



What Employers Need to Know about Connecticut's Paid Family and Medical Leave Act

By Katie Hall, PHR, Director, HR, Reynolds + Rowella

On June 25, 2019, Governor Ned Lamont signed legislation establishing the Connecticut Paid Family and Medical Leave Act (the Act). The Act works to expand the current leave provisions provided under Connecticut's Family and Medical Leave Act (CT FMLA), with the most notable change being that leave under the Act is paid under the Paid Family and Medical Leave Insurance (PFMLI) Program.

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The program will be administered by the newly created quasi-public agency, the Paid Family and Medical Leave Insurance Authority (PFMLI Authority).

The Basics of Connecticut's Paid Family and Medical Leave Act

Currently, Connecticut requires employers with 75 or more employees in the state to comply with CT FMLA. CT FMLA provides eligible employees with 16 weeks of unpaid family and medical leave within a 24-month period. An eligible employee is someone who has been employed by the employer for at least 12 months and has worked at least 1,000 hours in the preceding 12 months prior to the start of the qualifying leave.

This leave provides employees unpaid time off for certain family and personal health-related reasons, such as the birth of a child or to tend to a close relative's serious health condition.

Beginning January 1, 2022, the Act will expand upon current CT FMLA rules. While similar, there are key differences between the Act and CT FMLA. In particular, the Act:

- Expands coverage to employers with at least one employee.
- Provides coverage to employees who have worked for their employer for 12 weeks and have earned at least \$2,325. There is no minimum hours requirement.
- Expands eligible CT FMLA reasons to include caring for grandparents,

grandchildren, siblings, and any individual related to the employee by blood or someone whose close association to the employee is equivalent to family. *[Note: By January 1, 2022, the state labor commissioner must provide guidance on determining whether an individual's close association with an employee is the equivalent of a family member.]*

- Funds the 12 weeks of paid leave through a 0.5% employee payroll tax.
- Replaces CT FMLA's current 16 weeks of leave in 24 months with 12 weeks of leave in 12 months.
- Allows employers to require employees to use any accrued paid time off during covered leaves; however, employers must allow employees to retain at least two weeks of accrued paid time off for other purposes.

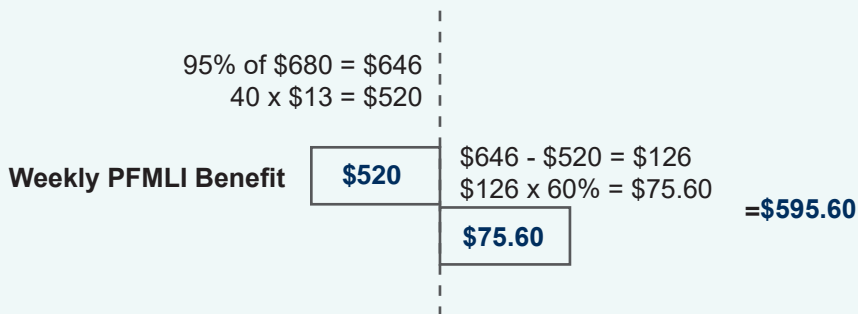
Program Funding

The PFMLI Program will be 100% funded by employee contributions and all employees working in Connecticut will be required to contribute to the program beginning January 1, 2021.

Compensation from the program will be available to covered employees on January 1, 2022, and workers will receive 95% of their weekly earnings up to 40 times the minimum wage plus 60% of earnings above 40 times the minimum wage. The total weekly compensation will be capped at 60 times the minimum wage.

Below is an example of calculating PFMLI benefits using a minimum wage of \$13.00 per hour (effective August 1, 2021):

Joe earns \$680 in base weekly earning as of January 2022.



Because the weekly payroll benefit is below the maximum benefit of \$780 (\$13.00 x 60), Joe takes home the full benefit of \$595.60.

Employers may also apply for approval of a private plan if it provides the same rights and benefits as the state plan and at no greater cost. Approval will be granted by the PFMLI Authority.

Employee Obligations

Further guidance related to employee obligations is required from the PFMLI Authority; however, it is expected that employees will need to provide their employer with 30 days’ advance notice of their need for leave when practicable, similar to the current CT FMLA requirements. Additionally, employers may require a healthcare provider’s certification of an employee’s need for leave related to a serious health condition.

Employees requesting paid leave will also be required to provide notice of the need for benefits, along with certifica-

tion of the need for leave, to the PFMLI Authority. Additionally, if required by the PFMLI Authority, the employer must certify the employee’s current compensation and confirm their need for leave.

Employer Obligations

Much like employee obligations, further guidance is also required to determine what action steps employers must take in the coming months. It is anticipated that employers will be required to register for the PFMLI Program on the Connecticut Paid Leave portal beginning in November 2020.

Beginning July 1, 2022, employers will be required to provide notice to new employees of their entitlement to benefits under the Act, their right to be protected from retaliation for requesting and/or using paid leave, and their right to file a complaint with the state labor commissioner to seek redress for any violations. Employers also will be required to provide such notice annually to current employees.

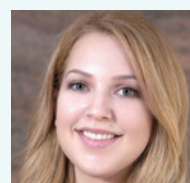
What’s Next

The PFMLI Authority is in the process of conducting a public education campaign to inform individuals and employers about the PFMLI Program. Further information regarding requirements for receiving leave compensation, how to apply for compensation, and employer requirements will be published soon.

While we wait on further guidance from the PFMLI Authority, employers should begin thinking about the impact that this program will have on their organization and any changes that need to be made. In particular, employers should:

- Review current leave policies and/or handbooks to determine if any modifications need to be made.
- Identify essential business functions and create a plan to continue these functions in the event that key employees are on leave, or the company faces having a large number of employees on leave in general.
- Cross-train employees to perform the identified essential business functions.
- Coordinate with vendors, such as your payroll provider or human resources information system, on any changes that need to be implemented prior to January 1, 2021.
- Discuss with your disability leave providers, if applicable, on what their plan is for benefits coordination.
- Determine if the employer wants to seek approval for a private plan or go with the state-administered plan.

Look for updates on the state of Connecticut website at <https://portal.ct.gov/DAS/Communications/PFMLI-Authority>.



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Katie has extensive hands-on experience leading HR initiatives including policy design, compensation, performance management, recruiting, compliance reporting, HR workflow development, training and development, and benefits administration. She assists R+R clients with recruiting and retaining quality staff and works closely with businesses in regards to their benefits, training, and compensation programs. She can be reached at katieh@reynoldsrowella.com.

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