



District of Columbia bill introduced to require employer-paid family leave

Under the proposed [Universal Paid Leave Act](#) recently introduced to the District of Columbia Council, and supported by President Obama, would establish a state leave fund to provide for 16 weeks of paid family and medical leave during a one-year period to all District residents and workers to care for newborn infants, severely ill relatives, or personal serious illnesses.

The proposed state leave fund, comparable to those in place in Rhode Island, New Jersey, and California's state family leave plans, would be primarily funded by an up to 1% employment tax on employers.

The bill, co-introduced by seven of the 13 council members and referred to committee, is expected to pass. (*B21-0415, introduced October 6, 2015, Notice of intent to act published in the District of Columbia register on October 9, 2015.*)

Employer requirements

The Universal Paid Leave Act of 2015 would require covered employers to contribute 1% of each covered employee's wages if the balance in the Family and Medical Leave fund, which would be administered by the Office of the Chief Financial Officer, is equal to less than one year of the fund's projected expenses. If the balance of the fund is equal to or greater than one year of the fund's projected expenses, the employer contribution rate would vary depending on employees' annual wages, equal to a percentage ranging from 0% on employees earning less than \$10,000 to 1% of employees' wages of at least \$150,000. Employer family and medical leave contributions would be made in the same manner as District employer unemployment insurance (UI) contributions.

A covered employer would mean any individual, partnership, general contractor, subcontractor, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to a covered employee, except the United States or the District of Columbia government.

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A covered employee would include an individual employed by a District employer during some or all of the 52 calendar weeks preceding a qualifying event that spends more than 50% of his or her worktime working for a covered District employer.

Employers would be required to give a notice to new employees regarding the paid leave program and an annual notice to all employees and those that have need of the benefit, as well as post information in a conspicuous spot in the workplace.

Employee leave benefits

The amount of family and medical leave available to covered employees would be equal to 100% of the individual's average weekly wages up to \$1,000 per week, plus 50% of the average weekly wage in excess of \$1,000 up to a maximum weekly benefit of \$3,000. There would be a five-day waiting period before collecting benefits.

The fund would not be available to claims until one year after the effective date of the bill or when the Chief Financial Officer certifies that the fund can begin paying out benefits while remaining solvent.

Ernst & Young LLP insights

According to US Department of Labor Secretary Tom Perez in a recent [blog post](#), "...passage of a national paid family and medical leave law is not a question of if, but when."

The Department's Women's Bureau has issued \$500 million in 2014 (including the \$96,281 issued to the District and used to draft the bill language) and \$1.55 million in 2015 in grants to several states and localities to fund paid family and sick leave feasibility studies. On September 9, 2015, the Women's Bureau hosted a Paid Family and Medical Leave Findings Symposium at the U.S. Department of Labor.

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