

RESOLUTION

DECLINING PARTICIPATION IN THE FAMLI PROGRAM

MAY 17, 2022



WHAT IS FAMLI?

- Created through Statewide voters' approval of Proposition 118 in 2020, the Family and Medical Leave Insurance (FAMLI) program “exists to ensure all Colorado workers have access to paid leave”
- FAMLI differs from the federal FMLA in that it provides paid leave, based on an employee's weekly wage; further, FAMLI's benefits depend on time employed within Colorado and not at a particular employer
- The premium for FAMLI is .9% of an employee's wages, split 50/50 between the employee (.45%) and employer (.45%), up to a maximum of \$161,700 in wages/\$1,454.96 in annual premium; by law, this can increase to up to 1.2% of wages, or \$1,940.40
- The maximum benefit via family is \$1,100 a week and \$13,200 annually
- The Town will automatically become covered – with Town and employee premiums due beginning in 2023 – if Town Council does not opt out of the program; the decision to opt out is not permanent and can be reconsidered anytime

CONSIDERATIONS

- Ongoing increasing costs are one of several reasons staff recommends Town Council opt out of FAMLI
- Another reason is that the Town already offers competitive paid leaves: 10.5 holidays, three days of personal leave, at least two weeks of vacation and 12 sick days – the latter two which accrue over time
 - The Town also has a “sick leave bank” to assist employees who have exhausted available leaves and provides eligible employees with short- and long-term disability benefits
- CML surveyed municipalities regarding their intentions under FAMLI. Of 45 jurisdictions responding, only three said they were considering becoming covered; 24 were considering opting out and 18 were undecided as of mid-April
 - If Council opts out, the Town would be following suit with a majority of municipalities
- While 57% of voters Statewide approved FAMLI, a majority of Castle Rock voters did not: 19,331, or 47% of voters were for the measure, while 21,759, or 53%, were against it
- If Council opts out, staff recommends also declining to withhold/remit employee premiums for those who elect coverage, to lessen the Town’s potential financial liabilities and administrative requirements

TOWN EMPLOYEES

- Employees were twice notified by email of tonight's hearing and of staff's recommendation
- **If Town Council does not opt out of FAMLI, every Town employee will have deductions made from their pay for this program beginning in 2023, regardless of whether they believe participating is the right choice for their family,** given the cost and other time off benefits the Town provides
 - The program is not optional for employees if the Town becomes a covered employer
- If Town Council opts out, Town employees would retain the option to participate in FAMLI – staff is recommending the should enroll directly with the State. Under this scenario:
 - **Employees would receive the same full benefits from FAMLI at the same employee premium (.45%) regardless of whether the Town becomes a covered employer**
 - The Town, meanwhile, can save over \$500,000 annually – and growing – by declining participation through approval of the resolution as recommended



POTENTIAL MOTIONS

"I move to approve the resolution as introduced by title."

*"I move to approve the Resolution as introduced by title, with the following conditions:
(list conditions)."*

*"I move to continue this item to the Town Council meeting on (date) to allow additional time to
(list information needed)."*