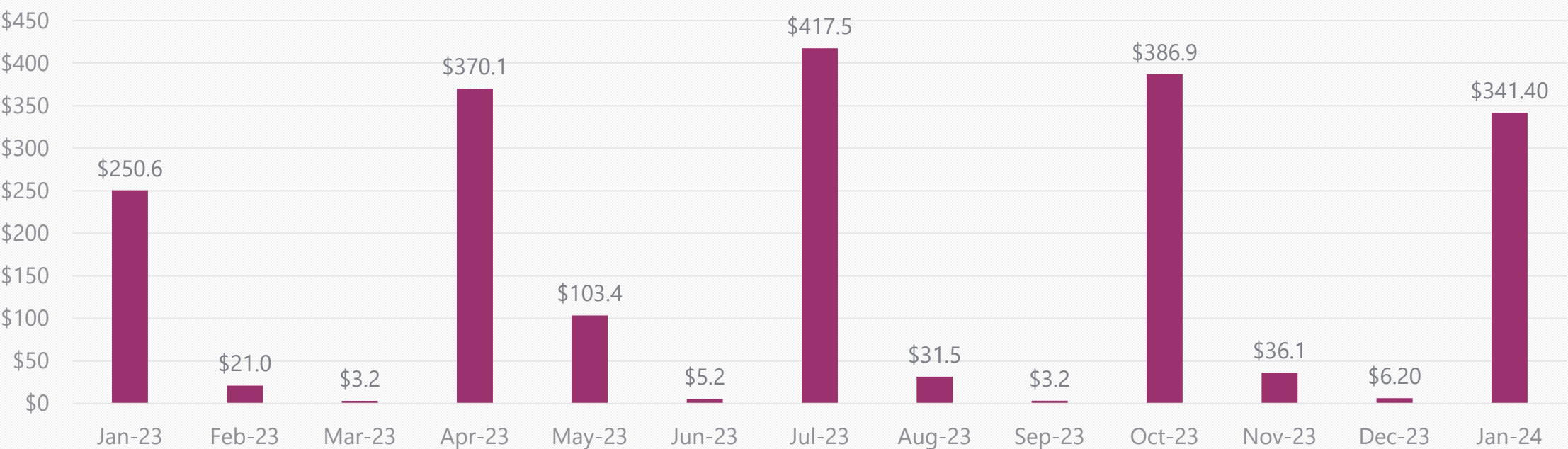
# Monthly benefits paid (millions)



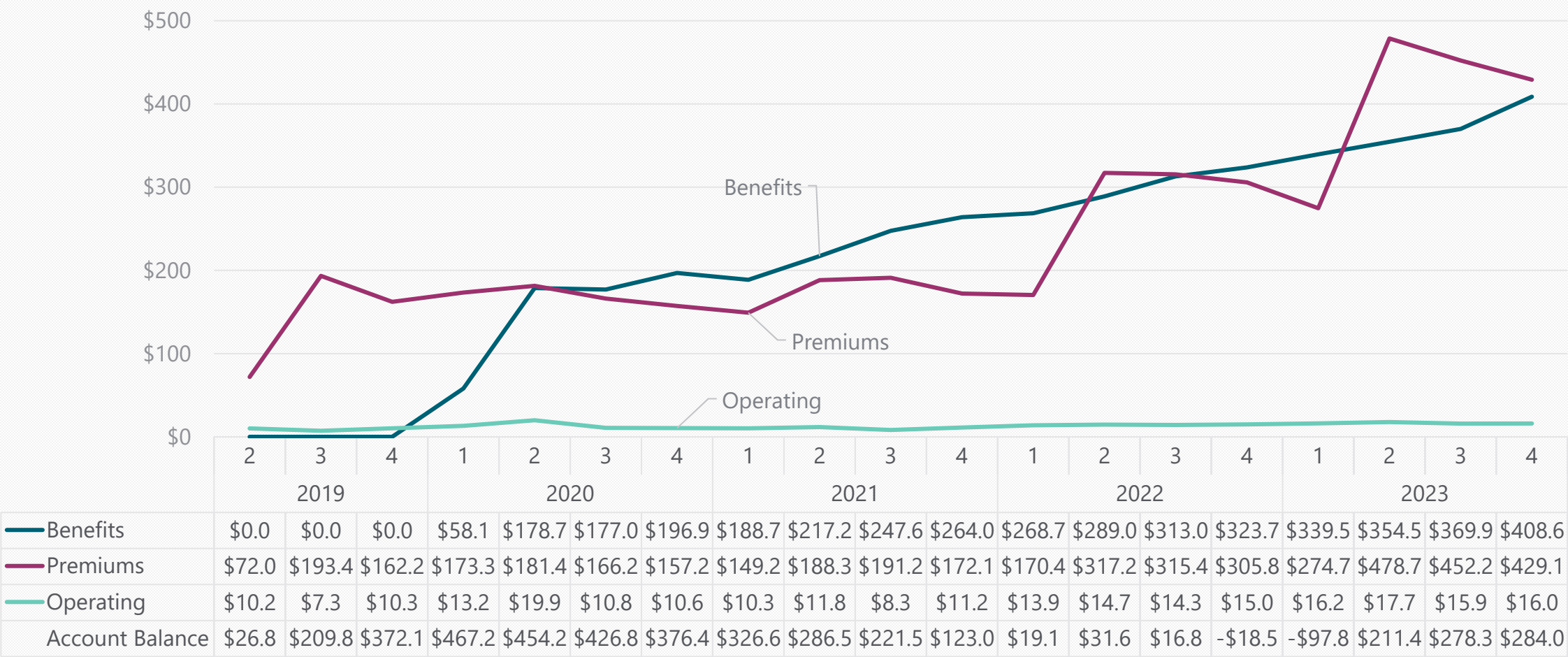
- January 2024 had \$153.8 million in benefits paid
  - 16% more than the previous month
  - 31% more than last January
  - Highest monthly benefit amount in history of program
- \$125.8 million average monthly benefits paid over preceding twelve months

# Monthly premiums remitted (millions)

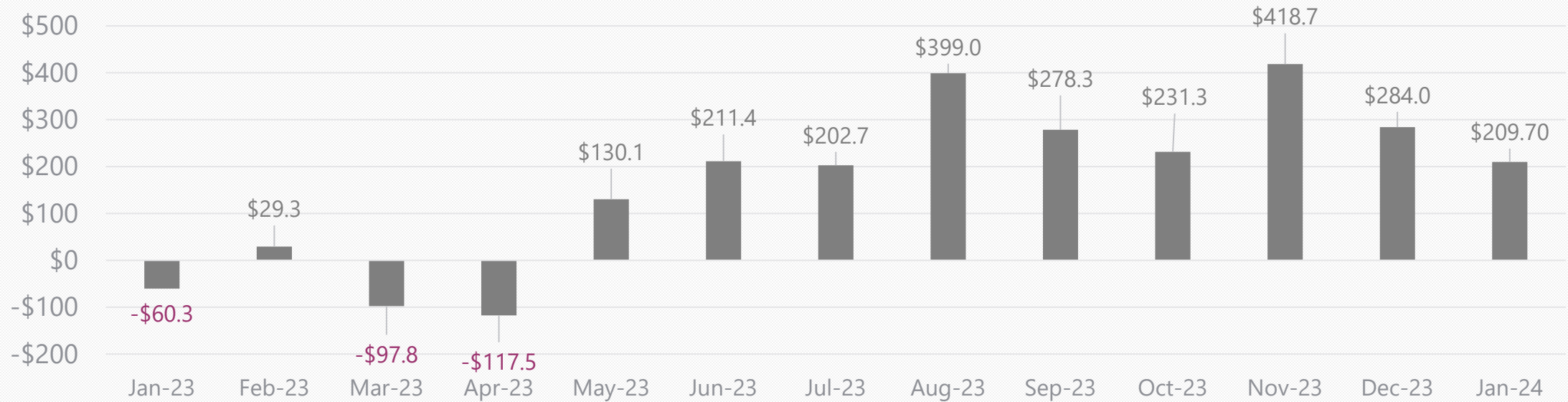
- Cyclical pattern of highest monthly premium transactions occurring at end of quarterly reporting months
- Premiums assessed for each quarter are remitted in the following quarter
- January 2024 remitted premiums were \$341.4 million – 36% more than January 2023.



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



# Monthly ending account balance (millions)



- January 2023 ending balance was -\$60.3 million
- January 2024 ending balance was \$209.7 million
  - \$270.0 increase in ending compared to January 2023
- Operating activity over the previous twelve months has added \$70.0 million to fund balance

# Time from application submission to first payment

Month	Average weeks	Median weeks
Jan 2023	4.5	3.3
Jan 2024	4.9	3.6

Month	Average weeks	Median weeks
Feb 2023	4.3	3.3
Mar 2023	3.9	2.9
Apr 2023	4.2	3.0
May 2023	4.2	3.1
June 2023	4.7	3.6
July 2023	5.3	4.3
Aug 2023	5.3	4.4
Sept 2023	5.1	4.4
Oct 2023	4.3	3.3
Nov 2023	4.6	3.4
Dec 2023	4.5	3.4
Jan 2024	4.9	3.6

# Phones

Month	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave
February 2023	81%	65%	09:42
March 2023	85%	66%	04:12
April 2023	84%	62%	05:59
May 2023	82%	60%	12:27
June 2023	75%	66%	22:35
July 2023	62%	57%	27:23
August 2023	66%	50%	25:24
September 2023	48%	46%	29:20
October 2023	31%	56%	28:27
November 2023	37%	57%	28:19
December 2023	42%	57%	28:54
January 2024	35%	65%	25:38

## Comparing to January 2024 with 2023 year averages:

- 45% decrease in calls into queue
- 10% increase in calls answered

# Current program priorities

Alison Eldridge, Assistant Director

# Current priorities

Project	Status	Target end date
Annual changes 2024	In progress	1/15/2024
2023 1099s	In progress	1/31/2024
Increase equitable benefit access using data	In progress	2/1/2024
Cloud migration: AX	In progress	3/1/2024
Expiring CBA provision for Paid Leave	In progress	5/31/2024
Paid Leave Stories (Evans School project)	In progress	6/30/2024
Customer Care performance metrics (Evans School project)	In progress	6/30/2024
Sharing employee benefit data with employers (5586)	In progress	6/30/2024
TNC pilot for elective coverage (1570)	Initiating	12/15/2024
Community engagement model for Paid Leave benefits	In progress	11/1/2024
Benefit application improvements	Initiating	TBD



# Future work

## Next

- **Withhold child support from Paid Leave benefits**
- **Redetermination improvements**
- Develop a division employee engagement plan
- Support performance management
- **Crossmatch UI with Paid Leave benefits**

## Later

- **Benefit overpayments**
- **Penalties and interest (employer and employee)**
- **Adding county & legislative district to database**
- **Elective coverage for tribes**
- **Crossmatching L&I with Paid Leave benefits**
- **Collections (employer & employee)**
- **Conditional benefit payments**
- Pre-application for benefits
- Implement community engagement program
- Implement comprehensive authorized representative process

# Next meeting

1 to 2 p.m. on Friday, March 22, 2024

## Proposed topics

- Legislative update
- Others?

# Open comment

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Reminders    Please frame your questions as a comment.

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If online -“Raise your hand” virtually

In person – let us know and we will give you the floor

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The meeting host will unmute online individuals to allow for the open comment.

In person we will call on you

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# Continue the conversation

## **Justin DeFour**

Director, Paid Family & Medical Leave  
Employment Security Department

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