

Washington
Paid Family & Medical Leave



Employment Security Department
WASHINGTON STATE

Advisory Committee Meeting

Wednesday, July 23, 2025

Agenda

Introductions and approval of April minutes

Insurance Services Division update

Program experience and performance measures

Program priorities

Employer Services overview

Actuarial 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 April minutes



Insurance Services update

JR Richards, Director

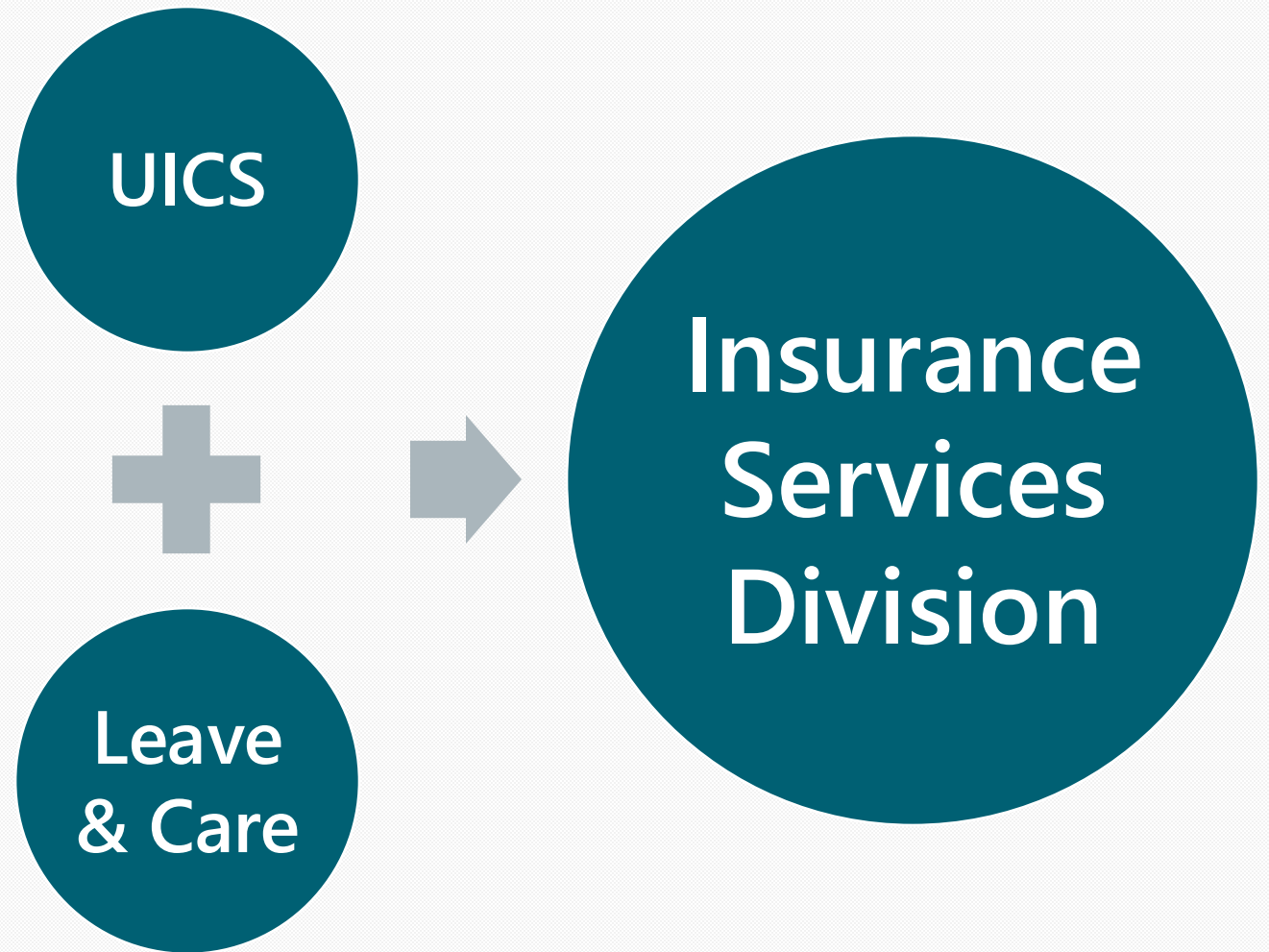
Insurance Services

Brings together three critical insurance programs:

- Paid Leave
- Unemployment Insurance
- WA Cares

And two former divisions:

- Leave & Care
- Unemployment Insurance Customer Support (UICS)



New division aligns with agency 2024-2028 strategic plan

Goal: Happy customers – services at the right time in the way they need it

- Implement customer experience executive order
- Integrate customer compliance across insurance programs
- Implement the Paid Leave balance of work
- Develop a unified approach to improve external partner, stakeholder, and community engagement

Goal: Bright Future – effective service delivery

- Business transformation and technology investment across programs to improve customer experience and agency performance
- Modernize ESD's legacy systems

Progress to date

Completed an organizational assessment

- Goal: design a structure that best supports employees, customers, and core work.
- Included review of the strategic plan, employee surveys, program data, assessments, audits, and division leadership planning.

Identified key business lines in common

- Benefit Services
- Employer Services
- Programs and Strategy
- Support Services
- Community Relations and Outreach

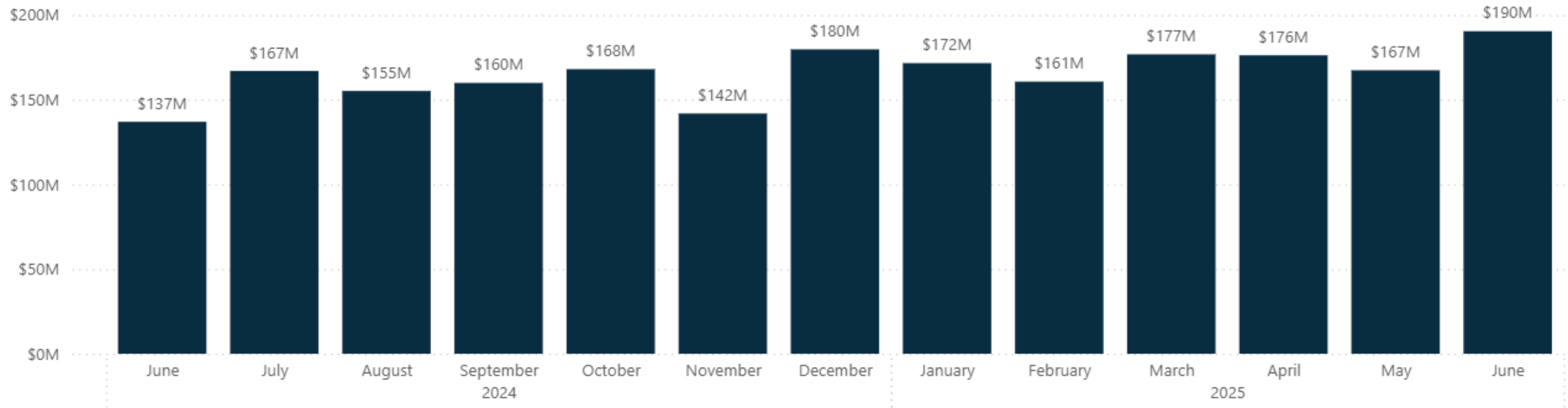
Program experience and performance measures

Rebecca Grady, Research and Data Manager

Steve Zawoysky, Treasury Manager

Monthly Benefit Payments

- **June 2025, \$190.4 million benefits paid**
 - 14% more than the prior month
 - 39% more than June 2024
- **\$167.9 million avg. monthly payment for previous 12 months**
- **June 2025, avg. weekly benefit for new claim years was \$1,109.8**

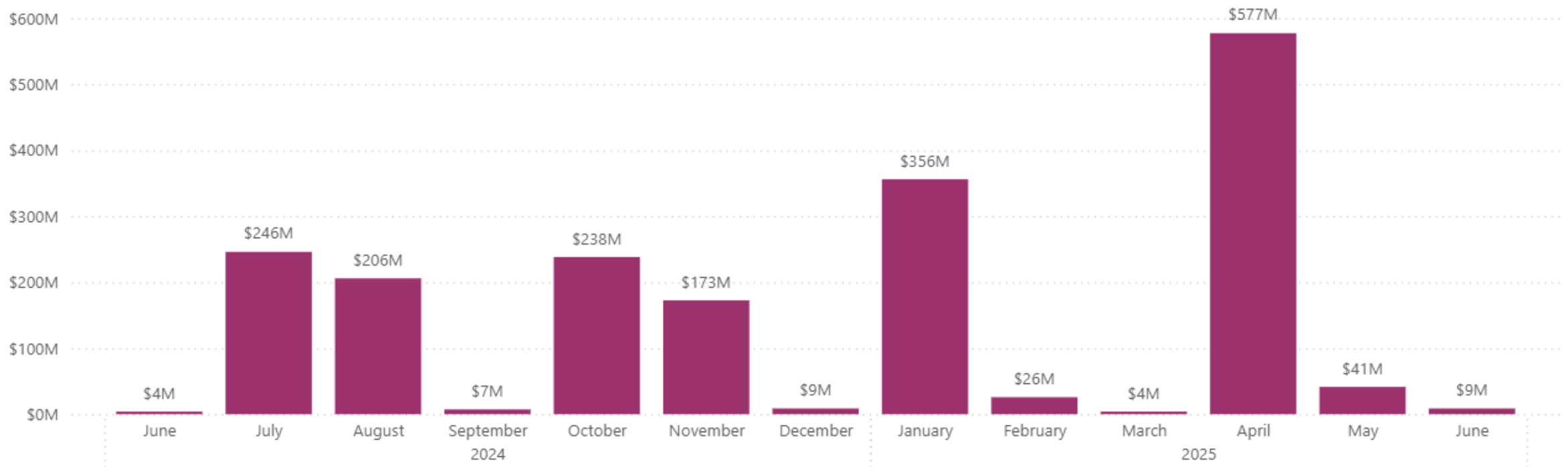


Technical note: Data grouped by date financial transaction occurred in accounting database. If comparing to monthly approved benefits or account balance data published elsewhere there may be slight variations.

Monthly Premiums Remitted

- June 2025, \$9 million in premiums remitted
- \$1.89 billion premiums remitted in the previous 12 months
- \$627 million in remitted in Q2 2025

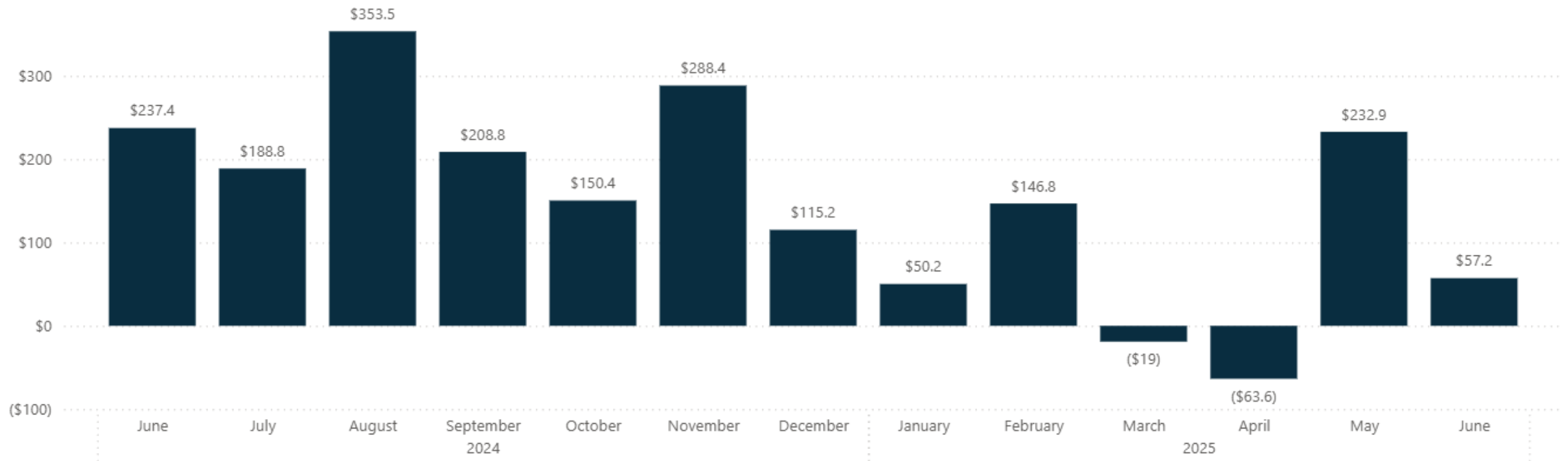
*Cyclical pattern of highest monthly premium transactions occurring at the end of quarterly report periods. Premiums assessed for each quarter are remitted in the following quarter



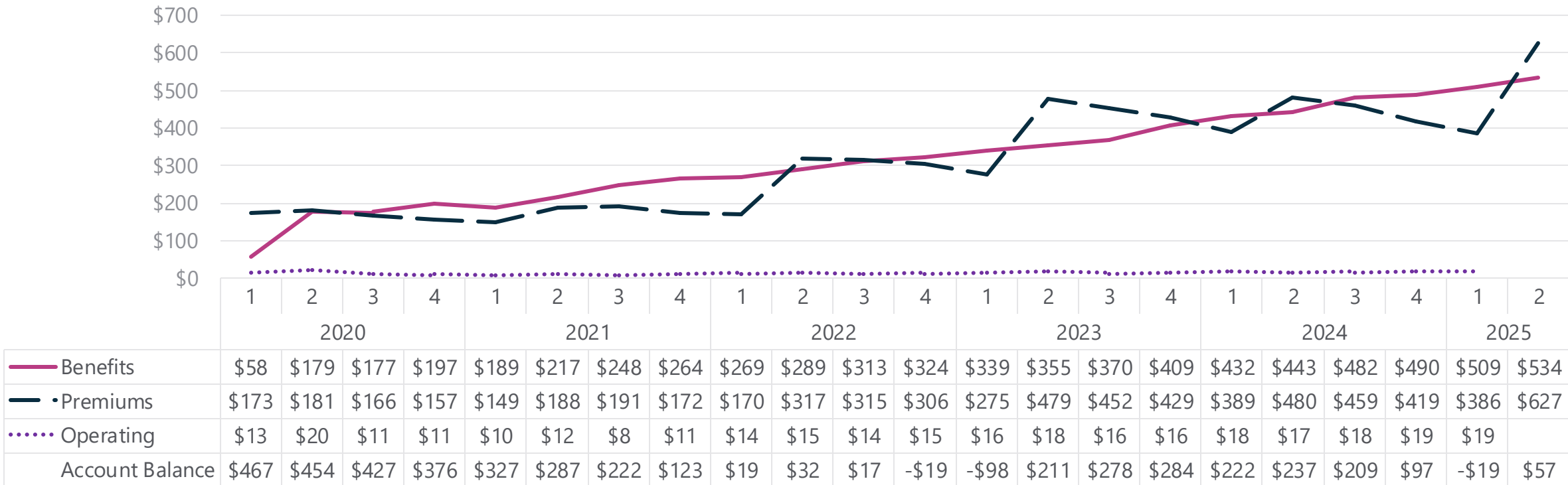
Technical note: Data grouped by date financial transaction occurred in accounting database. If comparing to monthly invoiced premiums or account balance data published elsewhere there may be slight variations.

Monthly Account Balance

- Ending account balance for June, 2025 was \$57.2 million
- \$176 million less than the prior month
- \$180 million less than June 2024



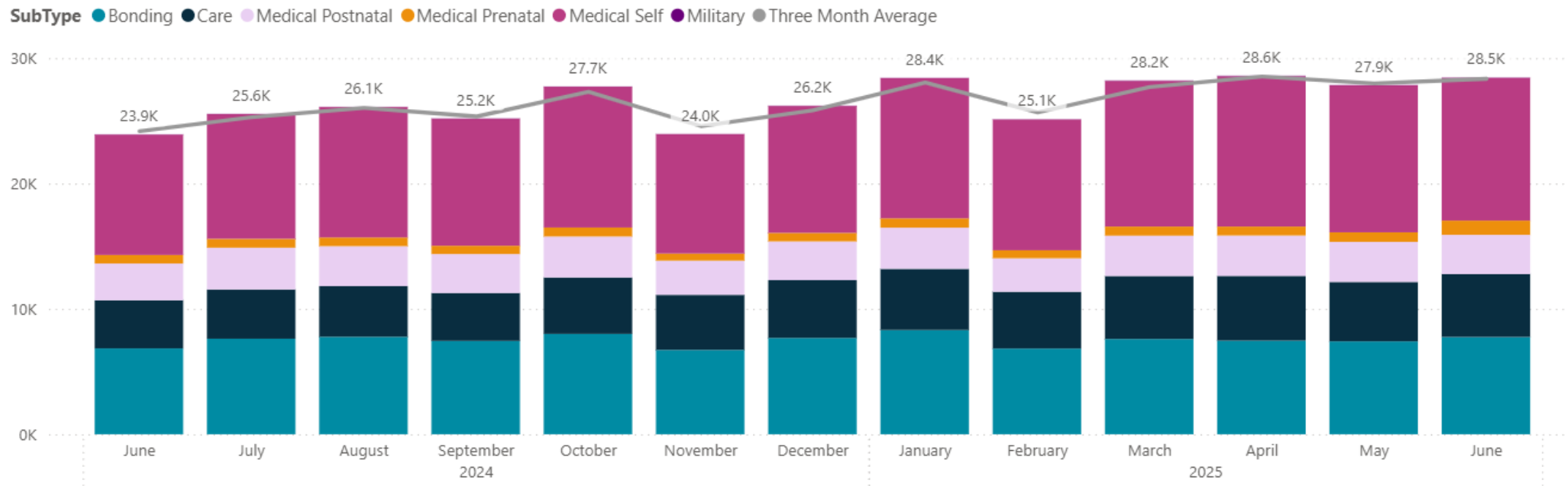
Premiums, benefits, operating expenses, and account balance by quarter (millions)



Technical note: Operating expenses in recent quarter are preliminary. Account balance, premiums, and expenses data are from different data systems so numbers will not exactly total within a quarter.

Claim applications by type

- **June 2025, we received 28.5 thousand applications**
 - Slightly more than the previous month
 - 19% more than June 2024
- **45% family, 55% medical**
- **Three-month rolling average: 28.4 thousand**



Claims with payments and approval rates

June 2025, 83% of claims were approved

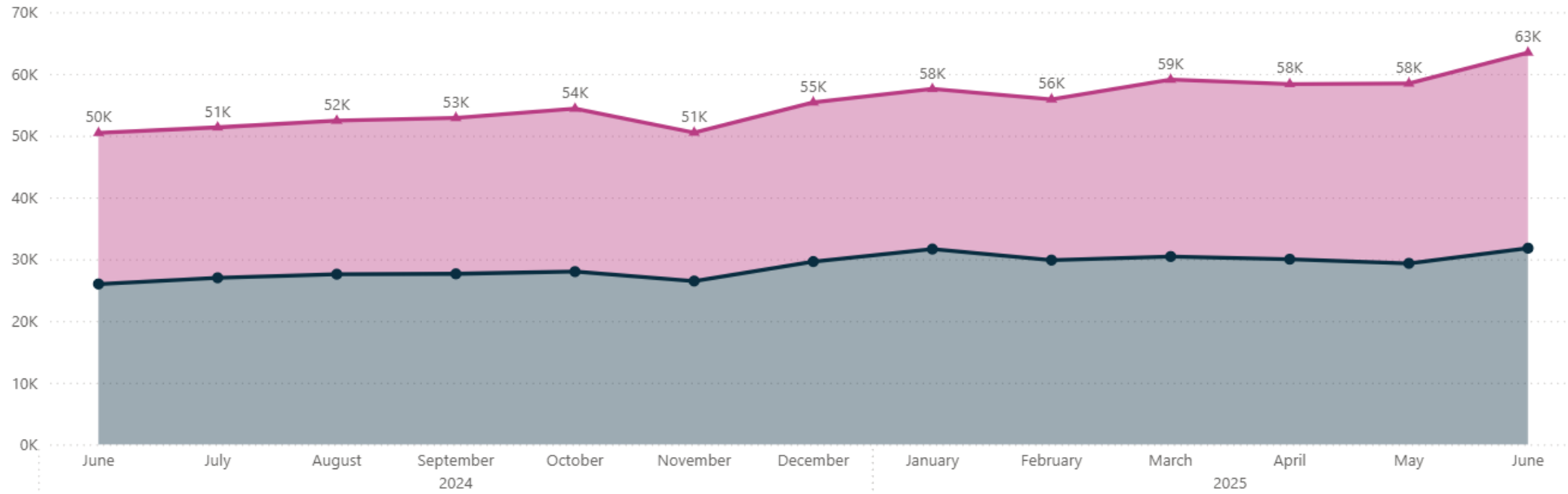
- 86% were approved in the prior month
- Current month typically lower than prior month (data maturity)

June 2025, total unique paid claims was 63,471

- 26 more than June 2024

Monthly claims with payment(s)

● FAMILY ▲ MEDICAL



Customer-focused performance goals

Benefits wait time

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

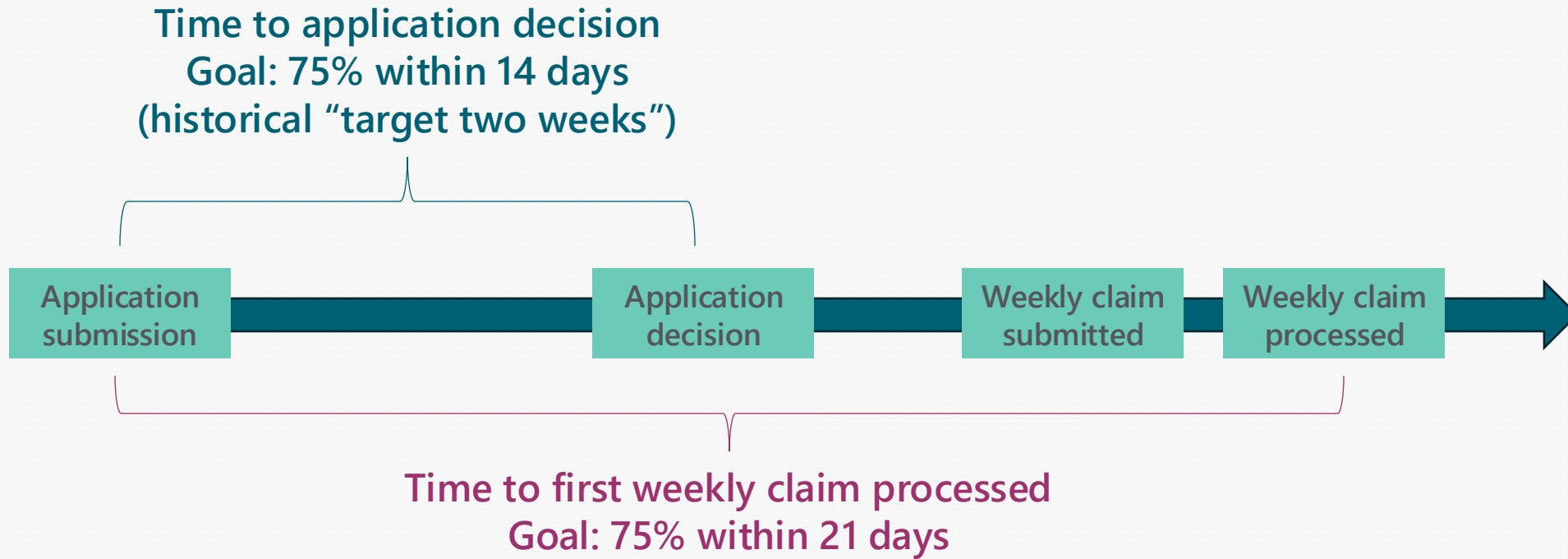
Customer contact response time

- Phone hold time
- Secure message & email response time

Employer accounts

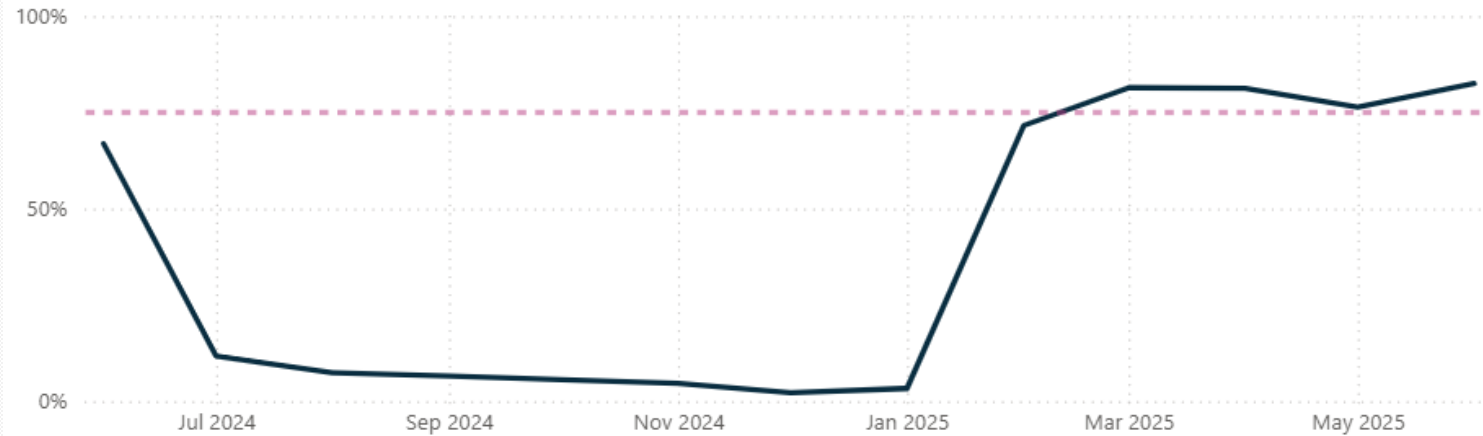
- Full account access

Benefit wait time



Leave processing times

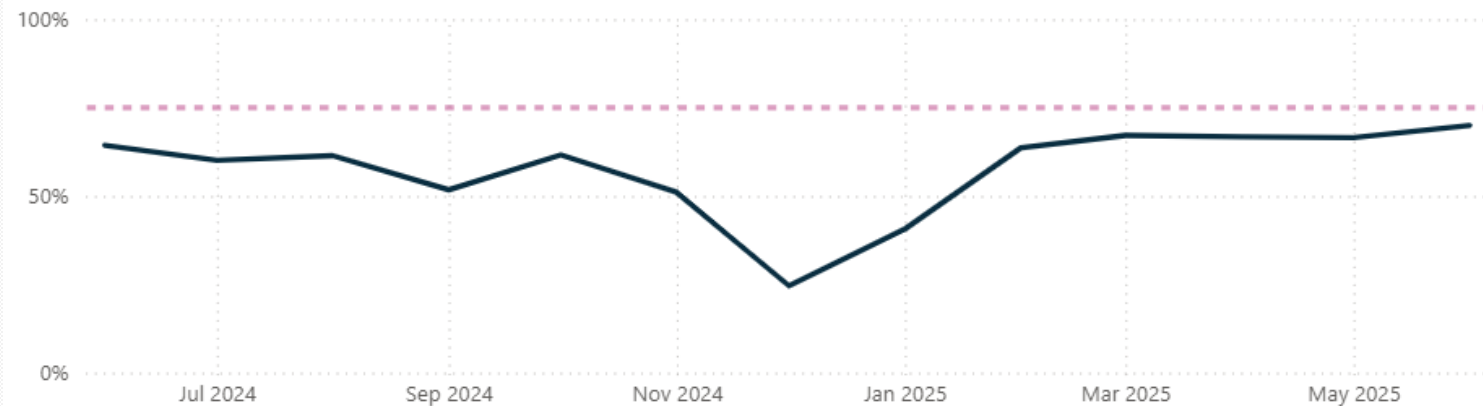
Applications with initial decision within 14 days (Goal: 75%)



June 2025, met goal with 83% of leave applications initially adjudicated within 14 days

- 7 percentage points more than previous month
- 16 percentage points more than June 2024
- June 2025, median processing time was 9 days

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



June 2025, under goal with 70% of applications having first weekly claim processed within 21 days

- 3 percentage points more than the prior month
- 6 percentage points higher than June 2024
- June 2025, median time from application submission to first weekly claim processed was 15 days

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



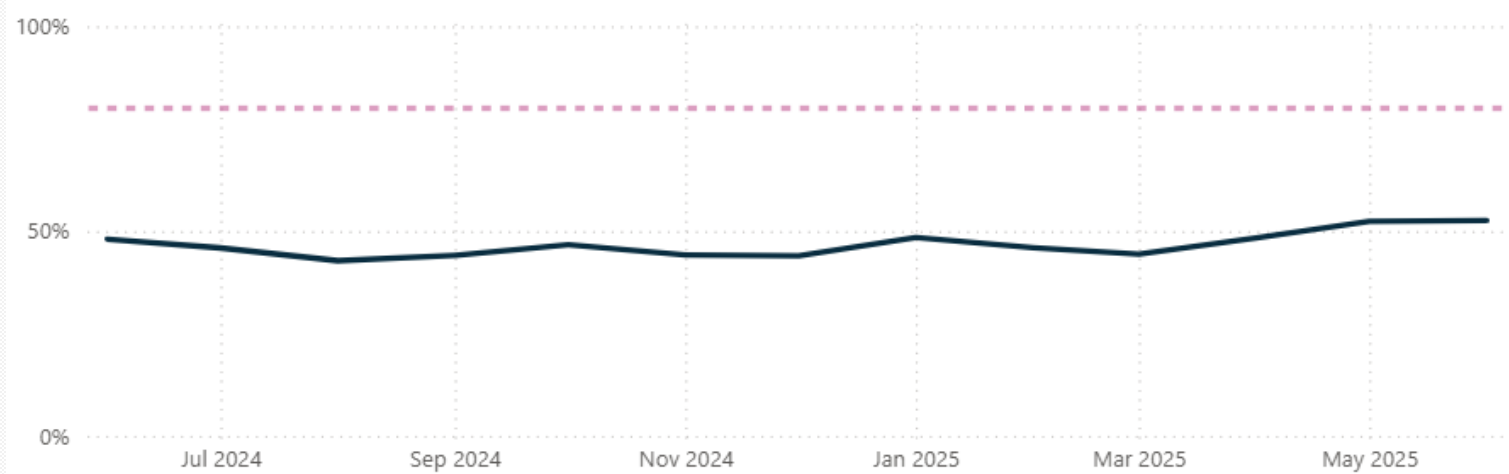
Overall responsiveness goal

80% of contacts meeting response time goals

Split out tracking by contact type and customer

Phone responsiveness

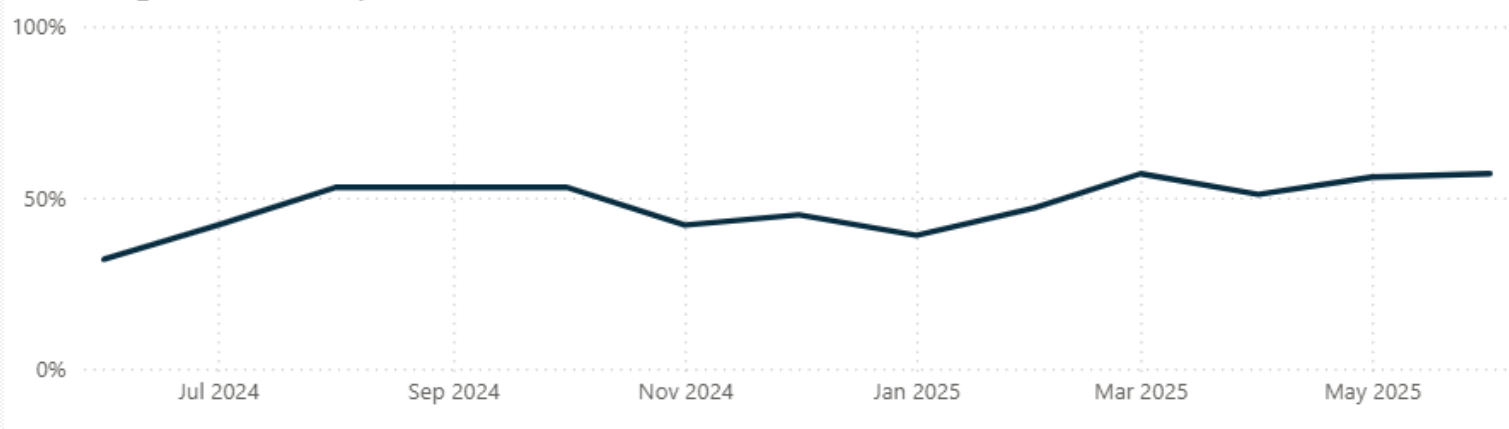
Phone hold time less than 10 minutes (Goal: 80%)



June 2025, 53% of Paid Leave phone calls were answered within 10 minutes.

- 1 percentage point more than the prior month
- 5 percentage points less than June 2024
- June 2025, avg. phone queue time was 23 minutes

Percentage of calls into queue



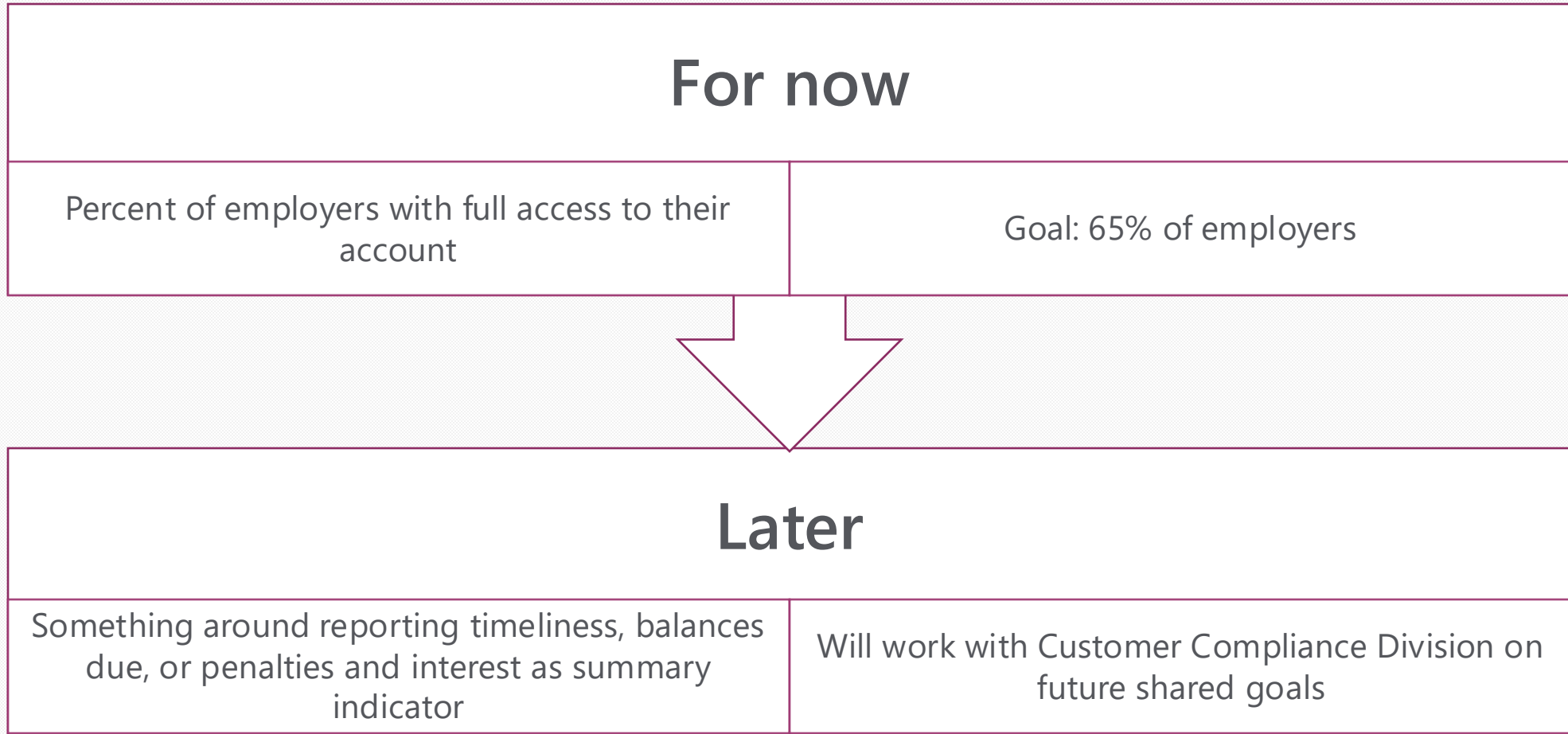
June 2025, 57% of calls to Leave and Care went into a queue

- 1 percentage point more than the previous month
- 25 percentage points more than June 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

Employer accounts



Employers with full account access

Goal: 65% of employers with quarterly reporting had full employer account access

- Q2 2025, 37% had full access accounts
 - 3 percentage points more than in Q1 2025
- 74% of those employer reporting for themselves have full access
 - 2 percentage points more than in Q1 2025
- 28% of employers using a TPA have full access
 - 4 percentage points more than Q1 2025



Summary of program performance goals

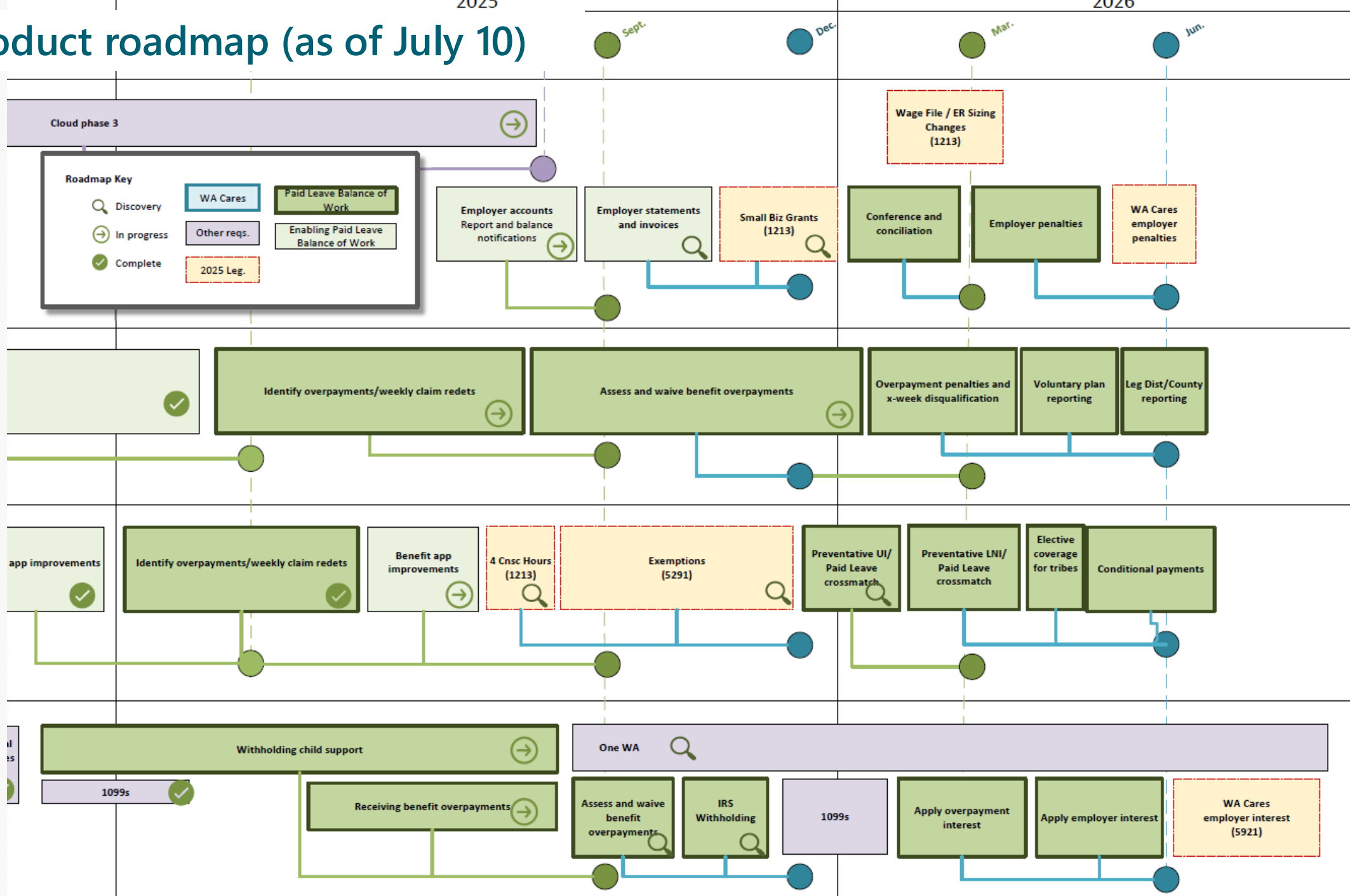
Performance Metric	Performance Goal	Current Status
Time to application decision	75% of applications with initial decision within 14 days	83%
Time to first weekly claim processed	75% of applications with initial decision within 21 days	70%
Phone hold time	80% of customers with less than 10-minute hold time	53% 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	37%

Program priorities

Alison Eldridge, Deputy Director

<div> <div> <div>Leave and Care Portfolio Dashboard Status Report</div> <div>As of July 3, 2025</div> </div> <div> <div>Sch: Schedule ; Res = Resources</div> <div> <div>Close Out</div> <div>On Target</div> <div>At Risk</div> <div>High Risk</div> <div>N/A (planning)</div> <div>Complete</div> </div> <div> <div>Overall Health</div> <div>Report Date</div> </div> </div> </div>									
Lvl	Project Description	Theme	Sch	Res	Risk	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
1	2025 Legislative Session	Legislation					06/01/2025★		
0	Racial Equity Data Collection Proviso	Legislation					06/30/2025★		
0	Expanded Paid Leave and WorkSource Collaboration	Partnership					07/31/2025		
0	2025 PFML Staffing Report	Legislation						09/01/2025	
3	Cloud Migration Portal	Enhancement					09/15/2025		
2	Identify Overpayments in Weekly Claim Redeterminations	Balance of Work						10/01/2025	
3	Paid Leave Child Support Withholding	Balance of Work						10/01/2025	
0	Dockworkers reporting and premiums (SSB 5191)	Legislation						11/01/2025	
0	2025 Annual Program Report	Legislation						12/01/2025	
4	WA Cares Contribution Determination	WA Cares						12/31/2025	
2	Benefit application enhancements 2025	Enhancements						12/31/2025	
2	Equitable hiring: Implementation of EO 24-04 and 24-05	Legislation						01/16/2026	
2	Receiving benefit overpayments	Balance of Work						01/31/2026	
4	Assess and waive benefit overpayments	Balance of Work						01/31/2026	
2	Employer account notifications and actions	Balance of Work						01/31/2026	
2	Quality Assurance Revamp	Enhancement						04/24/2026	
4	One Washington	Enhancements						03/01/2027	

Product roadmap (as of July 10)



32+ features coming in September

Benefits

- Withholding child support.
- Application, weekly claim, and redetermination improvements to enable work on overpayments.

Employers

- Enabling work for penalties & interest, including detailed report status, calculation breakdown, and notifications.

Future work

Next

- WA Cares omnibus (SSB 5291)
- **Penalties and interest (employer)**
- Benefit duplication prevention and automation
- **Crossmatch L&I with Paid Leave benefits**
- **Elective coverage for tribes**
- **Penalties and interest (employee)**

Later

- Stable data infrastructure
- **Adding county & legislative district to database**
- **Collections (employer & employee)**
- **Conditional benefit payments**
- Pre-application for benefits
- One application for birth and bonding
- Comprehensive authorized representative process

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

Employer Services overview

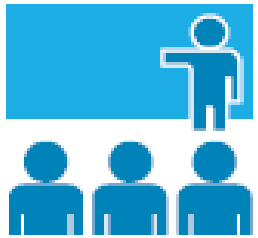
Nicole Ross, Employer Services Manager

Unit objectives

To research and resolve outstanding employer account issues to help secure the program's financial position, be good stewards of resources, and increase our programs' ability to continue to pay out benefits into the future.

To help employers, employer agents, voluntary plan administrators, and elective coverage customers with the right information the first time to ensure they are set up for success and understand program requirements.

Leave and Care Division: Employer Services



ER Support Team:
Overall Employer
Support



ER Reporting Team:
Advanced Employer
Support, Voluntary Plans,
Conference and Conciliation



Strategic Response Team:
Targeted Employer and TPA
Support, Issue Intervention
and Mitigation



ESD Compliance:
Investigation, Audit, and
Collection Efforts

2025 Employer Services highlights

- Resolved **over \$37 million** in outstanding balance issues, including **over \$7 million** paid into Paid Leave.
- As of July 1, responsible for all frontline support for employers, **turning feedback into actionable improvements** that enhance the overall service experience.
- Actively partnering with leading payroll providers to **address systemic issues** in bulk filing, streamlining resolutions and reducing administrative burden.
- Launched the Strategic Response Team with a **dedicated focus on high-impact issues**. Work includes identifying trends, closing gaps, and driving the implementation of service goals and individual performance metrics.
- Looking ahead to 2026, we will provide **frontline support and subject matter expertise** to employers, ensuring smooth transitions and tailored guidance.

Actuary update

Karissa Burgess, Actuary

Executive summary

2025Q1 Updates

- 2025Q1 ending account balance was **-\$19 million** compared to FY24 projection of -\$47 million. 2025Q2 was \$57 million actual compared to \$3 million.
- Incurred 2025Q1 claims close to previous projection
 - 2025Q1 incurred approved claims +\$12.7 million vs FY24 projection
 - Small differences driven by Care and SelfMed, with some offset from birth-related claims
- 2025Q1 average premium wages slightly higher than previous projection, +2.7%

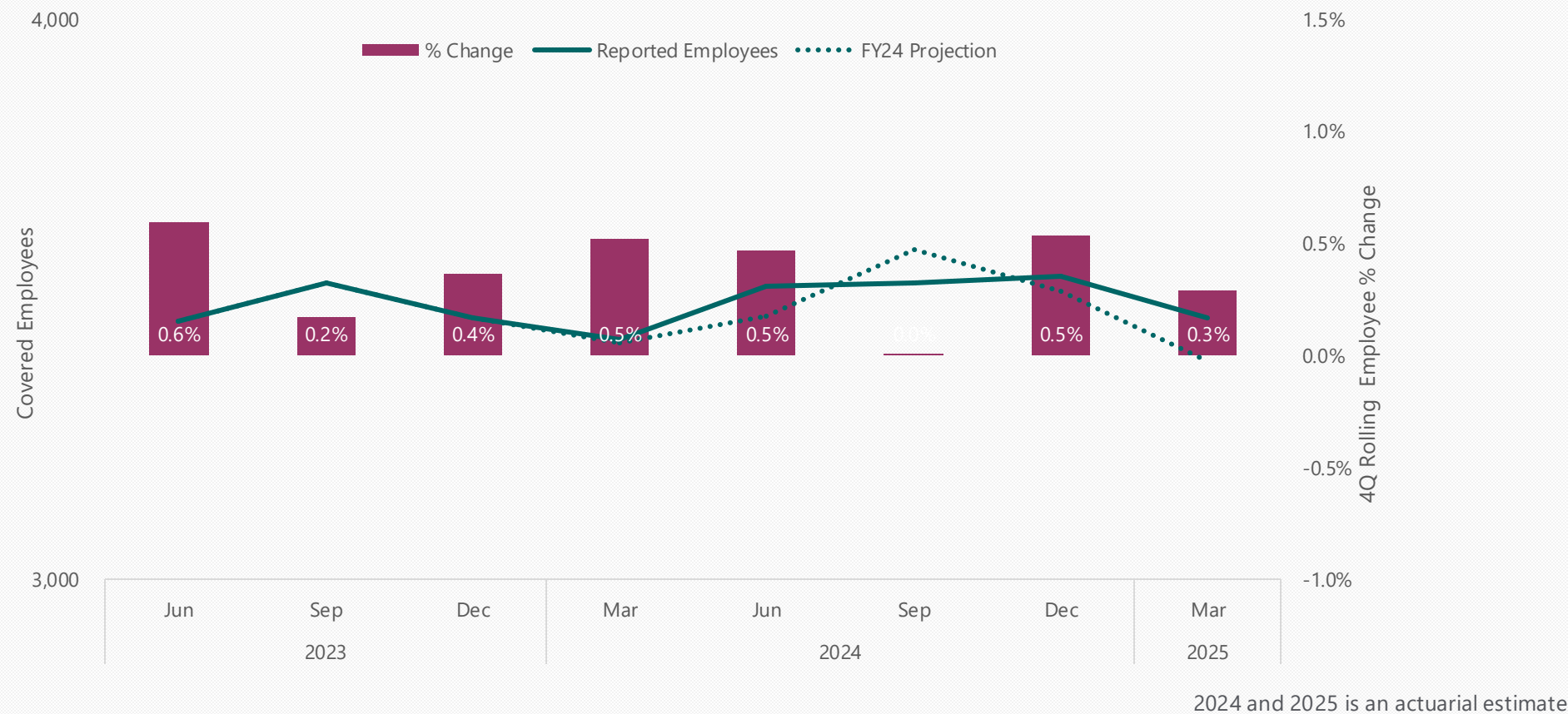
Program forecast

- Account balance shows slight increase over FY24 projection in 2025 due to lower claims spend and slightly higher wages.
- **Account deficits still projected intermittently through mid-2027.**
 - Continued high trends in some claim types, projected programmatic changes and rate changes result in lower account balance than previous projection after 2025.

Previous projection refers to the FY24 projection

Covered employees by quarter

Average growth is close to FY24 projection



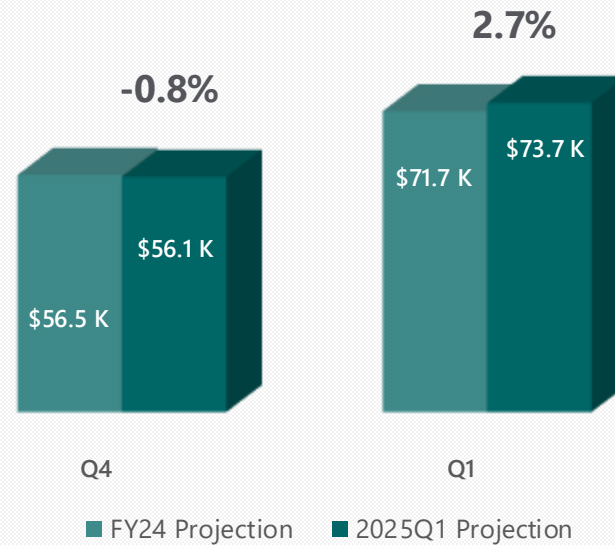
Overall, average growth is close to projected and with less volatility than FY24 projection.

Reported wages by quarter

Compared to FY24 Projection

Premium wages continue to be close to previously projection but with some fluctuation by quarter.

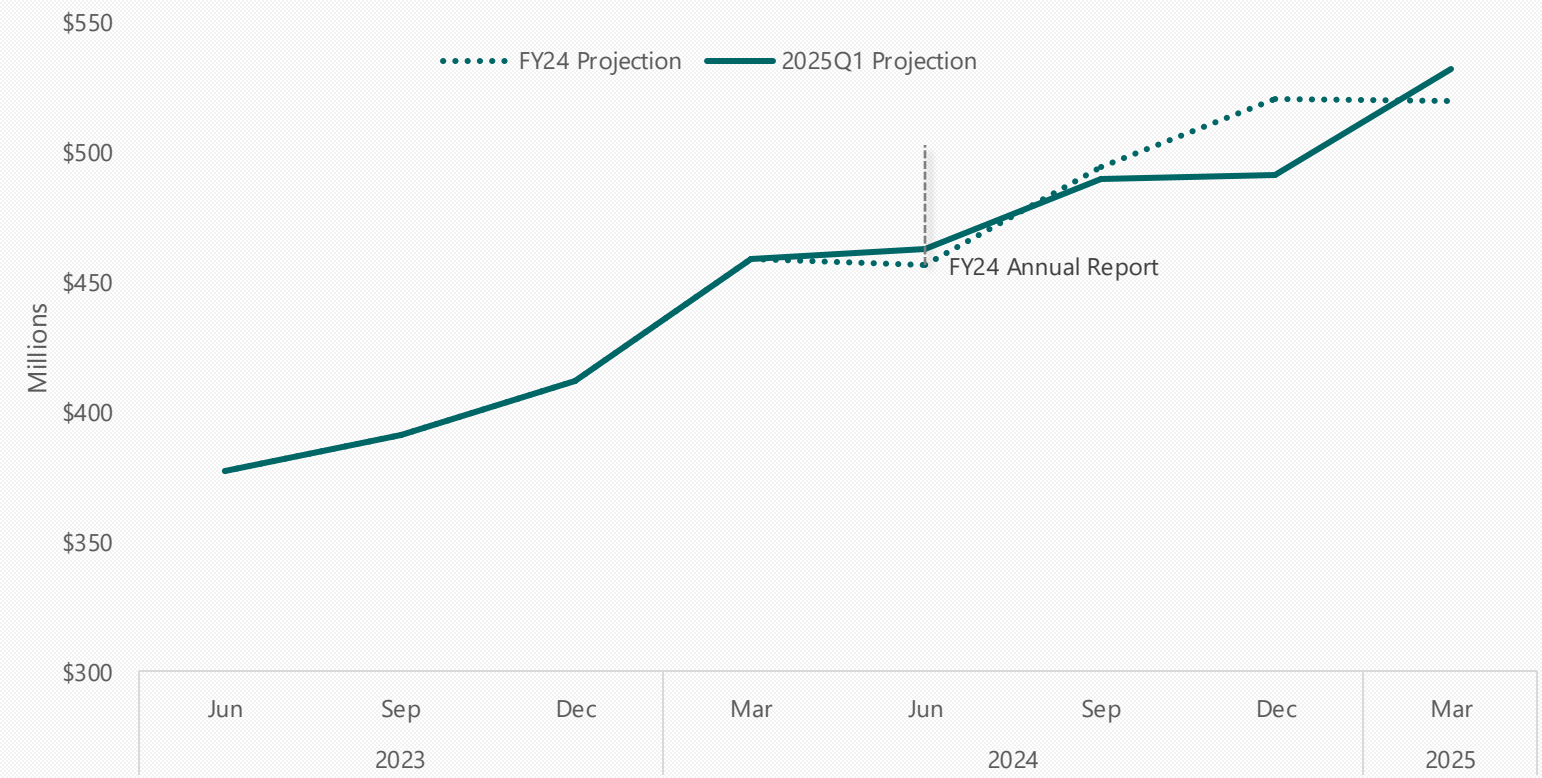
- The average premium wage was -0.8% lower in 2024Q4 and 2.7% higher in 2025Q1 than previously projected.



Data is an actuarial estimate

Incurred leave benefit by quarter

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



Claims continue to evolve over time.

- Overall incurred claims growth is 2.4% higher than projected in most recent quarter, and 5.7% less in the prior quarter.
- ^{25%} Claim increase in Q1 compared to FY24 projection is related to higher trends in Care and SelfMed utilization.
- Q4 claims were lower due to lower Bonding offsetting increases in Care and SelfMed

2024 & 2025 are actuarial estimates
Claims shown by leave start date

Incurred leave benefit by claim type

Compared to FY24 projection. Claims with continued high trends remain high, no longer partially offset by Bonding

Total incurred claims in Q1 +\$12.7M higher vs. FY24 projection, drivers are Care and SelfMed.



Higher than projected

- **Care +\$11.7M, +18.9%**
- **SelfMed +\$4.6M, +4.6%**
- Bonding +\$0.2M, +0.1%



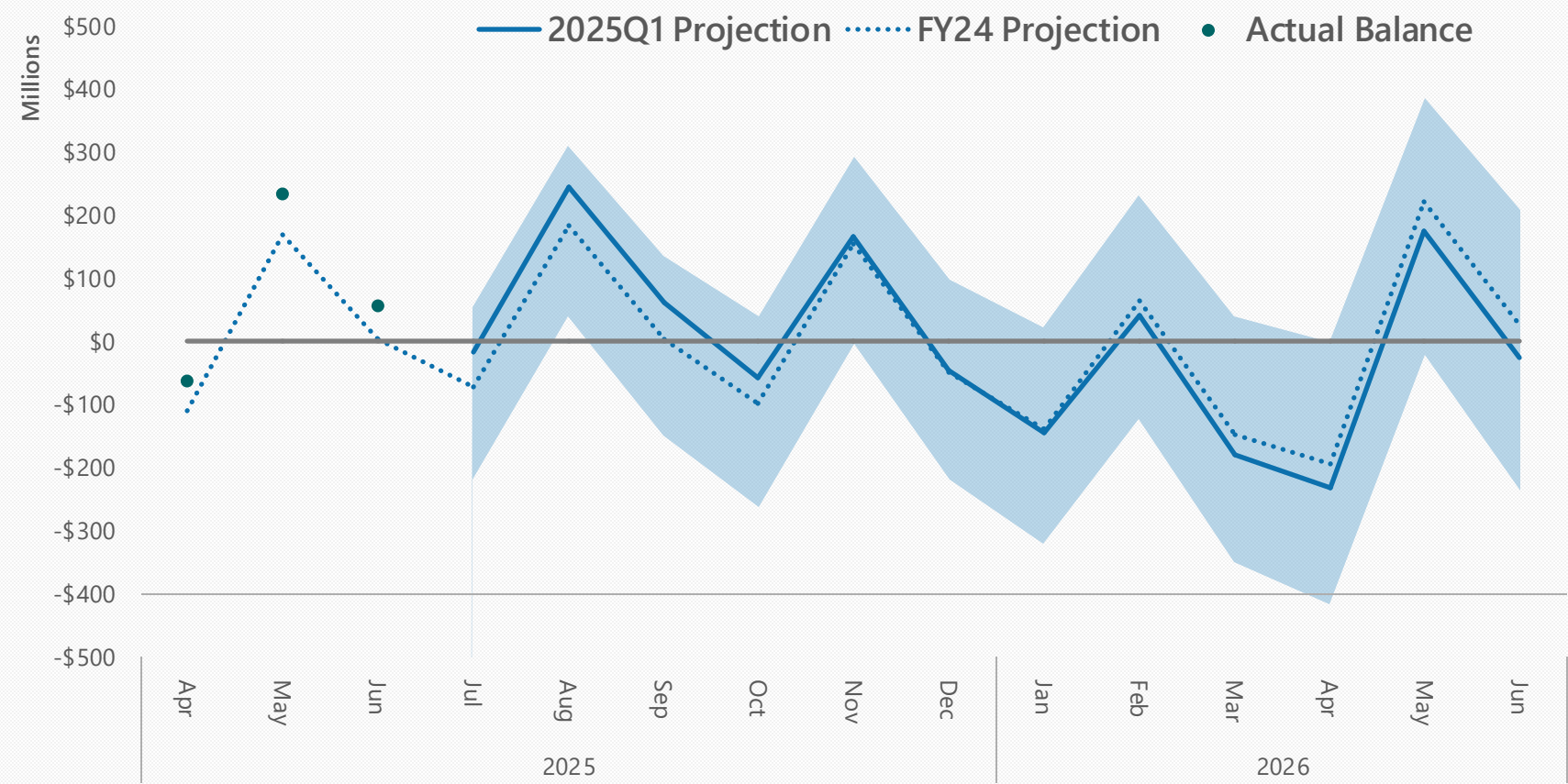
Lower than projected

- Birth-related -\$8.0M, -10.6%

Actuarial estimate based on known claim payments.
Based on claims where leave was started in Q1.

Account balance 2024+

2025Q1 projection reflects slightly higher account balance due to slower growth in some claim types.



FY24 Projection is based on 2024 PFML Annual Actuarial Report, including the final 2025 premium rate.
2025Q1 Projection is updated based on data through 2025Q1, with PFML account balance as of 6/2025. Values refreshed as of May presentation.
High and low ranges may be adjusted as more data is received.

2025 Planned updates

Upcoming
actuarial
updates

September Advisory Committee Meeting

Overview of current 2025 PFML Annual Actuarial Report results

October Advisory Committee Meeting

2026 PFML rate change updates

November (no meeting)

2025 PFML Annual Actuarial Report Released

December Advisory Committee Meeting

Q3 quarterly update

Next meeting

1 to 3 p.m. on Wednesday, Sept. 23 (virtual)

Proposed topics

- Rules update
- Actuarial report preview

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

Performance metrics additional details

Time from application submission to first weekly claim processed

Month	Average days	Median days
June 2024	29	17
June 2025	24	15

Month	Average days	Median days
July 2024	29	20
August 2024	29	19
September 2024	31	21
October 2024	29	19
November 2024	32	21
December 2024	34	24
January 2025	33	23
February 2025	28	17
March 2025	28	15
April 2025	28	16
May 2025	27	16
June 2025	24	15

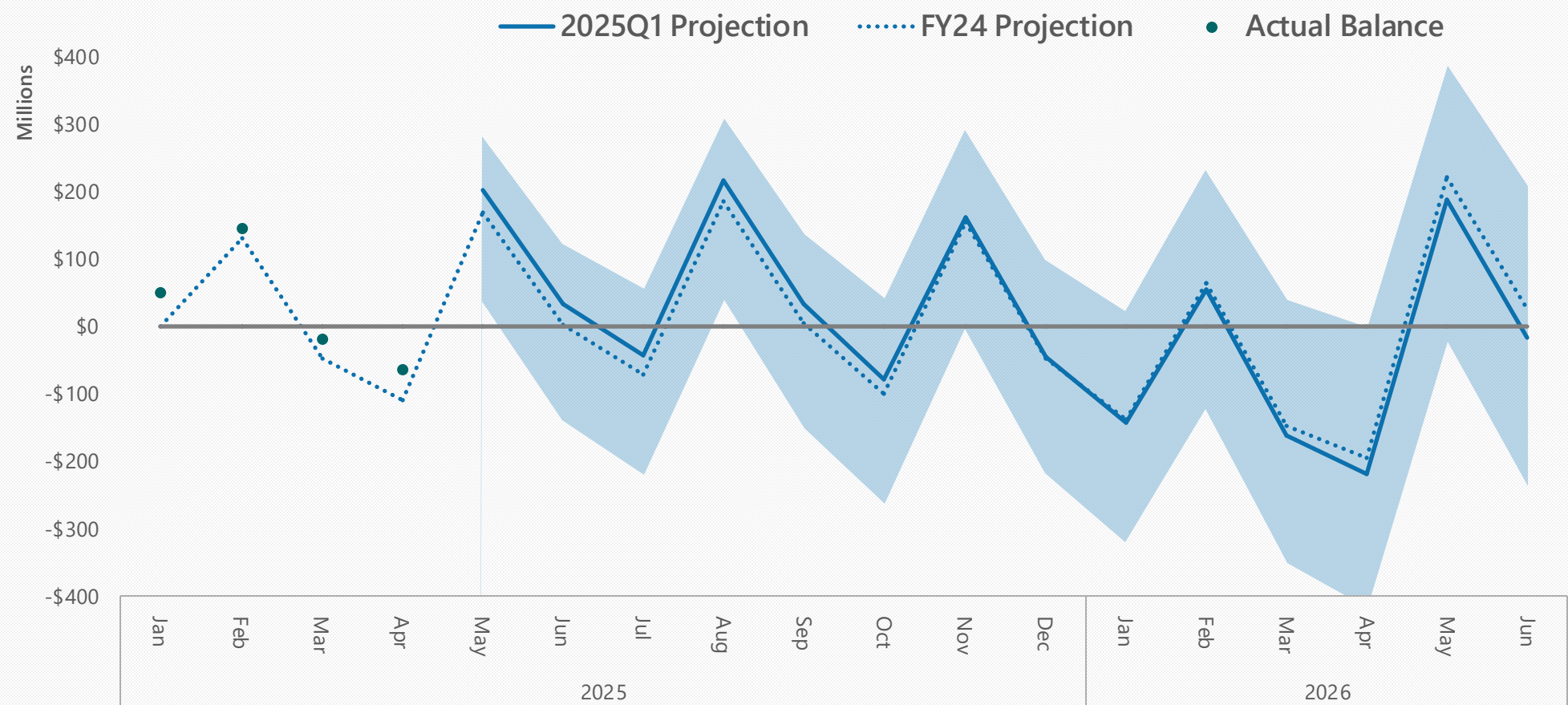
Phones

Month	Number of calls received for Paid Leave	Percentage of calls into queue*	Percentage of calls answered from Paid Leave queue	Queue time for Paid Leave
June 2024	25,604	37%	62%	26:58
July 2024	34,406	42%	58%	27:27
August 2024	35,163	53%	58%	27:19
September 2024	31,959	53%	60%	25:38
October 2024	36,901	53%	59%	26:50
November 2024	28,084	42%	58%	30:05
December 2024	32,485	45%	60%	28:13
January 2025	34,408	39%	57%	31:35
February 2025	29,925	47%	60%	28:47
March 2025	32,189	57%	59%	26:50
April 2025	33,624	51%	57%	28:13
May 2025	34,886	56%	50%	23:54
June 2025	33,238	57%	51%	23:37

Monthly projections

Account balance 2025+

2025Q1 projection for 2025 continues to reflect slightly higher account balance due to slower growth in some claim types.



FY24 Projection is based on 2024 PFML Annual Actuarial Report, including the final 2025 premium rate. 2025Q1 Projection is updated based on data through 2025Q1, with PFML account balance as of 3/2025. 2026 includes estimated impacts for E2SHB1213, which are projected to be small through FY26. More detail will be provided in the next actuarial update. High and low ranges may be adjusted as more data is received.