

2023 LEGISLATIVE SESSION

# Paid Family and Medical Leave

## *The Issue*

Washington state adopted a pioneering Paid Family and Medical Leave program in 2017. The program was the result of months of negotiation among a bipartisan group of lawmakers as well as business and labor leaders. The law was celebrated as a victory for families, employers, and the economy.

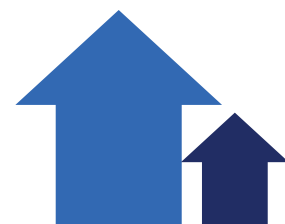


### *As it was written:*


- Workers can take 12-16 weeks of leave using disability definitions under the Federal Medical Leave Act (FMLA).
- Employees receive 90% of half the state’s average weekly wage, and 50% of earnings above that up to weekly maximum, which is currently set at \$1,427.
- Employers with fewer than 50 employees are exempt from the program, but their employees pay their share of premiums and have access to the program.

### *Since 2020, demand for benefits has outpaced premium collection, making the program unsustainable.*

A task force made up of lawmakers, business and labor leaders was appointed to study PFML premiums. The group’s unanimous recommendations resulted in proposed legislation.



### *Senate Bill 5286 is a bipartisan proposal to:*

 Amend the premium rate calculation to make it based on a specified formula rather than the account balance.

 **1.2%**  
**MAX RATE**

Set a maximum rate of 1.2% and removes the Employment Security Department’s authority to assess a solvency surcharge if the account balance falls below a certain threshold.

# Paid Family and Medical Leave

## ☰ *Why it Matters to Employers*

Employers understand the importance of paid time off to care for a newborn or other family member, or for treatment and recovery from a serious illness. The PFML program was negotiated to provide this kind of leave in a way that’s workable for employers, particularly small businesses.

How *premiums* are divided



68%  
Washingtonians who *supported* paid family and medical leave

The *bipartisan legislative solution* was preferable to a statewide ballot initiative



***It’s critical that lawmakers act now to make Washington’s PFML program solvent and sustainable.*** This includes requiring the establishment of a 3-month reserve fund to be initially funded by transferring what remains of the \$350 million allocated to PFML last session to address the solvency issue.

## ☰ *What AWB is Doing*

AWB supports passage of legislation that will preserve the essential elements of the PFML program — economic stability for working families during times of need, in a way that’s workable for employers.

Government Affairs Director Bob Battles served on the negotiating team that crafted the initial law, as well as the task force assigned to study the premium structure.

*“This has become a core benefit that both employers and employees rely on.”*

**BOB BATTLES,**  
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