Resources for Washington businesses

Gain important insights about the SharedWork program and the paid family and medical leave program.

Wednesday, June 8, 2022
12:00 PM - 1:00 PM
SharedWork and Paid Leave

Welcome
In a survey of past employers using the SharedWork program:

- 97% SharedWork improved employee morale.
- 98% the program helped retain skilled workers.
- 99% would recommend SharedWork to another employer.
Employer Requirements for SharedWork:

1. Must be a legally registered business in Washington state.
2. Must have an Employment Security Department (ESD) number.
3. Must have at least two permanent employees, who are not corporate officers, affected by a reduction in hours and wages.
4. Continue to provide same benefits to employees.

Employee Requirements for SharedWork:

1. Employee must qualify for a valid claim. (680 hours)
2. All permanent employees may participate in SharedWork.
### Scenario: 20 percent payroll reduction

#### Without SharedWork

- **20% employees laid off**

<table>
<thead>
<tr>
<th></th>
<th>Laid off worker</th>
<th>Full-time employee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Weekly Income</strong></td>
<td>$800 ($20 x 40 hrs)</td>
<td>$800 ($20 x 40 hrs)</td>
</tr>
<tr>
<td>Hours worked</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Weekly Benefit (UI)</td>
<td>$400</td>
<td>$0</td>
</tr>
<tr>
<td>Weekly Wage</td>
<td>0</td>
<td>$800</td>
</tr>
<tr>
<td>Weekly Income</td>
<td>$400</td>
<td>$800</td>
</tr>
</tbody>
</table>

#### With SharedWork

- **All employees working 20% fewer hours.**

<table>
<thead>
<tr>
<th></th>
<th>Full-time employee at 20% reduction</th>
<th>Part-time employee at 20% reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Weekly Income</strong></td>
<td>$800 ($20 x 40 hrs)</td>
<td>$600 ($20 x 30 hrs)</td>
</tr>
<tr>
<td>Hours worked</td>
<td>32 (reduced by 20%)</td>
<td>24</td>
</tr>
<tr>
<td>Weekly Benefit (UI)</td>
<td>$80</td>
<td>$60</td>
</tr>
<tr>
<td>Weekly Wage</td>
<td>$640</td>
<td>$480</td>
</tr>
<tr>
<td>Weekly Income</td>
<td>$720</td>
<td>$540</td>
</tr>
</tbody>
</table>

**Average Weekly Income (before reduction)**

- Full-time employee: $800 ($20 x 40 hrs)
- Part-time employee: $600 ($20 x 30 hrs)
How It Works

The employer calls SharedWork at 800-752-2500 option 3 to check business eligibility.

1. The employer assigns a SharedWork representative and submits an Employer Plan Application and a Participant List.
2. Once the employer plan is approved, each participant submits an Employee Application and begins filing weekly claims.
3. The employee receives earned wages and a share of unemployment insurance benefits when hours are reduced.
4. The employer representative checks the weekly SharedWork Payments Report for accuracy.
"At times you may need to reduce hours or get assistance with payroll while adjusting your business to the economy. Our employees have been very excited to keep their job and maintain their income with the SharedWork program, and we have been excited to keep our skilled, trained workers. SharedWork helps us to keep running our business full speed."

Sharon Grant, O’Ryan Industries

"Client care has ebbed and flowed based on the pandemic, and Shared Work has given us the flexibility to take care of our staff, while saving payroll when there isn’t enough work – (as a non-profit, this is especially important!)

Michael LaTour, Associate Director

"Our employees are thankful we used it, and happy they do not have to draw full unemployment. There are so many advantages to SharedWork. We do not know what the future will bring. Get approved for SharedWork!“

Erica Baldridge, Director of Human Resources

"What felt like the right thing for our employees was not just to pick five or ten of our newest employees and let them go because of the pandemic... and so SharedWork saved us!"

Erica Baldridge, Director of Human Resources
Employers can verify their eligibility in minutes and get answers by calling 800-752-2500 and choosing Option 3.

800-752-2500
8am to 4pm, Monday through Friday

Option 1 – Claims
Option 2 – Existing Plans
Option 3 – New Plan Inquiry
Option 4 – I was asked to call sharedworkplansect@esd.wa.gov

More ways to learn about SharedWork

• Watch a commercial by clicking here.
• The SharedWork program will be hosting many regional and statewide free virtual events for employers in Washington. Check out our event lineup: esd.wa.gov/SharedWork/events
• The SharedWork program will be hosting weekly webinars through the year end to help businesses get informed. Wednesdays 8:15 am SharedWork Q&A for businesses. Click here to register.
• Download the SharedWork info card by clicking here.
Paid Family and Medical Leave
Jason Barrett
Lead Policy Analyst
Leave and Care Division
Employment Security Department
What is Paid Family and Medical Leave
What is Paid Family and Medical Leave?

Paid leave from work to care for yourself or a family member.

You apply directly with the state, not your employer.

Benefit is paid directly to you, not through your employer.

Your employer cannot prevent you from using Paid Family and Medical Leave.
Two-part eligibility

**Hours worked**
- 820 hours in the qualifying period (about the last year*).
- At one employer or cumulatively.

**Qualifying event**
- Serious health condition (your own or a family member’s).
- Birth or placement.
- Military events.

*See slide on HB 1073 for temporary expansion of qualifying period.*
Family leave

- Care for a family member with a serious health condition.
- Bonding in the first year after the birth or placement of a child under 18, including adoption and foster parents.
- Military family leave.
Family defined

- Child (step, in-law)
- Grandchild
- Spouse/Domestic Partner
- Sibling (step)
- Parent (step, in-law)
  - Loco Parentis
  - Legal Guardian
- De Facto Parent
- Grandparent (in-law)

Any individual who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for the person, and that individual depends on the employee for care*

*Implemented by SB 5097 in 2021 legislative session
Medical leave

• Time to receive treatment or recover from a serious health condition.

• Could include:
  • Cancer treatment
  • Dialysis
  • Chronic serious condition
  • Treatment for substance abuse
  • In-patient mental health care
What’s a “serious health condition”?

- Generally includes serious illnesses and injuries, chronic conditions and some substance abuse and mental health treatment.
- Defined in the law.
- Up to a healthcare provider to diagnose and certify.

- Generally does not include common cold, flu, earaches, upset stomach, headaches (other than migraines) and cosmetic treatments.
What is a “claim year”?

- Typically, your claim year begins on the Sunday of the week you submit your initial application.
- Your claim year expires 52 weeks later.
- If you submit a second (or third) application in a year, your claim year does not restart.
What is a “week”?  

A week starts on Sunday and ends the following Saturday.

- Your “typical workweek hours” are the average number of hours you worked per week during the qualifying period.
  - Salaried, full-time employees are always calculated at 40 hours per week.
- Your typical workweek hours are multiplied by the maximum number of weeks allowed for your event, creating a bank of hours you draw from while on leave.
Weeks of leave in a claim year

12 weeks*
Medical OR family leave.

16 weeks*
Combined medical and family leave.

18 weeks*
Combined medical and family leave + two weeks for pregnancy/birth complications

* “Weeks” = typical workweeks
Filing weekly claims

Once your application is approved, you can file weekly claims by clicking, “Start weekly payments” on your homepage, or by clicking the claim ID on the homepage.

Weekly claims for each week of your approved leave will display in the table.

Click the, “Start Weekly Payment” button to submit a weekly claim.
When will benefit payments be less?

- If your leave start date is not on Sunday, your first and last weeks’ payments will be reduced.
- If you’re taking intermittent leave.
- If you work or use PTO during a week (unless the PTO is a supplemental benefit).
Supplemental benefits

• A payment from an employer to an employee to make up the difference between their regular wage and the benefit paid by Paid Leave.
  • Employers do not have to offer it, and employees do not have to accept it.
• It could be salary continuation (top off) or paid time off (PTO).
• Ask your employer whether your PTO is a supplemental benefit.
## Employment restoration

**Return to the same or similar position if you:**

1. **Work for an employer with 50 or more employees.**
2. **Have worked for that employer for at least 1 year.**
3. **Have worked 1250 hours for that employer in the last year.**
Paid Leave and FMLA

Paid Family and Medical Leave is similar but entirely separate.

- It is possible to use both types of leave.
- Using FMLA does not diminish Paid Leave benefits.

Job protections under FMLA and Paid Family and Medical Leave are similar.

- Usually run concurrently when people are eligible for both.
Continuation of health benefits

• Employer(s) are required to maintain existing health benefits for an employee receiving paid family or medical leave benefits if they have at least one day of overlap with leave taken under federal FMLA.

• Health benefits must continue without a break in coverage until the employee’s paid leave ends or the employee returns to work after taking their leave.

• Employers may maintain an employee’s benefits while they take Paid Family and Medical Leave.

• If you an employee is responsible for paying some of their health insurance premium, the employer can require that they continue to pay their share.
Premium rate calculation for 2022

• Includes trust fund balance and wages reported in prior fiscal year

<table>
<thead>
<tr>
<th>Fund Balance Ratio</th>
<th>Premium Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - .09%</td>
<td>0.60%</td>
</tr>
<tr>
<td>.1% - .19%</td>
<td>0.50%</td>
</tr>
<tr>
<td>.2% - .29%</td>
<td>0.40%</td>
</tr>
<tr>
<td>.3% - .39%</td>
<td>0.30%</td>
</tr>
<tr>
<td>.4% - .49%</td>
<td>0.20%</td>
</tr>
<tr>
<td>.5% or greater</td>
<td>0.10%</td>
</tr>
</tbody>
</table>

22F Trust Fund Balance: $221,549,805.01
Wages reported in prior FY: $238,265,112,074.23
Ratio expressed as a percentage: 0.09%
Variable family-medical split -- begins in 2022

- Premium split is proportional to family vs medical claims volumes
  - Claims paid = leave claims with at least one payment in the prior fiscal year
- Employee / Employer share varies based on Family / Medical split
  - Employer's fund 55% of medical and employees fund 45% of medical and 100% of family

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Premium</th>
<th>Family Leave</th>
<th>Medical Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td></td>
<td>63% Employee</td>
<td>37% Employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Family Leave (1/3)</td>
<td>Medical Leave (2/3)</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td>73% Employee</td>
<td>27% Employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Family Leave (51%)</td>
<td>Medical Leave (49%)</td>
</tr>
</tbody>
</table>
Compassion leave as a new qualifying event
- Up to seven days of family leave following the death of a child:
  - That the employee did or would have qualified for medical leave for their own serious health condition (prenatal care, postnatal, birth); or
  - That the employee did or would have qualified for family leave to bond with a new child in the home.

Postnatal leave as medical leave
- Leave within the first six weeks after an employee gives birth qualifies for medical leave if the employee so chooses and is otherwise eligible.
- In such cases, a medical certification is not required.

Collective bargaining agreement exemption
- The provision that exempts employers from reporting employees covered by a collective bargaining agreement that was in effect on October 19, 2017 and has not expired or been renegotiated or reopened as described in RCW 50A.05.090 will sunset on December 31, 2023.
SB 5649 (2022)

- List of voluntary plan employers
- Creates task forces and actuary services to make recommendations to ensure long-term solvency
- Collect data related to Covid 19 and PFML

HB 2076 (2022)

- Establishes that “drivers” employed by “transportation network companies” are exempt from the definition of “employees” for the purposes of PFML
Open Mic – Q&A
Next webinar

Resources for Washington businesses
Gain important insights about the SharedWork program and tax and wage requirements for a competitive workforce advantage!

Wednesday, July 13, 2022
12:00 PM - 1:00 PM
SharedWork & Tax and Wage

KENT CHAMBER of Commerce
We are in business for your business.

Employment Security Department
WASHINGTON STATE
Thank you!