Advisory Committee Meeting
June 18, 2020
Presentation overview

- Introductions
- Approve meeting minutes
- Customer Service Processing Update
- Small Business Assistance Grant Follow up
- Paid Leave Premium Rate
- Advisory Committee Meeting Cadence
- Open comment
Introductions

• Advisory Committee
• In-person attendees

(Note: We will use the conference call feature to identify who is on the phone rather than announcing during meeting)
Conference Call Structure

• Advisory Committee and the presenters will only be unmuted during the meeting, until Open Comment.
• Public to hold all feedback until the Open Comment period.
• Comments and questions in the Chat will not be reviewed as part of the meeting structure, rather:
  • 20 minutes dedicated to Open Comment
  • Please frame your questions as a comment.
  • “Raise your hand” if you have a comment.
  • The meeting host will unmute individual line to allow for the Public Comment.
Approve May minutes

• Discussion
Application & Weekly Claim data – through 6/13/2020

Pie Chart:
- All Medical: 44%
- Medical Self: 35%
- Medical Pregnancy: 9%
- Family Bonding: 44%
- Family Military: 0.1%
- Family Care: 12%

Bar Chart:
- New Applications Submitted - Weekly
- Family Applications
- Medical Applications

Paid Family and Medical Leave | Employment Security Department
Application & Weekly Claim data – through 6/13/2020

Applications and Weekly Claims Submitted & Processed
Cumulative Weekly

Weekly Claims Processed
372,623

Applications Processed
68,058

Paid Family and Medical Leave | Employment Security Department
## Call Data

<table>
<thead>
<tr>
<th>Customer Care Call Processing</th>
<th>Week 16 12-Apr 18-Apr</th>
<th>Week 17 19-Apr 25-Apr</th>
<th>Week 18 26-Apr 2-May</th>
<th>Week 19 3-May 9-May</th>
<th>Week 20 10-May 16-May</th>
<th>Week 21 17-May 23-May</th>
<th>Week 22 24-May 30-May</th>
<th>Week 23 31-May 6-Jun</th>
<th>Week 24 7-Jun 13-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls Presented</td>
<td>5,677</td>
<td>7,069</td>
<td>6,484</td>
<td>5,501</td>
<td>3,471</td>
<td>3,991</td>
<td>2,867</td>
<td>5,014</td>
<td>5,186</td>
</tr>
<tr>
<td>Calls Answered</td>
<td>2,527</td>
<td>2,768</td>
<td>2,585</td>
<td>2,159</td>
<td>1,889</td>
<td>1,913</td>
<td>1,559</td>
<td>2,433</td>
<td>2,365</td>
</tr>
<tr>
<td>Calls Abandoned</td>
<td>3,150</td>
<td>4,301</td>
<td>3,899</td>
<td>3,342</td>
<td>1,582</td>
<td>2,078</td>
<td>1,308</td>
<td>2,581</td>
<td>2,821</td>
</tr>
<tr>
<td>Average Handle Time</td>
<td>0:11:56</td>
<td>0:10:25</td>
<td>0:10:53</td>
<td>0:10:13</td>
<td>0:11:56</td>
<td>0:12:03</td>
<td>0:14:04</td>
<td>0:11:21</td>
<td>0:12:44</td>
</tr>
<tr>
<td>Average Abandoned Time</td>
<td>0:33:22</td>
<td>0:36:29</td>
<td>0:39:39</td>
<td>0:42:27</td>
<td>0:28:15</td>
<td>0:42:47</td>
<td>0:41:40</td>
<td>0:34:58</td>
<td>0:42:19</td>
</tr>
<tr>
<td>Average Queue Time</td>
<td>0:59:30</td>
<td>0:59:37</td>
<td>1:02:57</td>
<td>1:06:59</td>
<td>0:47:07</td>
<td>1:06:44</td>
<td>1:10:47</td>
<td>0:59:28</td>
<td>1:03:41</td>
</tr>
</tbody>
</table>
Small Business Assistance Grant Follow up

Questions about Paid Family and Medical Leave small business assistance grants:

1. How and when do you recommend that we communicate the availability of these grants to the employer community?
2. What would employers expect to provide to the department to substantiate the request for a grant, both for hiring a replacement worker and for incurring significant wage-related expenses?
3. If an employer applies for a grant and we need more information, how would employers like us to communicate that with them?
4. In what timeframe would employers reasonably expect a decision regarding a grant?
5. Do employers have a preference in how they would prefer to receive these grants, such as check, direct deposit, etc.
6. Do you have any sense of the demand for these grants?
Small Business Assistance Grants

Now – July 9

Customer Feedback
Technical Solutioning
Operational Readiness

Oct - Nov

Customer communications
Technology Deployment
Paid Leave Premium Rate & Projections

- **Executive Steering Committee + LMEA Activities**

- **July 9**
  - Review Assumptions

- **August 13**
  - Preview Scenarios

- **September 30**
  - Trust Fund Balance

- **October 8**
  - Preview Forecast

- **November**
  - Publish Rate

- **June 18**
  - Law Refresh

- **July-Aug**
  - Share Assumptions

- **August 20**
  - Hypothetical & Meaningful Scenarios

- **October 15**
  - Forecast of the Premium Rate
Current PFML Premium Rate 1/2019- 12/2020

- Up to the maximum wages subject to SSN tax
- Small businesses with fewer than 50 employees don’t pay employer premium
- Split between leave types:
  - Family Leave represents 1/3
  - Medical Leave represents 2/3

Example for an individual in a reported quarter:
$9,000 for Q1 2019 → $36 total premiums assessed

Employee: $22.80      Employer: $13.20
PREMIUM RATE – GENERAL OVERVIEW

KEY DATES:

• Review of account balance ratio on 09/30/2020
• Beginning 01/01/2021 new rates annually adjusted
• Beginning 01/01/2021 solvency surcharge can be assessed
• Beginning 01/01/2022 split between Family Leave and Medical Leave will be adjusted
The Account Balance Ratio will be determined by:

<table>
<thead>
<tr>
<th>Account Balance Ratio</th>
<th>Premium Assessment Rate on Wages the following year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0000% to 0.0999%</td>
<td>0.6%</td>
</tr>
<tr>
<td>0.1000% to 0.1999%</td>
<td>0.5%</td>
</tr>
<tr>
<td>0.2000% to 0.2999%</td>
<td>0.4% (current rate)</td>
</tr>
<tr>
<td>0.3000% to 0.3999%</td>
<td>0.3%</td>
</tr>
<tr>
<td>0.4000% to 0.4999%</td>
<td>0.2%</td>
</tr>
<tr>
<td>0.5000% or Greater</td>
<td>0.1%</td>
</tr>
</tbody>
</table>
**PREMIUM RATE – SOLVENCY SURCHARGE**

Beginning 01/2021 **IF** the Account Balance Ratio is calculated below 0.05% **THEN** the department must employ a solvency surcharge at the lowest rate necessary for the calendar year.

<table>
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<th>Account Balance Ratio</th>
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<tr>
<td>0.0000% to 0.05%</td>
<td>0.6% + (lowest rate necessary between 0.1% and 0.6%) = Wage assessment for the following year.</td>
</tr>
</tbody>
</table>

**For Example:**

<table>
<thead>
<tr>
<th>Account Balance Ratio on 09/30/2020</th>
<th>Premium Assessment Rate on Wages for the following year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0048%</td>
<td>0.6% 2021 Premium Assessment + 0.6 Solvency Surcharge = 1.2% Wage assessment for the calendar year.</td>
</tr>
</tbody>
</table>
Beginning 2022, percentage of total premium for family and medical leave will be adjusted based on percentage of paid claims.
PREMIUM RATE – FAMILY AND MEDICAL LEAVE SHARE

Beginning 2022, percentage of total premium for family and medical leave will be adjusted based on percentage of paid claims.

For example:
2022, Account Balance Ratio = 0.37%
Total paid claims over time,
Family Leave = 60%
Medical Leave = 40%

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For example:
2022, Account Balance Ratio = 0.37%
Total paid claims over time
• Family Leave = 60%
• Medical Leave = 40%

Example for an individual in a reported quarter:
$9,000 for Q1 2022 → $27 total premiums assessed
Employee: **$21.06**    Employer: **$5.94**
## 2020 Advisory Committee Meetings

### Scheduled

- July 16 - Olympia
- August 20 – Seattle
- September 23* - Olympia
- October 15 – Seattle
- November 19 – Olympia
- December 17 - Seattle

*Thursdays 10-Noon, except *Wednesday*

### Proposed

*Discuss Cadence and Format*

*(conference call / in person?)*
For the good of the order:
Open Comment

Next meeting ____________, 2020 from 10 a.m. to 12 p.m. (Electronic Only)
Continue the conversation

John Mattes
Interim Director, Paid Family & Medical Leave
Employment Security Department
john.mattes@esd.wa.gov

Visit us online at www.paidleave.wa.gov

Join our listserv at bit.ly/PaidLeaveList

Ask questions and make comments on our public forum at bit.ly/CommentForum
## Employer Reporting - as of 6/16/2020

### Paid Family and Medical Leave Quarterly Reporting Summary

<table>
<thead>
<tr>
<th></th>
<th>2019-Q1</th>
<th>2019-Q2</th>
<th>2019-Q3</th>
<th>2019-Q4</th>
<th>2020-Q1</th>
<th>Summary to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employers</strong></td>
<td>155,188</td>
<td>161,919</td>
<td>163,500</td>
<td>156,047</td>
<td>147,838</td>
<td>188,521</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>3,209,562</td>
<td>3,469,918</td>
<td>3,766,542</td>
<td>3,659,929</td>
<td>3,526,864</td>
<td>3,526,864</td>
</tr>
<tr>
<td><strong>total employer-reported WA workers counted once across jobs</strong></td>
<td>2,900,554</td>
<td>3,072,686</td>
<td>3,289,721</td>
<td>3,232,216</td>
<td>3,171,557</td>
<td>4,001,126</td>
</tr>
</tbody>
</table>

#### Premiums Assessed

<table>
<thead>
<tr>
<th></th>
<th>2019-Q1</th>
<th>2019-Q2</th>
<th>2019-Q3</th>
<th>2019-Q4</th>
<th>2020-Q1</th>
<th>Total to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premiums Invoiced</strong></td>
<td>$154,382,041</td>
<td>$149,083,742</td>
<td>$143,118,271</td>
<td>$135,770,249</td>
<td>$176,689,505</td>
<td>$759,043,808</td>
</tr>
<tr>
<td><strong>Premium Wages</strong></td>
<td>$45,039,259,479</td>
<td>$43,841,858,370</td>
<td>$41,670,042,512</td>
<td>$38,910,663,894</td>
<td>$48,732,780,280</td>
<td>$217,634,504,535</td>
</tr>
<tr>
<td><strong>Gross Wages</strong></td>
<td>$48,563,405,673</td>
<td>$46,942,714,834</td>
<td>$52,659,788,993</td>
<td>$54,050,951,941</td>
<td>$56,729,049,737</td>
<td>$258,725,921,178</td>
</tr>
</tbody>
</table>
Voluntary plan update
As of 6/16/2020

<table>
<thead>
<tr>
<th>405 preliminary applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>49 medical</td>
</tr>
<tr>
<td>31 family</td>
</tr>
<tr>
<td>325 both</td>
</tr>
</tbody>
</table>

345 completed applications received

320 applications fully processed

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>253 approved</td>
<td></td>
<td>37 denied</td>
<td>30 withdrawn</td>
</tr>
</tbody>
</table>