

▶ LEGISLATIVE MONITOR

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Prudential Group Insurance

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Update: Washington Paid Family and Medical Leave (PFML)

Revised timeline for first-quarter reporting

Employers gain extra time to report and remit PFML premiums for 1Q 2019. Employers will file 1Q and 2Q 2019 reports starting July 1, 2019. The Employment Security Department is alerting payroll companies and other employer agents; however, employers should confirm their payroll/agents are aware of the new timeframe. The benefit eligibility date continues to be January 1, 2020.

For more information, access the Employment Security Department's "Reporting timeline frequently asked questions" on its website: <https://www.paidleave.wa.gov/employers>

Update: Massachusetts Paid Family and Medical Leave contribution rate

Premium Assessment effective July 1, 2019
Benefit Eligibility effective January 1, 2021

As reported in previous issues of the Legislative Monitor, beginning in January 2021, most workers in Massachusetts will be eligible to obtain up to 12 weeks of paid family leave and up to 20 weeks of paid medical leave. The program will be funded by premiums paid by employees, employers, and the self-employed.

Beginning July 1, 2019, the initial contribution rate will be 0.63% of the first \$132,900 of an individual's annual earnings (this figure may be adjusted annually based on the contribution and base limit established by the federal Social Security Administration for the maximum amount of wages subject to the Social Security tax) and will be managed through the Department of Family and Medical Leave. The Department's website states that the total contribution rate for employers with less than 25 employees will only be 0.42%.

Employers may access additional information on the Department of Family and Medical Leave's website: <https://www.mass.gov/orgs/departments-of-family-and-medical-leave>

Prudential is actively studying the Massachusetts legislation. Regulations for public comment and hearings are expected to be published by the end of March. We will provide additional updates when available.

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New Jersey Enacts Multiple Updates to Its Family Leave Insurance Law, Temporary Disability Insurance Program

Multiple Effective Dates

New Jersey Bill A3975 revises the law concerning family leave, temporary disability and family temporary disability leave, and domestic or sexual violence safety leave under New Jersey's existing Family Leave Act, Security and Financial Empowerment ("SAFE") Act, and the Temporary Disability Benefits Law, respectively.

Prudential has updated administrative and claim procedures for amendments effective immediately and will be updating for July 1, 2019, and later effective dates. Please note, Prudential does not administer or provide NJ FLI services. Employers may read AB375 here:

https://www.njleg.state.nj.us/2018/Bills/A4000/3975_R3.PDF

Highlights include:

Expanded Definitions

Effective immediately:

- ▶ Expanded definition of "family member"—includes "parent-in-law, sibling, grandparent, grandchild," "any other individual related by blood to the employee," and "any other individual that the employee shows to have a close association with the employee which is the equivalent of a family relationship."
- ▶ An employee may take leave in connection with the placement of a child into foster care with the employee, or when a child becomes the child of the employee pursuant to a "valid written agreement" between the employee and a gestational carrier.
- ▶ Expanded "Child" definition—Employees are permitted to use intermittent leave upon the birth, adoption, or foster care placement of a "child."

Extended Reduced Leave Duration

- ▶ Effective immediately, employees are permitted to take leave up to a maximum of 12 consecutive months. Under the prior law, employees were permitted to take leave on a reduced leave schedule for up to a maximum of 24 consecutive weeks.

Reduced Employee Threshold

- ▶ Effective July 1, 2019, employers with 30 employees and above must grant unpaid family leave to employees for up to 12 weeks in a 24-month period without terminating employment because of the leave. The previous employee threshold was 50.

SAFE Act—Eligibility for family temporary disability leave benefits

- ▶ Effective immediately, the amendment permits individuals eligible for leave under the SAFE Act, in respect of domestic or sexual violence, to seek wage replacement benefits pursuant to the Temporary Disability Benefits Law.
- ▶ Previously, the law permitted employers to require employees to use existing paid time off, vacation, or other employer-paid leave benefits for SAFE Act purposes. The amendment now prohibits this action and allows only the employee to elect whether to use PTO or other similar benefits while on leave under the SAFE Act.

Extended Family Leave Insurance and Intermittent Duration

- ▶ Beginning July 1, 2020, employees can take up to 12 weeks of Family Leave Insurance (FLI) during any 12-month period. Currently, employees can take up to six weeks of FLI in a 12-month period. Employees will be able to take up to 56 days of intermittent leave within a 12-month period. Currently, the limit is 42 days.

Increased Disability and Family Leave Benefit Rate

- ▶ For periods of disability commencing on or after July 1, 2020, and for periods of family temporary disability leave commencing on or after July 1, 2020, the weekly benefit rate will be 85%.

Other comments:

- ▶ Effective July 1, 2019, the one-week waiting period preceding FLI benefits is removed.
- ▶ Effective July 1, 2019, the requirement to hold an Employee Consent Election to implement a private contributory plan is removed.
- ▶ Retaliation against an employee for requesting or using earned paid family leave is prohibited.
- ▶ Funding for the program will come from payroll tax increases.
- ▶ \$1.2 million is appropriated to promote awareness of the FLI and Temporary Disability Benefit (TDB) programs.

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PAID SICK LEAVE UPDATE

The regulatory summary provided below is for informational purposes only. Prudential does not currently offer paid sick leave administration and, as a result, we will not administer this leave for our Absence Management customers when it becomes effective.

Michigan Paid Medical Leave Website and FAQs

Effective March 29, 2019

As reported in the January 2019 Legislative Monitor, the Michigan Paid Medical Leave Act requires employers in Michigan with 50 or more individuals to provide their employees with accrued paid leave to use for the health and safety of themselves and family members.

The Department of Licensing and Regulatory Affairs (“LARA”) has created a website that includes Frequently Asked Questions and a model poster. You can access the website at: https://www.michigan.gov/lara/0,4601,7-154-59886_91049---,00.html

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SAVE THE DATE for Upcoming Industry Conferences

May 6–9, 2019

2019 DMEC FMLA/ADA Employer Compliance Conference

The Disability Management Employer Coalition's (DMEC) annual FMLA/ADA Employer Compliance Conference will be held in Portland, Oregon, from May 6–9, 2019. DMEC is an industry association dedicated to providing education on integrated disability, absence management, and return-to-work solutions. The conference will provide tools and knowledge to manage FMLA and ADA compliance responsibilities and help to reduce employers' risk of lawsuits and regulatory enforcement actions.

Participate in an interactive session with Allyson Kambach of Prudential and Linda Batiste from the Job Accommodation Network (JAN). Their "KISS" Accommodations: Keep it Simple, Silly!" session will provide practical solutions to help find simple solutions to complex accommodation situations.

Full conference and registration information are available at www.dmec.org.

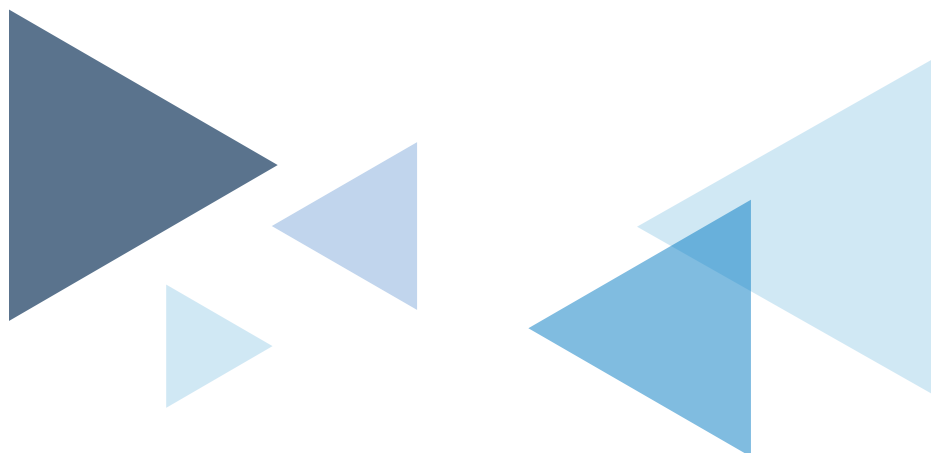
August 5–8, 2019

2019 DMEC Annual Conference

The Disability Management Employer Coalition's (DMEC) Annual Conference will be held in Washington, D.C. from August 5–8, 2019. Attendees will explore employer best practices, real-world strategies, and valuable ideas that can immediately be applied to their absence, disability management, and return to work programs. Plus, employers will learn about controlling the escalating costs of absence and operational disruptions while remaining compliant with state and federal leave laws.

Attend the "Predictive Modeling: Leveraging Data Science to Improve the Customer Experience" session to learn how leveraging technology, analytics, and predictive modeling throughout the life cycle of disability event optimizes the employee and employer experience. Attendees will hear from John Aschenbrenner, Doug Elfers, Kenneth Hallden, and Evan Scarponi of Prudential on how to leverage data and insights to improve the customer experience.

Full conference and registration information are available at www.dmec.org.



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