

FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM (FAMLI)

In November 2020, Colorado voters approved Proposition 118, establishing the state-run Family and Medical Leave Insurance Program (FAMLI). The passage of this measure was historic, as no other state had ever passed a family and medical leave law by popular vote.

ALL EMPLOYERS with employees working in the state of Colorado will be impacted by this legislation.

WHAT DOES FAMLI PROVIDE?

Beginning January 1, 2024, FAMLI will provide employees with an opportunity to take paid leave of up to 12 weeks for personal and family caregiving obligations including arrival of a new child, military family needs, the employee's own or a family member's serious health condition, or a need for safe leave. Employees may be granted an additional 4 weeks of leave for serious health conditions related to pregnancy or childbirth.

HOW IS THIS PROGRAM FUNDED?

FAMLI is funded through a combination of employer and employee contributions via payroll deduction which began January 1, 2023. The total contribution rate per Colorado employee is 0.9% of gross wages. The 0.9% contribution may be split between the employer and each employee, provided employees are not required to pay more than half of the contribution (0.45%). Employers may elect to contribute a higher proportion of the 0.9% if they choose. These insurance premiums, in the form of a tax, will be remitted to the state on a quarterly basis and is used to cover the cost of providing the paid leave.

For 2023, companies that report 10 or more employees for the 1st quarter will be required by the State to pay the employer portion for the entire year.

COMPANIES WITH NINE OR FEWER EMPLOYEES

Employers with nine or fewer employees are exempt from paying the employer portion (0.45%) of the premium. **It is important to note that the employee count must be taken for the entire company, and not only for those employees in Colorado. Only employers with a total company employee count of nine or fewer employees are exempt from paying the employer portion.** Employees will still be required to pay the employee portion, which will be remitted to the state on quarterly basis. Owners may not be subject to premiums if they are both primarily free from control in the performance of their work, and that work is part of their independent profession or trade. For highly compensated employees, contributions will be capped at the same rate as their social security rate is capped.

EMPLOYEE BENEFITS

As of January 1, 2024, employees may apply to receive paid leave benefits. The application process is through the state and can be completed in the FAMLI website. Employee may receive up to 90% of the average weekly wage, up to a weekly maximum of \$1100.