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# **PAID FAMILY LEAVE**

Heather Britton, Office of Human Resources

# FAMLI Overview

- State-run, voter approved
- Premium starts 1/1/23
- Benefit begins 1/1/24
- Municipalities can opt-in, opt-out or opt-out and offer an alternative.
  - Required employer and employee premium payment if opt-in plus 3-year commitment
  - If municipality opts-out, employees can opt-in with a 3-year commitment

# Benefit and Premium

## Weekly Benefit:

- 90% of 50% of the State Average Weekly Wage (SAWW)
- PLUS
- 50% of the employee's wage above the SAWW\* to \$1,100 max

## Premium

- 0.9% of employee's wages, split between employee and city.
- Applies to all wages to social security max, currently \$147,000.

\*As of May 2022, SAWW is \$1,212 (\$63,024 annually)

# Sample Weekly Benefits

Annual Salary	Weekly Salary	FAMLI weekly Benefit**	Annual City FAMLI premium	Annual Employee Premium
\$40,000	\$769	\$612 (80%)	\$207	\$207
\$62,400*	\$1,200	\$826 (69%)	\$281	\$281
\$75,000^	\$1,442	\$947 (66%)	\$337	\$337
\$91,000^^	\$1,750	\$1,100 (63%)	\$410	\$410
\$135,000	\$2,596	\$1,100 (42%)	\$608	\$608

^Average civilian salary

\*includes a wide range of non-exempt employees, trash collection, park ranger, probation, DIA security

\*\*\$1,100 is the maximum benefit through FAMLI

^^Any employee making more than this will see a diminishing benefit and higher premium = ~8,000 or 62% employees

# Replacement Amount

FAMLI salary replacement	Number of employees	Percentage of employees
90%	848	7%
81-89%	623	5%
71-80%	2437	19%
61-70%	4341	34%
51-60%	2184	17%
<50%	2474	19%

30% of employees

70% of employees

# Current Benefit - Family Medical Leave (FML)

- Job protection only, unpaid
- Employees are entitled to 12 weeks (480 hours) of unpaid job-protected leave after one (1) year of service and 1250 hours to care for self or a family member.
- Employees are expected to use their accumulated sick/vacation or PTO if they would like to be paid during this time.
- Salary may be off-set by short-term disability (STD) if leave is for own serious health condition.

# What Employees have now

- Employees hired on or after 1/1/2010 receive PTO
  - Maximum accrual is 400 hours
- Employees hired prior to 1/1/2010 receive sick/vacation
  - Max sick accrual is 960 hours
  - Max vacation accrual is 336 hours
- Short-term Disability
  - Benefit is only available for the employee's own health condition, begins after 14 days of disability and pays 70% of salary
  - Monthly premiums paid by the City for PTO employees
  - Available for purchase by sick/vacation employees
  - Benefit can pay up to 6 months, even if terminated

# Current State – Civilian post 2010

Time needed in hours for full paid FML leave  
(70% STD = 28 hours or 40-hour work week)

Type of Leave	Week 1 & 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12
Vaginal^ (368)	80 PTO	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO
C-section^ (312)	80 PTO	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	40 PTO	40 PTO	40 PTO	40 PTO
Personal Illness* (200)	80 PTO	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>	<b>28 STD 12 PTO</b>
Care for Family (480)	80 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO	40 PTO

^ STD pays six weeks of benefits for a natural birth and eight weeks for a c-section but have a 2-week waiting period.

\* STD could pay UP TO 26 weeks, or however long the employee is out on doctor's orders



# New Proposal

- Provide 320 hour paid leave bank
- Available only for employees on Family Medical Leave
- Called a Care Bank
- Yearly allocation with no carryover or monetary value
- Would be in addition to current PTO/Vacation/Sick and STD
- Can be used prior to exhausting existing leave banks.
- Can implement sooner than 1/1/2024 (1/1/2023)

# Care Bank – Reasons for leave

- Caring for a child during the first year after a birth, adoption or foster care placement
- Caring for a family member\* with a serious health condition
- Employee's own serious health condition
- Safe leave for domestic violence, stalking, sexual assault or abuse issues

\* familial relationship affidavit required if not related by family

# Care Bank – Eligible Family Members

- Children (including biological, adopted, foster, stepchildren, legal wards, and children of a domestic partner)
- Parents (including biological, adoptive, foster, stepparents, legal guardians, and parents of the employee's spouse or domestic partner)
- Spouses and domestic partners
- Familial relationship with affidavit if not related family

# New Proposal Plan Comparison

Percent of 12-week (480 hour) FML leave covered

Type of Leave	Alternative	FAMLI				
	8-week bank + STD	\$40,000 no STD	\$62,400 no STD	\$75,000 no STD	\$91,000 no STD	\$135,000 no STD
Vaginal Birth	90%	80%	70%	66%	63%	43%
C-section	100%	80%	70%	66%	63%	43%
Personal Illness	100%	80%	70%	66%	63%	43%
Care for Family	67%	80%	70%	66%	63%	43%

# Benefit Comparison

Topic	Current CCD	State FAMLI	CCD Alternative
Cost to Employee	No cost	.45% of all earnings	No cost
Cost to City	1. STD premium 2. Replacement cost	1. STD premium 2. Replacement cost 3. \$4.8 million annual premium	1. STD premium 2. Replacement cost
Leave length	Up to 12 weeks with FML	Up to 12, but could be 16 weeks*	Up to 12 weeks with FML
Pay Replacement	Varies, PTO and STD may be available	Up to \$1,100/week	8 weeks paid via care bank plus PTO/STD

\*If employees use FAMLI first, can take 12 weeks of leave for non-FMLA reasons, then still qualify for 12 weeks of FMLA leave.

# Considerations for FAMLI

- If opt-in, must be in for three years from date benefits begin. Begin paying in 2023 with benefits beginning 2024. So cannot opt-out until 2027.
- If opt-out:
  - "...Such a vote will follow the local government's ... procedures for other formal votes of the governing body. ..."\*
  - May opt-in later "at the beginning of the annual cycle relevant to the local government's budgeting cycle."\*
  - Not permanent, must be reconsidered every 8 years.
  - Employees can opt-in individually (requires action)
  - All or nothing – cannot opt-out certain groups and opt-in others (i.e., bargained vs. non-bargained or elected vs. non-elected)

\*REGULATIONS CONCERNING LOCAL GOVERNMENT PARTICIPATION WITH THE PAID FAMILY MEDICAL LEAVE PROGRAM 7 CCR 1107-2

# Request

- City Council options
  1. Do nothing = Opting-in – enrollment is automatic for three years. Premiums start 1/1/23, benefits begin 1/1/24.
  2. Opt-out.
    - a. OHR will begin process to create 8-week “care” bank through Career Service Rules effective 1/1/2023.
    - b. BMO will determine costs of ‘Care’ bank in 2023 budgets.
    - c. OHR/CAO/BMO will negotiate with bargaining groups to add to their CBA’s
    - d. OHR will communicate with employees who wish to opt-in on their own.

# Opt-Out and Alternative Timeline

- Opt-out timeline:
  - June/early July: OHR City Council education of opt-out and new plan
  - Employee town hall – August 1, 2022
  - Council Committee – August 2, 2022
  - Mayor Council – August 9, 2022
  - Public Hearing – August 15, 2022
- Career Service Board for Alternative 'Care' bank:
  - Posting – September 1, 2022
  - Hearing – September 15, 2022
  - Effective January 1, 2023



# Not a full solution

Annual Salary	FAMLI Benefit in hours (40-hour week)	Shortage (40-hour week)
\$40,000	32	8
\$62,400	28	12
\$75,000 <sup>^</sup>	26	14
\$91,000 <sup>*</sup>	25	15
\$135,000	17	23

<sup>^</sup>Average civilian salary

<sup>\*</sup>Any employee making more than this will see a diminishing benefit and higher premium.