



Electronic Alert

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Employers Prepare: Washington Paid Family & Medical Leave Premiums Start January 1st!

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On January 1, 2019, Washington will become the fifth state in the country with Paid Family and Medical Leave. This new program will allow employees to receive a portion of their wages when they are on protected leaves of absence.

The law requires employers with Washington employees to start collecting premiums and reporting hours on January 1, 2019. The program will be funded by premiums collected on 0.4% of gross wages. The premiums are shared between employers, responsible for 37% of the total premium, and employees, responsible for the remaining 63%. Employers are required to withhold the employee-portion from the employees' paychecks, and pay the total premiums to the Employment Security Department (ESD). Employers with less than 50 employees are not required to pay the employer-portion of the premiums, but will still be required to collect, record, and remit the employees' premiums to the state. Employers are also required to report employee hours and wages to ESD.

While employees and employers begin paying premiums in the new year, employees must wait until January 1, 2020 to file benefit claims. Employees must work at least 820 hours per year to be eligible to file a claim for benefits.

Importantly, the law does not create a new source of leave for employees nor are employers required to administer this program. Remember, even if you are an Oregon employer but have employees working in Washington, your Washington employees may be covered by this law under the "localization" test which requires reviewing how many hours of work that employees perform in Washington.

Oregon employers should also take note that the Oregon State Legislature is in the process of developing its own proposals for paid family and medical leave, and can expect to see a similar law for Oregon employers in the coming years.

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