



# OR Paid Family & Medical Leave

Broker Readiness

May 19, 2022





# Speakers

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Product Manager, The Standard

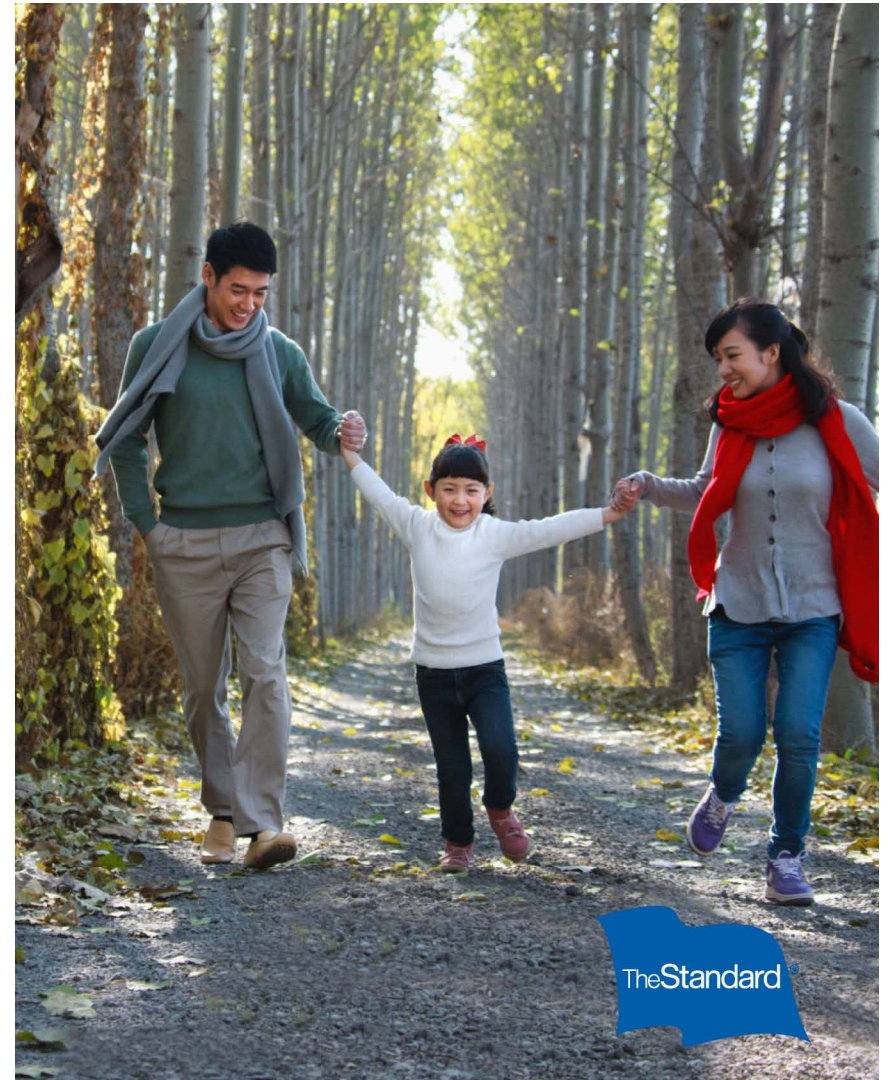
## **Tyler Krieg**

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The Standard



# Agenda

- What's Covered
- Plan Design
- Rule Making
- Private Plan
- Resources



# What's Covered



## Family Leave

### Bonding

Leave to bond with the covered individual's child during:

- The first 12 months after the child's birth.
- The first 12 months after the placement of the child for adoption or foster care with the covered individual.

### Caring

Leave to care for a family member with a serious health condition.



## Medical Leave

Leave to care for an individual's own serious medical condition.



## Safe Leave

Leave for health and safety needs related to domestic violence, harassment, sexual assault or stalking experienced by an individual or an individual's minor child or dependent.

## Oregon PFML — More Details



- "Family member" includes any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship.
- Benefits are in addition to paid sick time (including Oregon state-required paid sick time), vacation leave or other paid leave earned by an employee. When combined this must not exceed 100% of employees wages.
- Intermittent leave may be taken in increments that are equivalent to one work day or one work week.

### How Oregon Defines Safe Leave

It includes leave a covered individual can access when:

- The covered individual experiences domestic violence, harassment, sexual assault or stalking, or when they are the parent/guardian of a victim of such violence.
- Individual is seeking legal remedies, medical treatment, counseling or victim services, or relocating to take other steps to secure safety.



# Oregon

## Paid Family and Medical Leave

Contributions Jan. 1, 2023  
Effective Sept. 3, 2023

The Standard / 6

Eligibility	Plan Contributions	Benefit Waiting & Maximum Benefit Periods	Qualified Family Members	Qualifying Leave Reasons	Wage Replacement	Provides Job Protection
<p><b>Employer:</b> Employers must participate unless they have an approved equivalent plan</p> <p><b>Employee:</b> Must have earned \$1,000 or more in the base year prior to filing a claim</p>	<p><b>Shared Contribution Plan:</b></p> <ul style="list-style-type: none"> <li>Employee contributes 60%</li> <li>Employer contributes 40%</li> </ul> <p><b>Annual Wage Cap in the first year:</b> \$132,900 CPI-West Region</p> <p><b>Contribution Rate:</b> 1% (not confirmed via rules)</p> <p>Employers with fewer than 25 employees do not have to contribute</p>	<p><b>Benefit Waiting Period:</b> None</p> <p><b>Maximum Benefit Period:</b> 12 weeks</p> <p>Two additional weeks may be granted due to pregnancy complications</p> <p>Up to an additional four weeks of unpaid leave eligible under OFLA</p>	<ul style="list-style-type: none"> <li>Spouse</li> <li>Child</li> <li>Parent</li> <li>Parent-in-law</li> <li>Sibling or step-sibling</li> <li>Grandparent</li> <li>Grandparent-in-law</li> <li>Grandchild</li> <li>Domestic partner</li> <li>Any other individual related by blood or affinity</li> </ul>	<ul style="list-style-type: none"> <li>Own medical*</li> <li>Care of family</li> <li>Bonding</li> <li>Safe leave</li> </ul> <p>*In Batch 3 rule making definition of Serious Health Condition includes donation of body part, organ and tissue (pre and post op)</p>	<p>Employees earning equal to or less than 65% of the SAWW will receive 100% of wages</p> <p>Employees earning greater than 65% of the SAWW: 65% of SAWW (\$745.58) plus 50% of employees AWW that is above 65% of the SAWW</p> <p><b>State Average Weekly Wage:</b> \$1,147.05 for July 1, 2021, through June 30, 2022</p> <p><b>Minimum Benefit:</b> 5% of the SAWW = \$57.35</p> <p><b>Maximum Benefit:</b> 120% of the SAWW = \$1,376.46</p>	<p>Yes, following 90 days employed by employer</p> <p><i>Employers are required to maintain health insurance at the same contribution levels prior to the leave for the duration of an employees' leave</i></p>

## Small Employers

How is employer group size calculated?

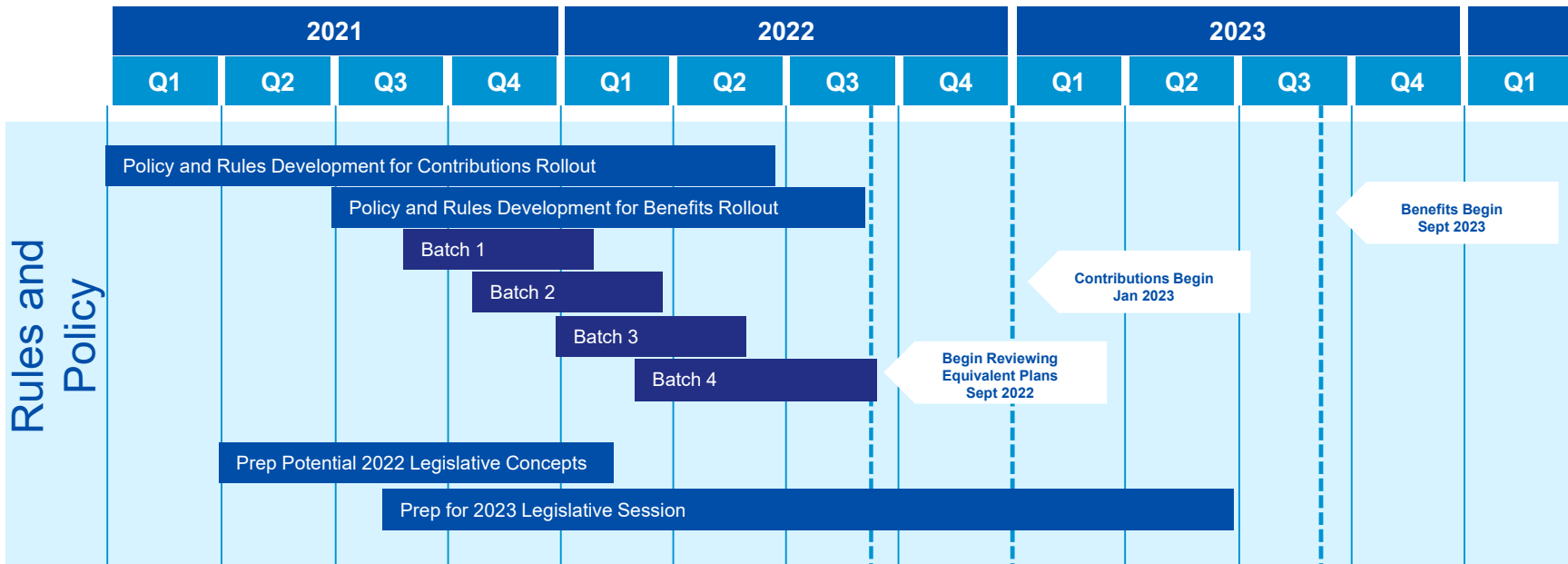
1. # of OR PFML employees  
PLUS
2. # of out-of-state employees  
MINUS
3. # of replacement employees temporarily hired during PFML leave

Small employers are not required to pay 40% employer contribution.

Small employers who pay 40% contribution are eligible to apply for:

- Assistive grants per employee up to 10 employees
- Grants cover:
  - Up to \$3,000 towards cost of hiring temporary workers to replace employees on leave
  - Up to \$1,000 to reimburse for significant additional wage-related costs incurred while employee is on leave

# Batch Release Plan





# Program Development – Batch Rules

Final Rules est. to be  
filed October 2022

The Standard / 9

## Batch 1

**What was reviewed:** Wages; Contributions; Employer Size; Assistance Grants; Equivalent Plans; Self-Employed; Outreach

### Rules Advisory Committee

**Review\*:** Sept. 29, 2021

**Public Hearings:** Oct. 6, 2021, Nov. 30, 2021, Dec. 9, 2021

**Public Comment Due:**

**Filed with Secretary of State:** Jan. 31, 2022

## Batch 2

**What was reviewed:** Equivalent Plans

### Rules Advisory Committee

**Review\*:** Dec. 2, 2021 & Dec. 7, 2021

**Public Hearings:** Feb. 23 and Feb. 28, 2022

**Public Comment Due:** March 1, 2022

**Filed with Secretary of State:** April 21, 2022

## Batch 3

**What is being reviewed:** Benefits

### Rules Advisory Committee

**Review\*:** March 10 & March 17, 2022

**Public Hearings:** May 19 & May 30, 2022

**Public draft published in OR Bulletin:** May 1, 2022

**Public Comment Due:** May 31, 2022

**Filed with Secretary of State:** tentatively set to be filed in July

## Batch 4

**What is being reviewed:** Appeals process & additional Equivalent Plans & Misc.

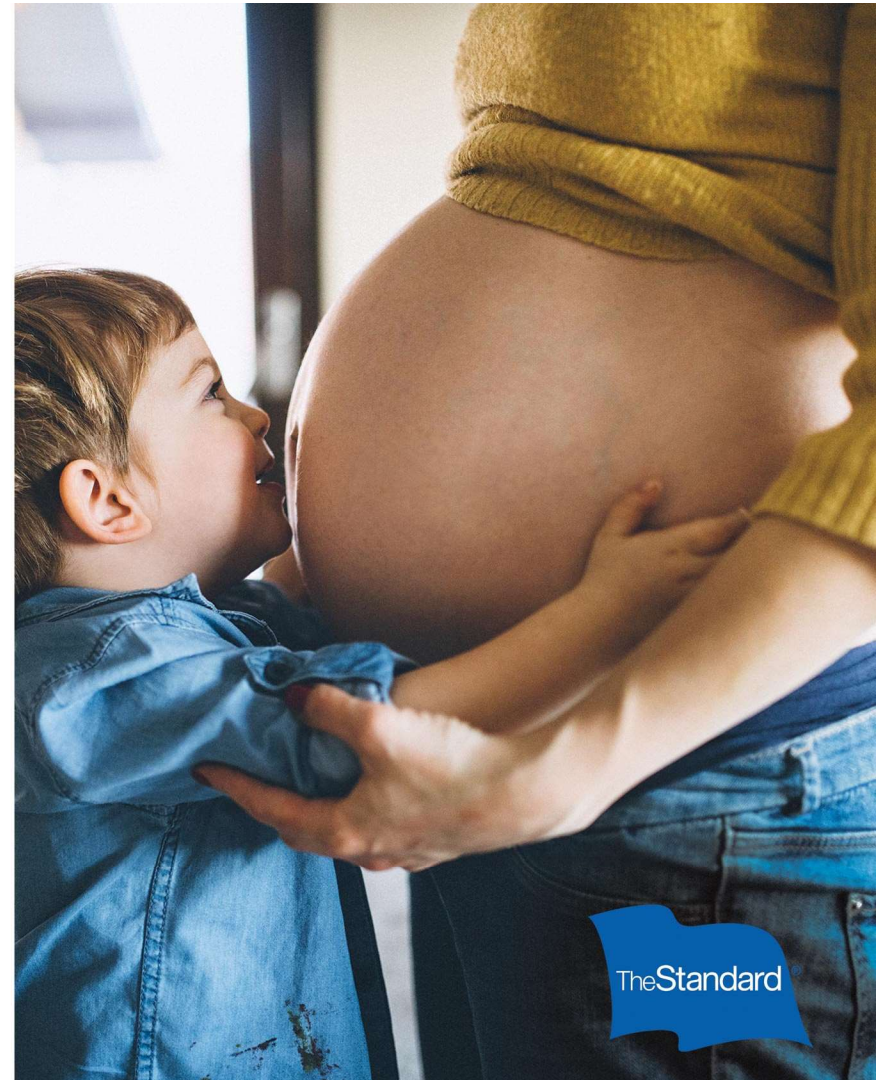
**Rules Advisory Committee & Public Hearing dates:** 5/17

**Filed with Secretary of State:** Sept. 2022

\*Rule Making Advisory Committee meetings are open to the public

## Private Plans

- Must provide benefits equal to or greater than the state plan
- Cannot cost employees more than state plan
  - Employers can pay greater contribution total if desired
- Either self-insured or fully insured
  - Self-insured requires proof of bond
- Employers can defer their contribution portion
  - A private plan must be in place on 9/3/23 or the employer is liable for all contributions from 1/1/23 to the state



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**\*Must be done for each BIN the employer is seeking private coverage\***

### Filing for a private plan opens in September & Employers must register with Frances Online

#### Must Submit to State

- Employer Information
  - Business Identification Number (BIN), Name, Address, Contact name and contact information
- Copy of self-funded or fully insured policy document
  - Declaration of insurance as interim process to take place; available in September
- Plan Application Fee:
  - Employer must pay a nonrefundable \$250 application fee
  - A nonrefundable application fee of \$150 is due for reapproval of a private plan that has no changes or only non-substantive changes. Reapproval applications must be submitted annually for a three-year period following original effective date

#### Substantive changes:

- Require a \$250 non-refundable fee paid by the employer. Substantive changes include, but are not limited to, any of the following:
  - Changing from a fully insured plan to self-funded plan or vice versa
  - Changing the fully insured plan insurance policy, regardless of whether the new plan is from the same insurance provider or another insurance provider
  - Moving from one private carrier to another private carrier
  - Changes, except changes that are non-substantive amendments (correcting typos, changing contact information, updating solvency docs for self-funded plans, etc.)

Non-Substantive changes include but are not limited to: updating solvency documents for self-insured plans; updating application for private plan that does not amend the plan but: changes business or contact information or typographical errors

#### Important Note:

Acceptance of a proposal does not equal state exclusion and remove employer responsibility to apply for private plan exemption with the state. The exemption application process must be completed, and approval must be granted by the state governing authority for entry into a private plan.



# Quick Guide to Private Plan Options

State	Type	Available Plans	Private Plan Options	The Standard's Offering
CA	SDI, PFL*	State and Private	Self-Insured. *CA Employer PFL for employers not subject to SDI	No VDI; *Yes, for CA ER PFL
CO	PFML	State and Private	Self-Insured & Fully-Insured (effective Jan. 1, 2024)	Yes
CT	PFML	State and Private	Self-Insured & Fully-Insured	Yes
DC	PFML	District Only	NA	No
DE	PFML	State and Private	Self-Insured & Fully-Insured (bill pending Governor signature & would be effective Jan. 1, 2026)	In review
HI	SDI	Private	Self-Insured & Fully-Insured	Yes, through partner
MA	PFML	State and Private	Self-Insured & Fully-Insured	Yes
MD	PFML	State and Private	Self-Insured & Fully-Insured (effective Jan.1, 2025)	In review
NH	PFL	State and Private	TBD, single carrier likely with limited private plan options (Private employer participation is voluntary. Effective Jan.1, 2023)	No
NJ	TDB, FLI	State and Private	Fully-Insured (FLI not available in private market)	Yes
NY	DBL, PFL	State and Private	Self-Insured & Fully-Insured	Yes
OR	PFML	State and Private	Self-Insured & Fully-Insured (effective Sept. 3, 2023)	Yes
PR	DI	State and Private	Self-Insured & Fully-Insured	No
RI	TDI, TCI	State Only	NA	No
WA	PFML	State and Private	Self-Insured	Yes



# Private Carriers

The Standard / 13

## Why choose a private carrier?



Ease of administration and seamless benefit integration with STD and LTD.



Confidence in the carrier's financial strength and claims payment ability.



Employers who are insuring and/or outsourcing their programs give private carriers higher ratings on managing complexities.\*

## Why choose The Standard?

- **We know Disability and Leaves**
- **Fast claim adjudications**  
Paid typically within 3-5 days of receipt of all necessary documentation
- **Absence management support**
- **Private Plan program compliance support**
- **Custom actuarial analysis and advice**
- **Consulting with brokers and employers to proactively educate and support customers**

\* National data from the *Paid Leave Employer Readiness Study*, The Standard, February 2020

# Possible Changes to Benefit Plan Designs

With several state plans increasing employer-mandated payments, employers may consider:



## Changing benefit plan designs

Eliminating or reducing benefits to pay for new state-mandated plans:

- PTO
- Moving to a higher-deductible medical plan
- Moving to more employee-paid/voluntary benefits
- Increase STD benefits for high-earners or total group
- LTD waiting period alignment with PFML benefit durations



## Trying to adjust all plans to match a current state plan

- But as new states pass legislation, their plans may be more or less generous
- An employer's unified plan design could then be out of compliance

## Ask the Experts!

### **PFML Resource Center**

[www.standard.com/employer/products-services/insurance-benefits/pfml-insights](http://www.standard.com/employer/products-services/insurance-benefits/pfml-insights)

### **Relatively Speaking PFML Blog**

[www.standard.com/employer/paid-family-leave](http://www.standard.com/employer/paid-family-leave)

### **The Standard's Interactive PFML Map**

<https://www.standard.com/employer/products-services/insurance-benefits/states-paid-family-leave>

### **State Disability and Paid Family Leave Quick Reference Guide**

<https://www.standard.com/eforms/19866.pdf>

### **Oregon Paid Family and Medical Leave Insurance**

[www.Oregon.gov/employ/pfmli/pages/default.aspx](http://www.Oregon.gov/employ/pfmli/pages/default.aspx)

## INDUSTRY EMPLOYER RESOURCES

Disability Management Employer Coalition (DMEC) [www.dmec.org](http://www.dmec.org)

Society of Human Resource Management (SHRM) [www.shrm.org](http://www.shrm.org)



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