



COLORADO
Department of
Labor and Employment

House Bill 22-1305 Paid Family Medical Leave Premium Reduction

Legislative Fact Sheet
March 30, 2022

Confirmed Sponsors:

Representative Yadira Caraveo, Representative Matt Gray, Senator James Coleman, Senator Faith Winter

Background:

The COVID-19 pandemic has caused tremendous strain on the health and economic stability of individuals, families, and businesses. Many businesses are still struggling to remain open, while trying to absorb rising business costs resulting from pandemic-induced hardships such as the need to reduce hours and staffing, the loss of revenue, and global supply chain issues.

Very few Coloradans can afford to take time off for medical or family needs without getting paid. For this reason, in 2020, Colorado voters approved Proposition 118, enacting the Family and Medical Leave Insurance (FAMLI) Act. Winning rural, suburban, and urban counties across Colorado, the initiative aimed to advance Coloradans' economic security by approving a program to provide all Colorado employees up to 12 weeks of paid family and medical leave to use in their time of need. Without it, over 80% of Colorado workers do not have access to paid family and medical leave.

In order to help alleviate the added pressures and uncertainty that the endemic phase may bring, the sponsors, the Governor, and the Colorado Department of Labor and Employment are proposing to reduce all premiums by 10% for the first six months of 2023.

Summary of Proposal:

This legislation will implement the FAMLI Fee Support proposal that is outlined in the Governor's Fee Relief Package. The bill will reduce paid family and medical leave insurance premiums for all covered employers and employees for the first six months of 2023 by 10%, thereby reducing the initial impact of the new premium on businesses and workers in recognition of the extreme circumstances brought on by the pandemic. Half of the reduction will go towards the employee premium, with the other half going towards the employer portion.

Fiscal Impact:

\$57.5 million of General Fund

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