

# Declining Participation in the Colorado FAMLI Program



*Council Work Session*  
*August 22, 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 (0.45%) and employer (0.45%), 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 FAMLI is \$1,100 a week and \$13,200 annually
- The City of Colorado Springs will automatically become covered – with City/CSU and employee premiums due beginning in 2023 – if City Council does not decline participation in the program; the decision to decline participation is not permanent and can be reconsidered anytime

# Considerations



- Ongoing increasing costs are one of several reasons staff recommends City Council vote to decline participation in FAMLI
- City and CSU already provide competitive paid leaves: holidays, personal leave, vacation and sick days – the latter two which accrue over time
  - The City and CSU also have Vacation Donation and Sick Leave Advance Programs to assist employees who have exhausted available leaves, and provide eligible employees with voluntary 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 declining participation and 18 were undecided as of mid-April
  - If Council votes to decline participation, the City would be following suit with a majority of municipalities

# Employee Impacts



- If City Council votes to participate in FAMLI, every employee will have deductions made from their pay for this program beginning January 2023, regardless if they believe participating in the program is the right choice for their family, given the cost and other time off benefits the City & CSU provides.
  - The program is not optional for the employee if the City and CSU become a covered employer
- If City Council votes to decline participation in FAMLI, employees would retain the option to participate in FAMLI, and they would need to enroll directly with the State. Under this scenario:
  - Employees would receive wage replacement benefits from FAMLI at the same premium for employee (0.45%) regardless if the City and CSU become a covered employer
  - The City and CSU meanwhile can save approximately \$1M and \$900K respectively and growing by declining participation through approval of the ordinance as recommended.

# Questions?