

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

Wednesday, April 23, 2025

Agenda

Introductions and approval of February minutes

Program and financial update

Program performance goals

Ombuds report

IRS guidance

Paid Leave budget

Legislative update

Open comment

Meeting structure

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

We ask members of the public to hold comments until Open Comment.

Comments and questions in chat will not be reviewed during Open Comment.

Introductions

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



Approve February minutes

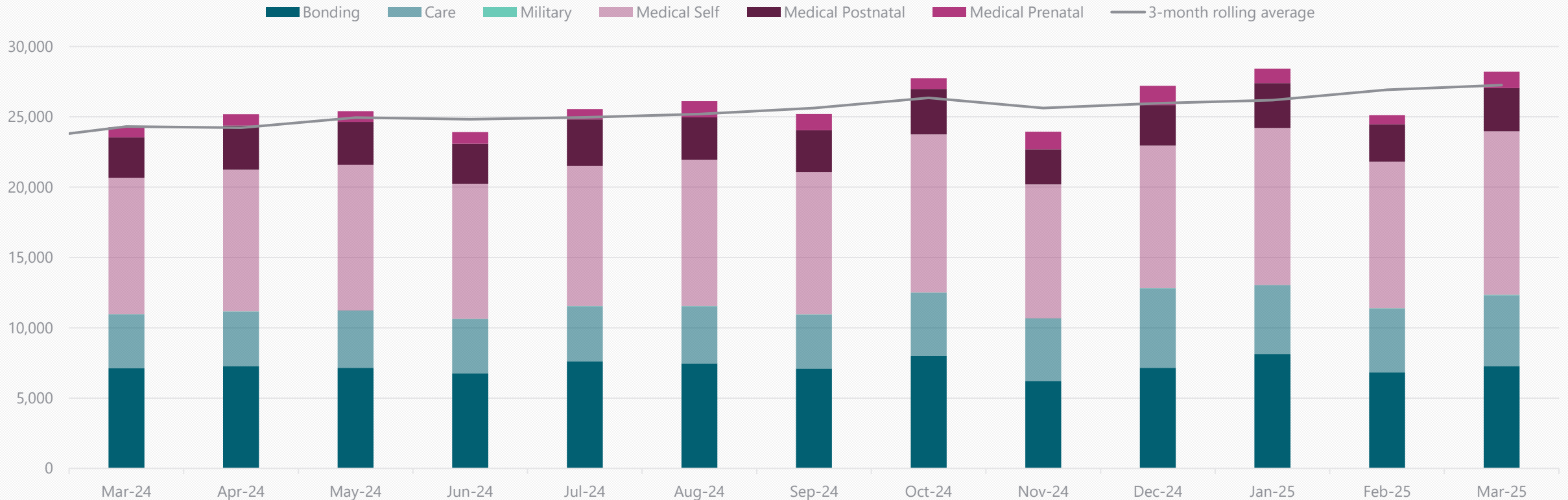


Program and financials update

Rebecca Grady, LCD Research and Data Manager

Steve Zawoysky, LCD Treasury Manager

Claim applications submitted by type

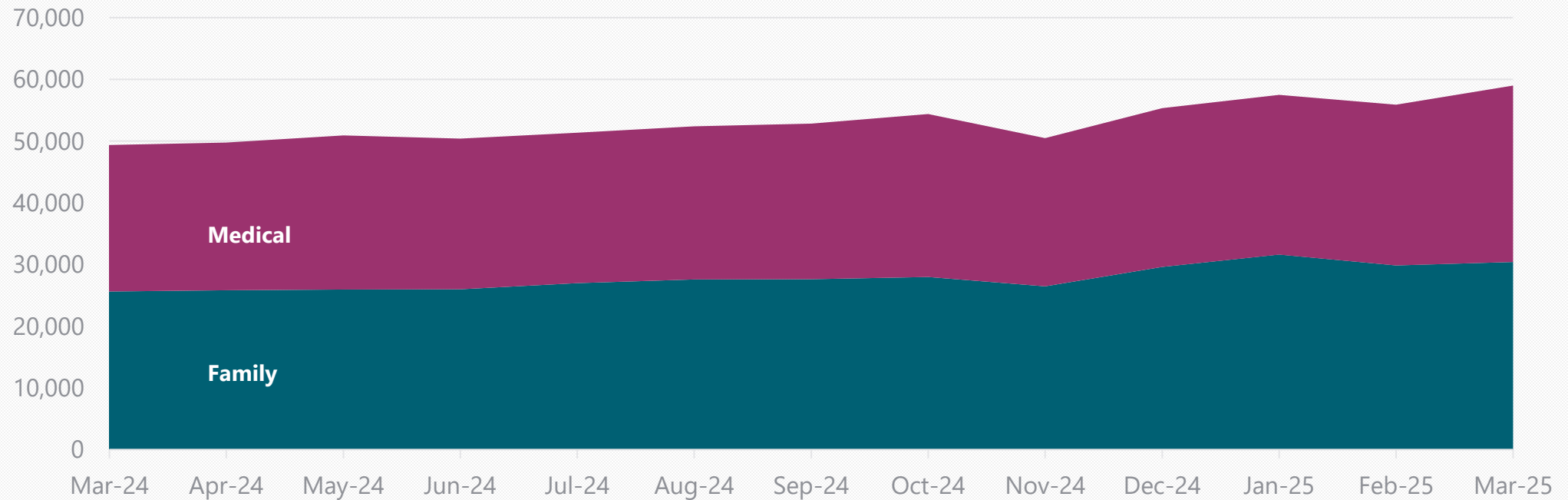


- March 2025, we received 28,215 applications
 - 12% more than the previous month
 - 16% more than March 2024
- 45% family, 55% medical
- Three-month rolling average ~ 27K claim applications

Approval rate and monthly claims with payment(s)

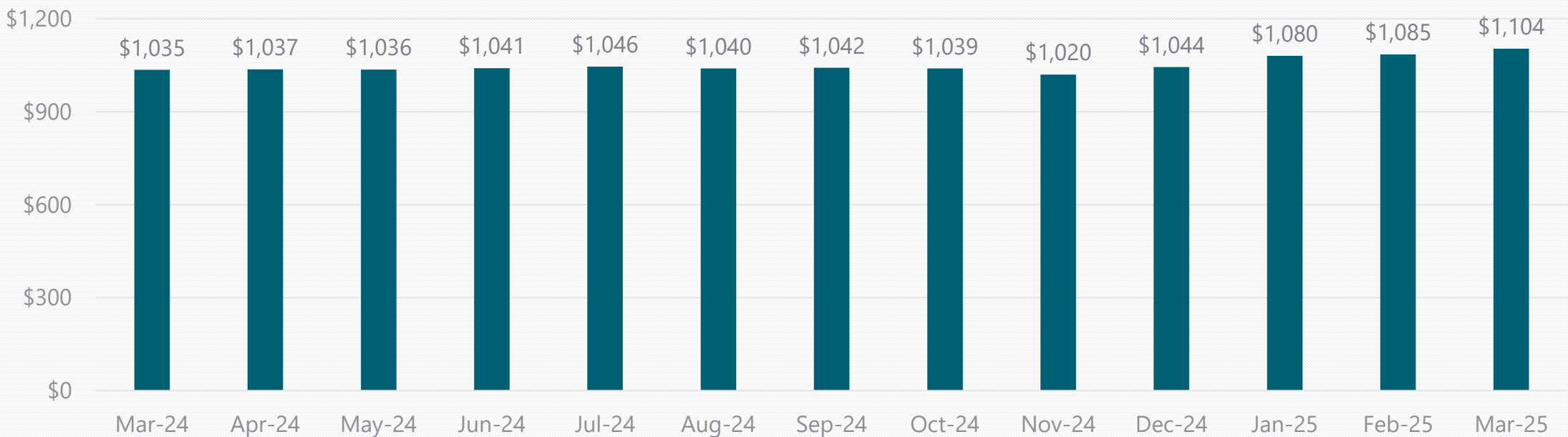
- 84% of claims were approved in March 2025
 - 86% the previous month
- March 2025 total unique claims that received payment: 58,995
 - 20% more than March of 2024

Claims with at least one payment in month
by type



Weekly benefit levels

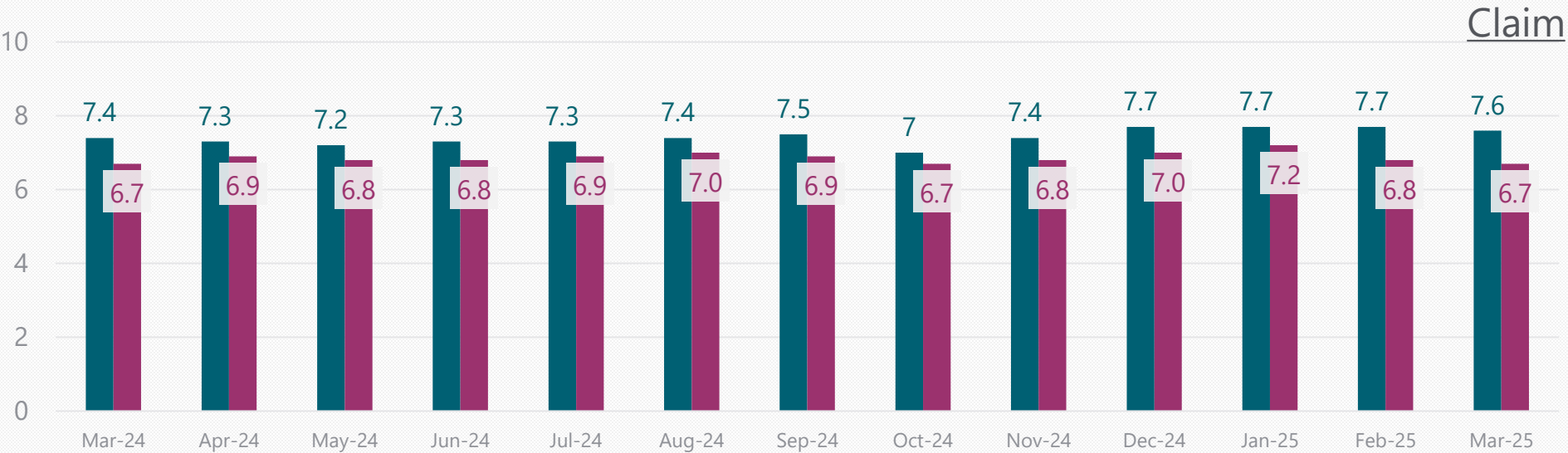
- March 2025 average weekly benefit for new claim years: \$1,104
 - 7% higher than March 2024.



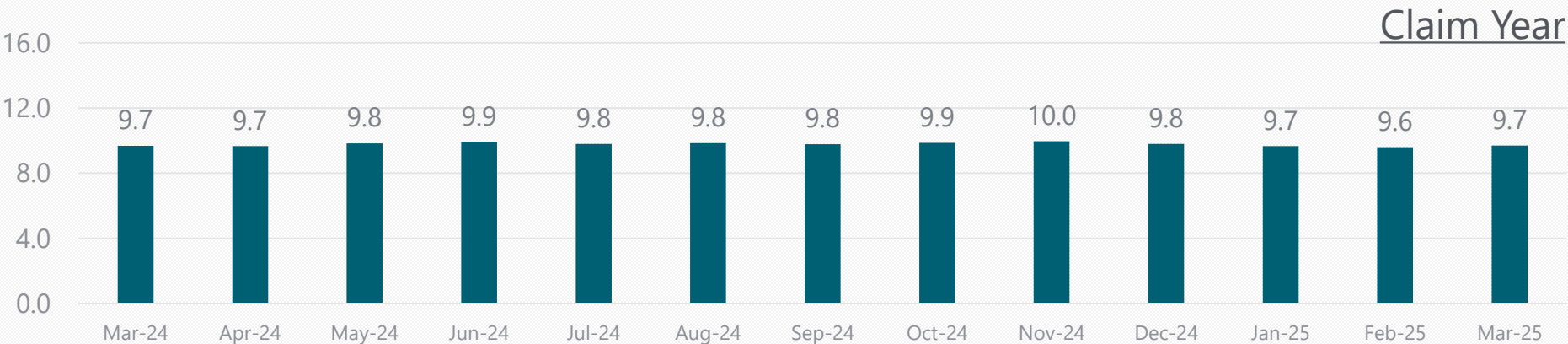
Technical note: Average weekly benefit amount for approved claims grouped by claim year start month, most recent months typically drop slightly as data matures.

Lengths of leave (average)

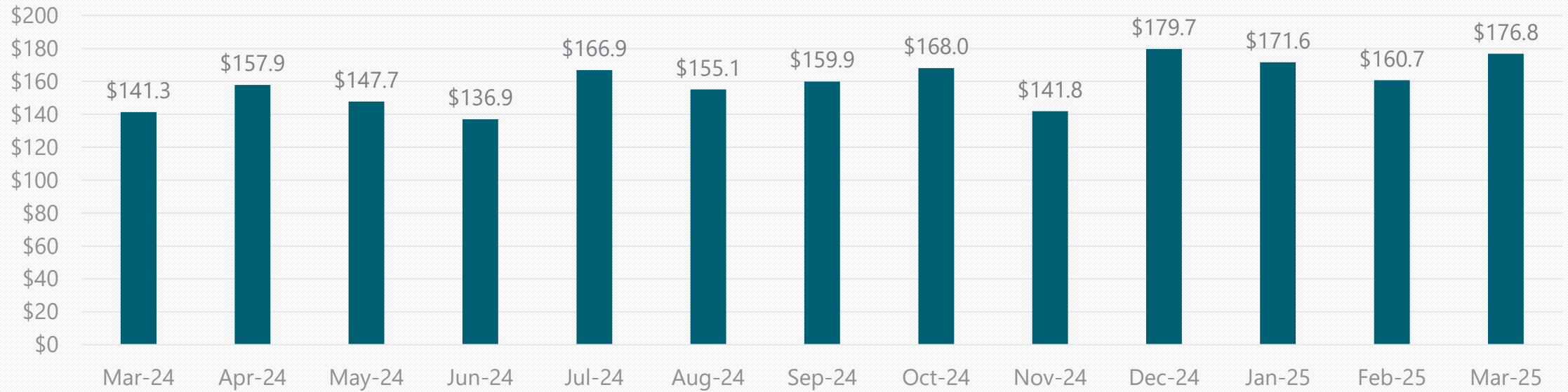
- March 2025
 - Family: 7.6 weeks
 - Medical: 6.2 weeks



- March 2025
 - 9.7 weeks

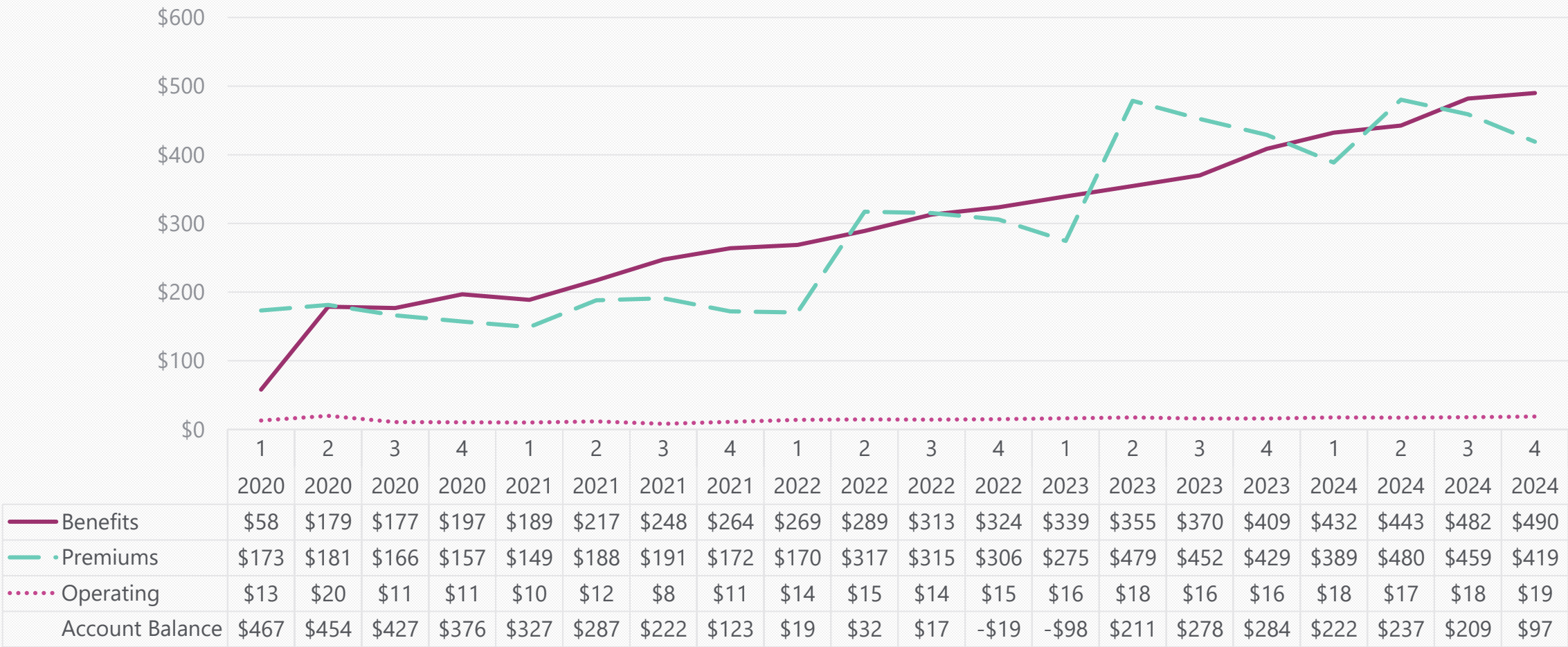


Monthly benefits paid (millions)



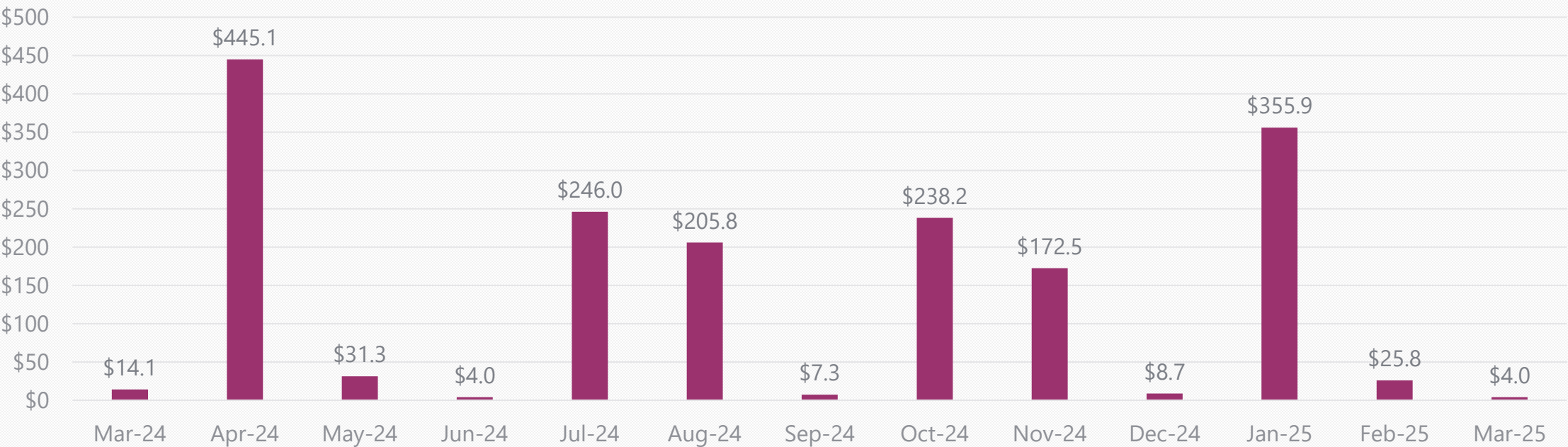
- March 2025 \$176.8 million in benefits paid
 - 10% more than the previous month
 - 25% more than March of the previous year
- \$160.3 million average monthly benefits paid over last twelve months

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

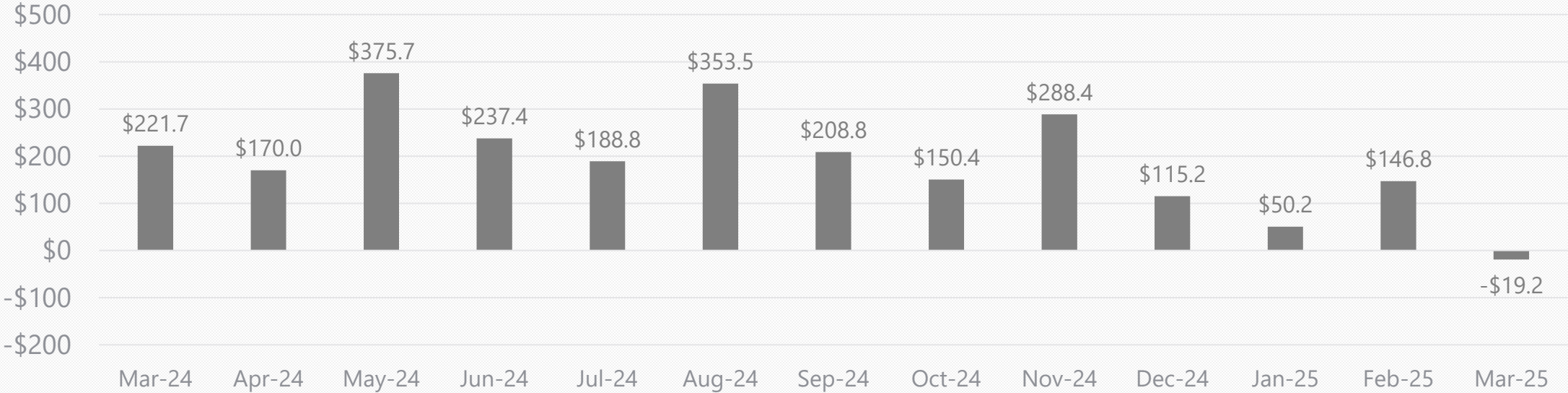


Monthly premiums remitted (millions)

- 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
- \$4 million in premiums remitted in March 2025



Monthly ending account balance (millions)



- Paid Leave account balance went negative in March 2025: -\$19.2 million
 - \$166 million less than the previous month
 - \$240.9 million less than March 2024

Program performance goals

John Mattes, LCD Assistant Director

Customer-focused performance goals

Benefits wait time

- Time to application decision
- Time to first weekly claim processed

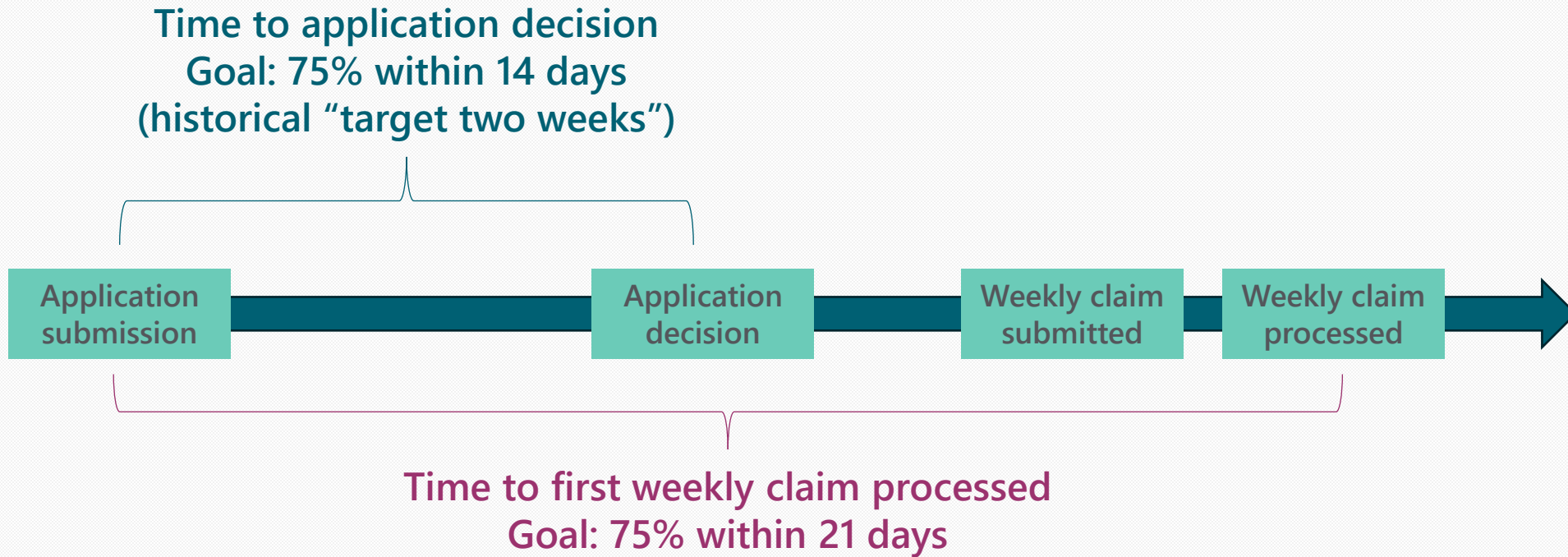
Customer contact response time

- Phone hold time
- Secure message & email response time

Employer accounts

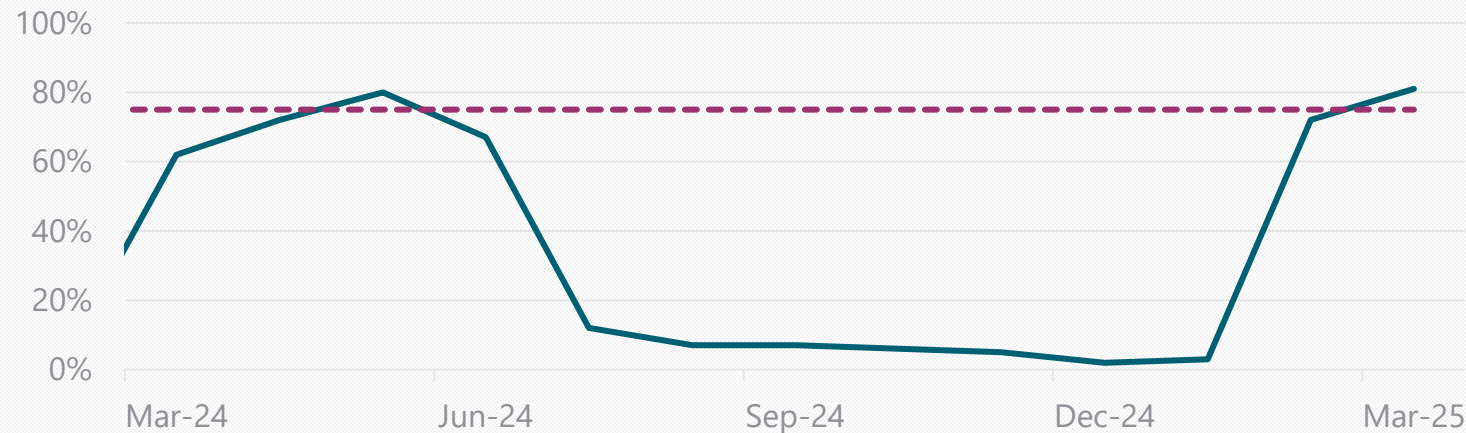
- Full account access

Benefit wait time



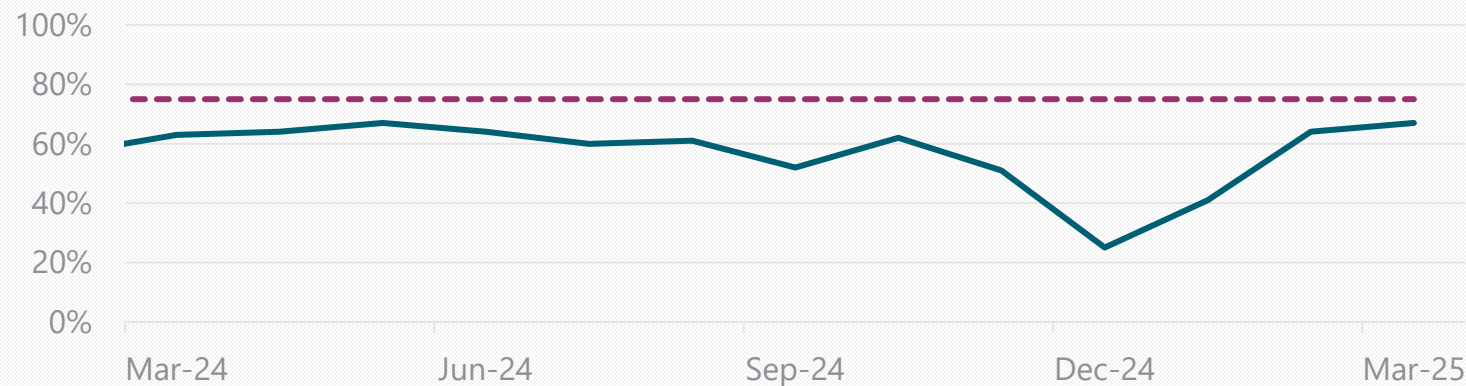
Leave benefits processing times

Application with initial decision within 14 days (Goal: 75%)



- March 2025: Met goal with 81% of leave applications having initial decision within 14 days.
 - 72% the previous month
 - 62% in March 2024

Applications with first weekly claim processed within 21 days (Goal: 75%)



- March 2025: Under goal with 67% of applications having first weekly claim processed within 21 days
 - 64% the previous month
 - 63% in March of 2024

Customer contact response time



Phone hold time

Goal: 80% within 10 minutes

With zero receiving “high call volume” message



Secure message & email response time

Goal: 80% within 1 business day (or 2 calendar days)

Will need new tech functionality to track



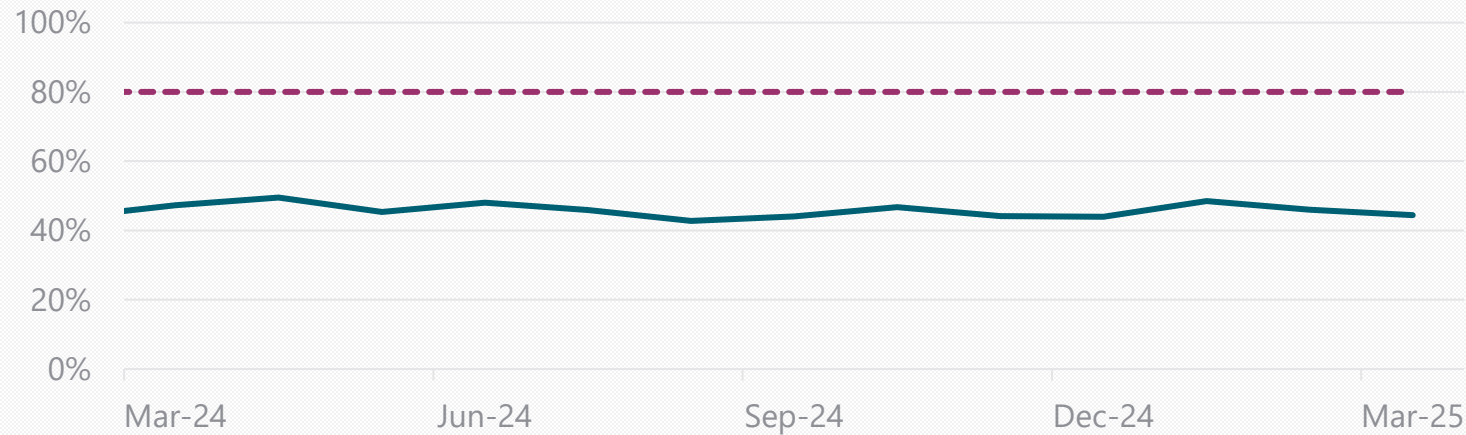
Overall responsiveness goal

80% of contacts meeting response time goals

Split out tracking by contact type and customer

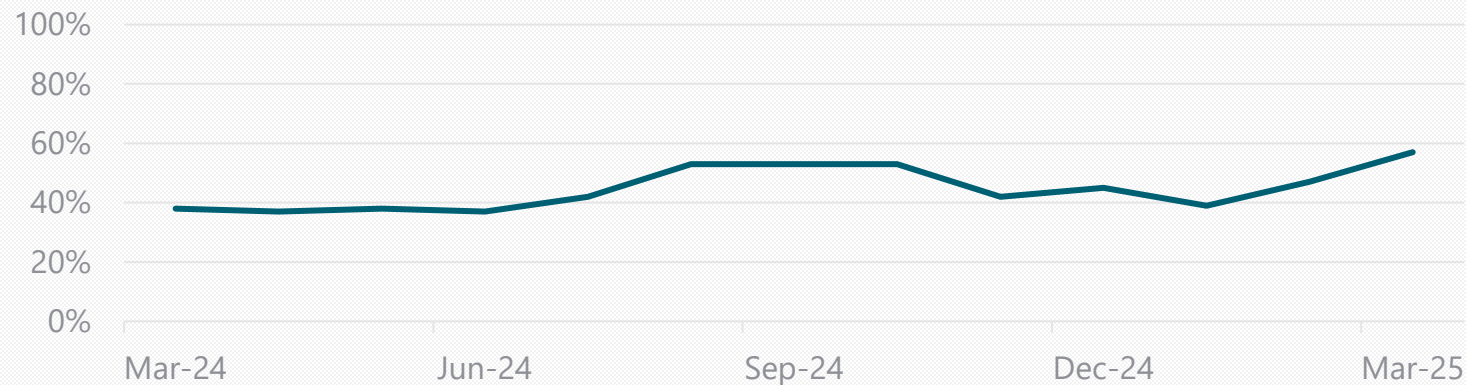
Phones responsiveness

Phone hold time less than 10 minutes (Goal: 80%)



- March 2025: 44% of Paid Leave phone calls answered within 10 minutes.
 - 2 percentage points less than the previous month
 - 3 percentage points less than March 2024

With no calls receiving "high call volume message"
Percentage of calls into queue*



- March 2025: 57% of calls to Leave & Care went into a queue
 - Compared to 47% the previous month
 - And 38% in March of 2024

Coming soon...

- Monthly tracking of progress toward
 - 80% of emails responded to within 1 business day
 - 80% of secure messages responded to within 1 business day
- Possible refinement of “high call volume” message measurement (under investigation)
 - Current proxy due to telephony system limitation is percentage of calls into queue

Employer accounts

For Now

Percent of employers with full access to their account

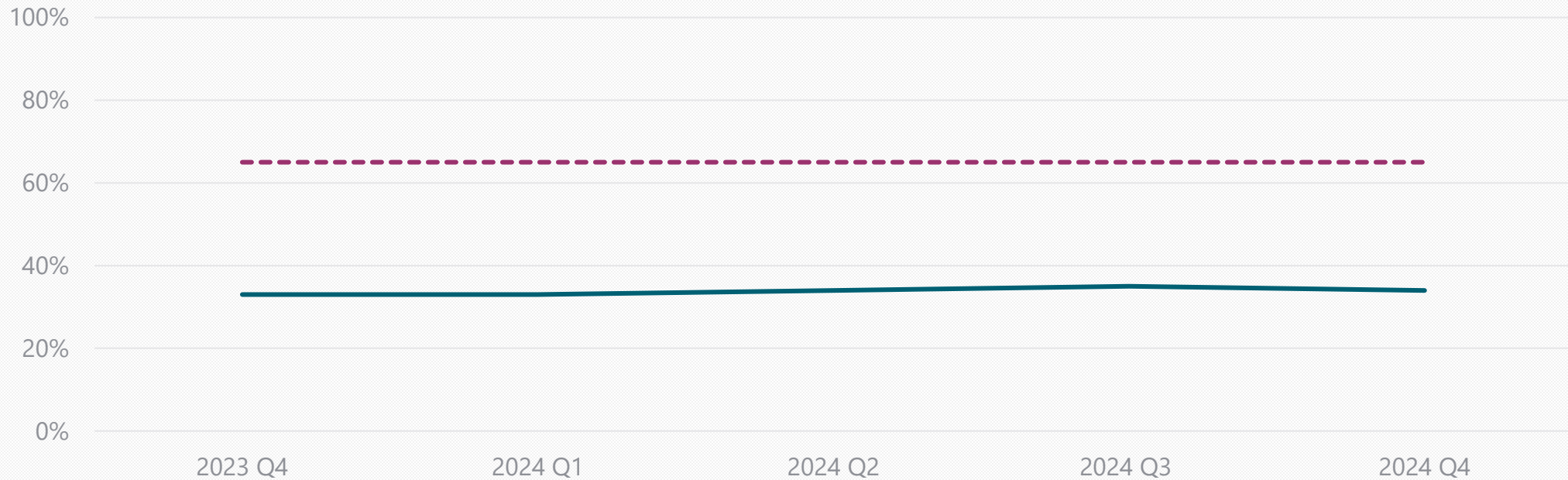
- Goal: 65% of employers

Later

Something around reporting timeliness, balances due, or penalties and interest as summary indicator

- Will work with Customer Compliance Division on future shared goals

Portal Employer Accounts – Full Access



- Goal: 65% of employers with quarterly reporting had full employer account access
- Number of employers has grown, but percentage has remained relatively stable in past year
 - 34% for Q4 2024

Adoption of formal program performance goals

Performance Metric	Performance Goal	Current Status (share meeting goal in March)
Time to application decision	75% of application with initial decision within 14 days	81%
Time to first weekly claim processed	75% of application with initial decision within 21 days	65%
Phone hold time	80% of customers with less than 10-minute hold time and no customers receiving high call volume message	44% met hold time goal, 57% went into phone queue
Secure message & email response time	80% customers receiving a response in 1 business day	TBD
Full account access	65% of employer accounts with full access	34%

Ombuds report

Edsonya Charles, Paid Leave Ombuds

2024 Contact Data

1,194 total times contacted

- 926 employee
- 39 employer/employer account
- 46 human resources
- 13 self-employed
- 8 referrals from constituent services
- 40 other (including advocates, HCP's, etc.)

Contact Method

- 849 phone calls
- 302 emails
- 43 both called and emailed

Topic	Total
Educate and inform <ul style="list-style-type: none"> • Eligibility/How to apply: 47% • Health benefits, PFML and FMLA, PTO, job protection: 32% • Other: 21% 	440
Submitted application (<i>approved, denied, etc.</i>)	91
Application assistance	34
Weekly Claims	60
Delay	24
Unlawful Acts complaints against employer	37
Access (technical troubleshooting of SAW, etc.)	71
Redeterminations	30
Employer reporting	9
Tax 1099-G	7
Appeals and appeal status	6
Fraud	7
Other topic	117
No topic included in message, and voicemail left for customer (or customer was able to resolve their issue prior to contact)	261

Ongoing issues & concerns

Not implemented

- Employer problems with receiving notifications; i.e., not available through portal; desire for all electronic access (partially implemented 1/2024)
- No benefit overpayment process, employer penalties and interest, or child support withholding
- UI/LNI crossmatch
- Pre-approval/conditional approval
- Conditional payments

Room for improvement

- FMLA/Paid Leave stacking (addressed by E2SHB 1213)
- Transition from medical to bonding leave for birthing parent
- Redeterminations (some improvements made in 2024 and 2025)
- Short-term disability providers
- Confusion about application: Employees mistakenly believe employer or provider applied for them
- Confusion about elective coverage
- Unlawful acts (will increase if E2SHB 1213 passes)
- Healthcare provider/medical certification issues (addressed by SHB 2102, now codified as RCW 70.02.370)
- Compliance audits
- Predetermination fraud process
- Fraud detection and response
- Employers' failure to report
- Coordination with voluntary plans
- Coordination and data-sharing with other states
- Payment records for employers in SAW

Leg. change/ESD interpretation

- FMLA/Paid Leave stacking (addressed by E2SHB 1213)
- Adoption/placement
- Employer problems with notification -privacy rules.
- SSA premium cap
- 10-day allowance for employers to respond to disputed hours/wages
- Localization
- Eight consecutive hours requirement (addressed by E2SHB 1213)

Hardship and accommodation requests

Hardship requests					
	Total requests	Approved	Denied (financial)	Denied (<one week)	Other
<i>Jan. 1 – Dec. 31, 2024</i>	1250	166	426	88	274

Total reasonable accommodation requests					
<i>Jan. 1 to Dec. 31, 2024</i>	337	> 100% increase over 2023			

IRS guidance

April Amundson, LCD Policy Manager

What we know

On Jan. 15, 2025, the IRS released Rev. Rul. 2025-4.

- Guidance is not specific to any single or group of states.

The ruling is effective for payments made ***on or after Jan. 1, 2025***.

The IRS solicited questions and comments from interested parties.

- Must be submitted ***no later than April 15, 2025***.

What it means

Guidance attempts to address:

How the department should report paid family and medical leave benefit payments to the IRS.

How employers should report premium contributions on employee tax forms.

It does not pertain to:

Employers with a voluntary plan.

Payments made for small business assistance grants

What we still don't know

- The percentage of medical leave benefits attributable to the employer.
- How to report medical leave benefit payments to the IRS.
- Whether this guidance is sufficient to trigger the requirements of [RCW 50A.15.070](#).
- Whether and how to communicate specifics about tax implications to employers.

We're continuing to:

Solicit legal advice from AGO and special counsel.

Work with other states to establish consistency in shared interpretations when possible.

Discuss with leadership to determine implementation strategies.

Paid Leave budget summary

Danielle Cruver, CFO

2025-27 Budget – Paid Family Medical Leave

PFML Program Operations –

- ESD requested the expansion of FTEs to accommodate program growth and meet customer and stakeholder expectations.
- Governor’s budget generally funds the Operations customer service staff and employer services staff.
- The request for additional Paid Leave program administration staff for process improvements, system stabilization, and automated processes was not funded in the Governor’s budget.

Customer Compliance Integration –

- ESD requested additional staffing to improve the fraud detection for the Paid Leave, as well as overpayment collections.
- Governor’s budget focuses on funding employer audit staff (with a phase in) and phasing in of collection staff for a pilot that ESD plans to roll-out based on the expected completion date of PFML collections system implementation of June 2026.

PFML System Completion –

- ESD requested resources for the project be moved from FY25 to 25-27 to complete the balance of remaining legal requirements.
- Governor’s budget fully supported this request.

Management Efficiencies –

- Governor Ferguson’s Budget included reductions for management efficiencies of which \$3.2 million was assigned to the Family & Medical Leave Account (22F) in 25-27.

The Navigator FTE was funded for the UI program, but not for Paid Leave

Paid Leave Decision Packages

Decision Package	ESD Request	Governor's Budget	House Budget	Senate Budget
Program Operations	\$22,122,000 FTE: 80.9	\$10,823,000 FTE: 43.0	\$10,823,000 FTE: 43.0	\$10,823,000 FTE: 43.0
Customer Compliance	\$8,546,000 FTE: 32.0	\$5,893,000 FTE: 22.1 (FY26 is phased in)	\$5,893,000 FTE: 22.1 (FY26 is phased in)	\$5,893,000 FTE: 22.1 (FY26 is phased in)
System Completion (informally submitted)	\$8,966,000 FTE: 28.5	\$8,966,000 FTE: 28.5	\$8,966,000 FTE: 28.5	\$8,966,000 FTE: 28.5

Legislative update

Josh Dye, Director Government Relations

Paid Leave bills ESD's tracking

HB 1213: job protection +

- Reduces minimum claim duration for payment from 8 to 4 consecutive hours
- Job protection
 - Expands eligibility
 - Establishes phased in approach on employer size
 - Addresses stacking with FMLA provisions
 - Sets employer and ESD notification requirements
- Modifies method of employer sizing
- Expands SBA grant program
 - Allows TPAs to apply for grants on behalf of employers for some grant types
 - Sets payment threshold at 14 calendar days
 - Requires ESD notification of potential grant eligibility.

Paid Leave bills ESD's tracking

SB 5191: premium collection for dockworkers

- Amends the definition of employer to include representative for employers of dockworkers report/pay premiums for those under a CBA

SB 5292: Paid Leave premium rate setting (did not make cut off)

- Premium rate to be set based on actuarial report
 - Effective date: Jan 1, 2027
 - 2028 premium rate being the first rate under this new model
- Lowest rate necessary to maintain solvency and close with a 4-month reserve
 - Establish the reserve by end of rate collection year 2030 (2031 Q1)
 - Based on projected expenses in following year vs. prior year.
- Establishes graduated maximum rate

Next meeting

1 to 2 p.m. on Wednesday, May 28 (Hybrid)

Proposed topics

- Legislative wrap-up

Open comment

Reminders Use the Zoom “raise hand” feature to make a comment.

Please frame your questions as a comment.

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

Continue the conversation

JR Richards, Director Insurance Services
Employment Security Department
JR.Richards@esd.wa.gov



Visit us online at
www.paidleave.wa.gov



Join our listserv at
bit.ly/PaidLeaveList

Appendix

Current program priorities

Leave and Care | Portfolio Dashboard Status Report

As of April 5, 2025

Sch: Schedule ; Res = Resources

Close Out On Target At Risk High Risk N/A (planning) Complete

Overall Health Report Date

Lvl	Project Description	Theme	Sch	Res	Risk	Q4 - 2024	Q1 - 2025	Q2 - 2025	Q3 - 2025
2	2025 Annual Changes	Annual work				03/18/2025			
1	Decision Package Hiring	Balance of Work				04/30/25			
3	Claim year redetermination improvements	Balance of Work				04/30/2025			
3	Paid Leave Child Support Withholding	Balance of Work				04/15/2025			
0	Expanded Paid Leave and WorkSource Collaboration	Partnership				05/31/2025			
1	2025 Legislative Session	Legislation				06/01/2025			
3	Cloud Migration Portal	Enhancement				06/15/2025			
0	Racial Equity Data Collection Proviso	Legislation				06/30/2025			
2	Identify Overpayments in Weekly Claim Redeterminations	Balance of Work				07/15/2025			
2	Receiving benefit overpayments	Balance of Work				10/01/2025			
4	WA Cares Contribution Determination	WA Cares				11/30/2025			
2	Quality Assurance Revamp	Enhancement							

Projects in Discovery		
Project Name	Project Contact	Status
Employer account homepage and notifications	Kevin McGowan	Discovery in Progress
Benefit application improvements	Jeannette Ritchie	Discovery in Progress
One Washington	Tom Jones	Submitted to Portfolio Manager
Assess and waive benefit overpayments	Jeannette Ritchie	Scheduled to review with Portfolio LT
Preventative UI/PFML crossmatch	Cezanne Levesque	Staged as "ready"

Future work

Next

- **Penalties and interest (employer)**
- **Penalties and interest (employee)**
- Benefit duplication prevention and automation
- **Crossmatch L&I with Paid Leave benefits**
- Stable data infrastructure
- Implement community engagement program

Later

- **Adding county & legislative district to database**
- **Elective coverage for tribes**
- **Collections (employer & employee)**
- **Conditional benefit payments**
- Pre-application for benefits
- Implement comprehensive authorized representative process

Bolded items are, or enable, Paid Leave balance of work.