



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

PFML Updates for 2025 and 2026

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Agenda

1

Paid Family Medical Leave (PFML) Landscape

2

Changes to Existing Paid Leave Programs

3

Future PFML Programs

Paid Family Medical Leave Landscape



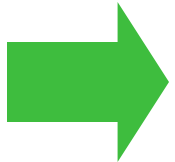
Paid Family & Medical Leave Overview

What is Paid Family and Medical Leave?

Paid Family and Medical Leave

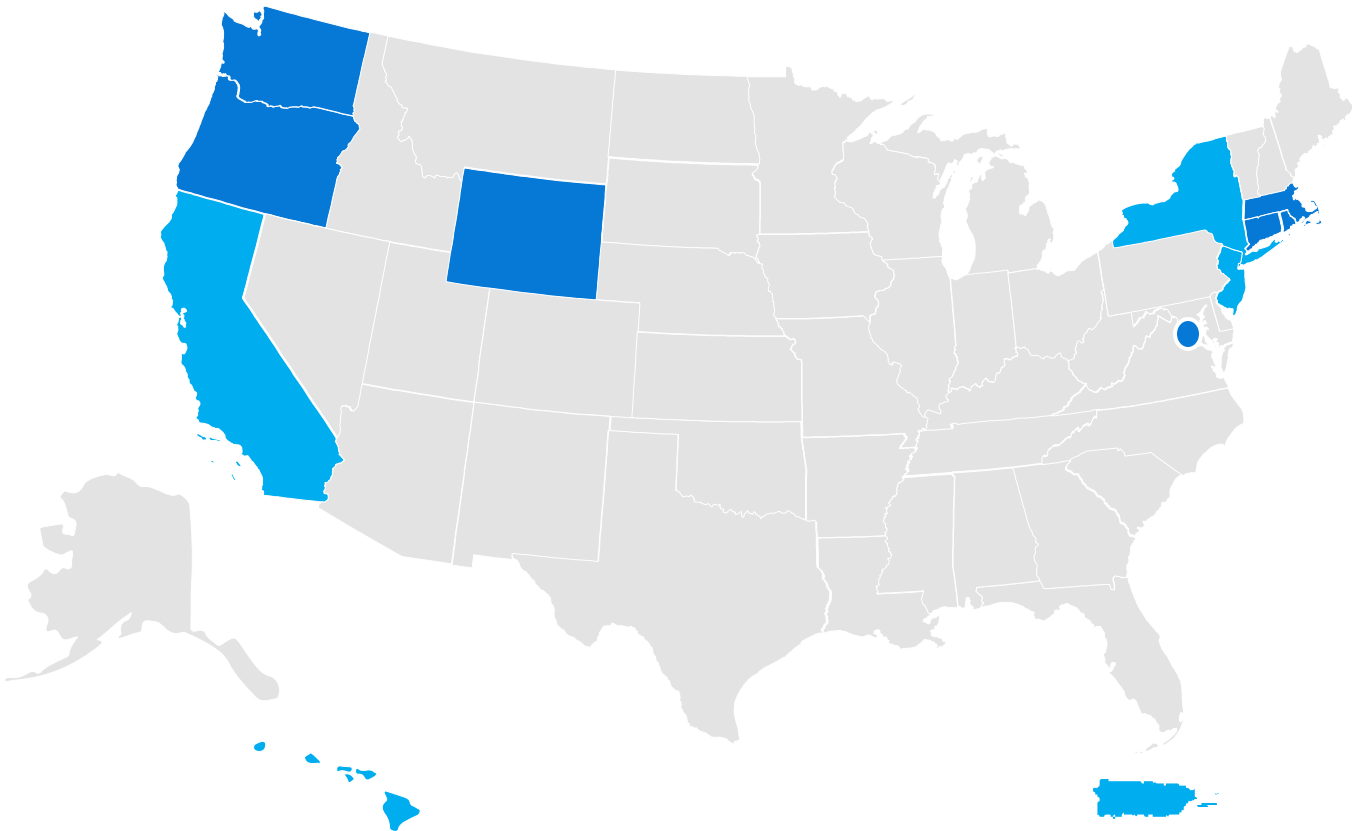
A program which implements paid leave both for one's own condition and to care for others that may or may not be job protected.

- **Medical or “Own Medical” Leave** – portion of the program which provides paid leave for an individual's **OWN** serious health condition
- **Paid Family Leave** – portion of the program which provides paid leave for an individual to bond with a child, care for a family member with a serious health condition or to care of household needs when someone is called to active military leave
- Some states break this into two benefits (*Disability / Paid Family Leave*) while others roll them both into the same benefit



Paid Family and Medical Leave (*PFML*) is similar to FMLA (*Family and Medical Leave Act*) PFML takes this a step further by ensuring that you get some pay while taking leave. It's important to note that PFML will apply in certain instances that FMLA does not cover.

Paid Family Medical Leave (PFML): Active Programs



Separate Programs

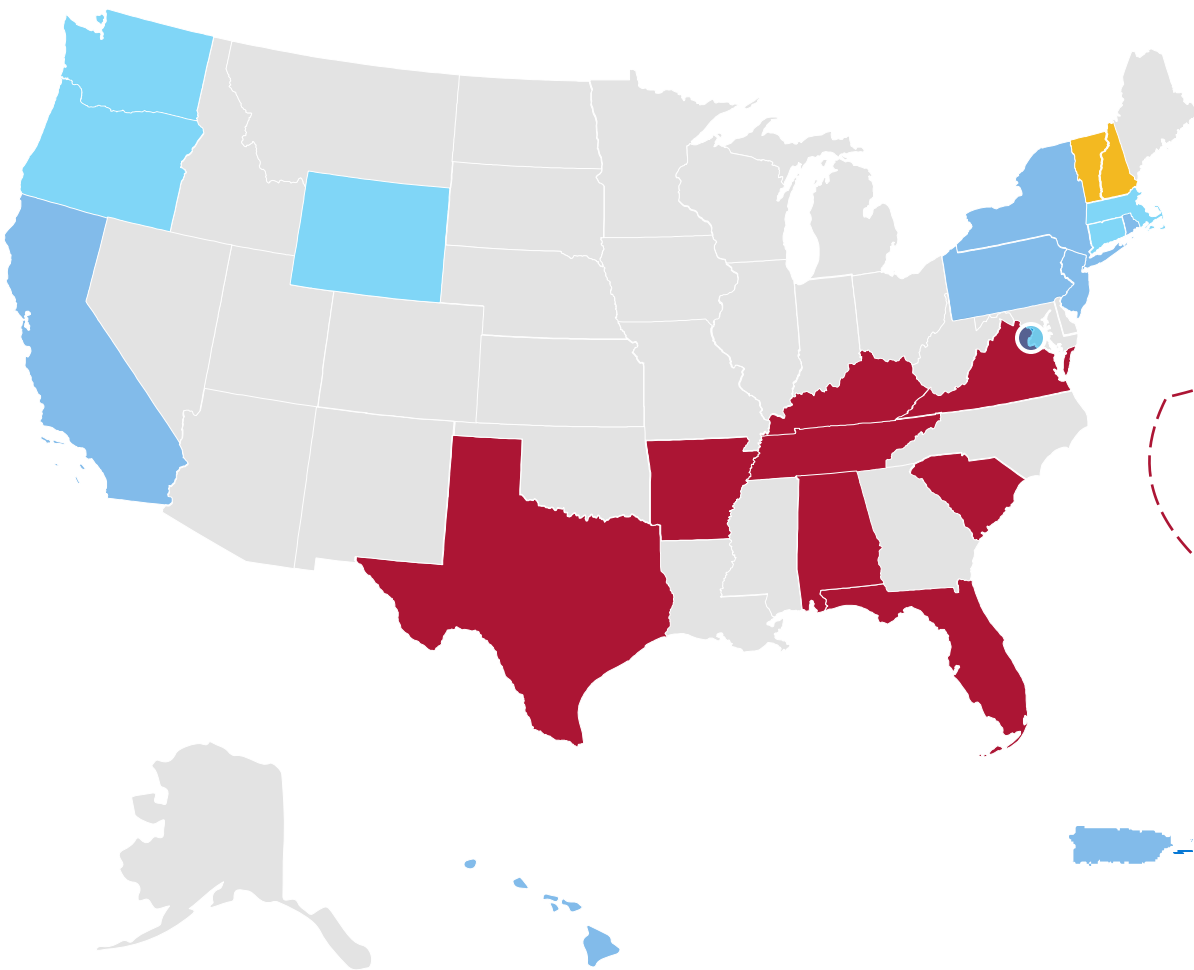
- California
- Hawaii*
- Puerto Rico*
- New Jersey
- New York
- Rhode Island

Combined Programs

- Colorado
- Connecticut
- Massachusetts
- Oregon
- Washington
- Washington D.C

*State Disability Insurance only.

Paid Family Medical Leave (PFML): Voluntary



Voluntary Programs

- New Hampshire
- Vermont

Adopted NCOIL Framework

- Alabama
- Arkansas
- Florida
- Kentucky
- South Carolina
- Tennessee
- Texas
- Virginia

NCOIL Paid Family Leave Insurance Model

The National Council of Insurance Legislators (NCOIL) Paid Family Leave Insurance Model Act is an alternative to statutorily mandated programs that provides a framework for states adopting the model to create a new line of insurance where any insurer licensed to sell Disability or Life insurance will also be able to provide coverage for paid family leave that employers may voluntarily purchase.

*State Disability Insurance only.

Changes to Existing Paid Leave Programs

2025 Updates



California SDI / PFL Changes – *Effective January 1, 2025*

SENATE BILL (SB) 951

Wage Replacement Rate Increase

- Eligible workers will receive 70% to 90% of their wage replacement (up from 60% to 70%)
- Workers earning up to 70% of the State Average Quarterly Wage (SAQW) during their base period will receive 90% of their income, while those earning more than that will receive 70%

ASSEMBLY BILL (AB) 2123

Prohibits Required Use of Vacation Prior to PFL

- Employers will no longer be able to require employees to use up to two weeks of accrued vacation before being able to access PFL benefits.

SENATE BILL (SB) 1090

Revised Claim Filing & Determination Timeframes

- Allows employees to file claims with the EDD up to 30 days in advance of the first anticipated day of their claim – currently the EDD does not allow for early claim filing.
- 1090 also adjusts the turnaround time requirements to require the EDD to issue the initial benefit payment within the latter of 14 days of a properly completed claim or as soon as eligibility begins.

Paid Leave Oregon – *Effective January 1, 2025*

SENATE BILL (SB) 1515

Rounding out the July 2024 PLO / OFLA Changes

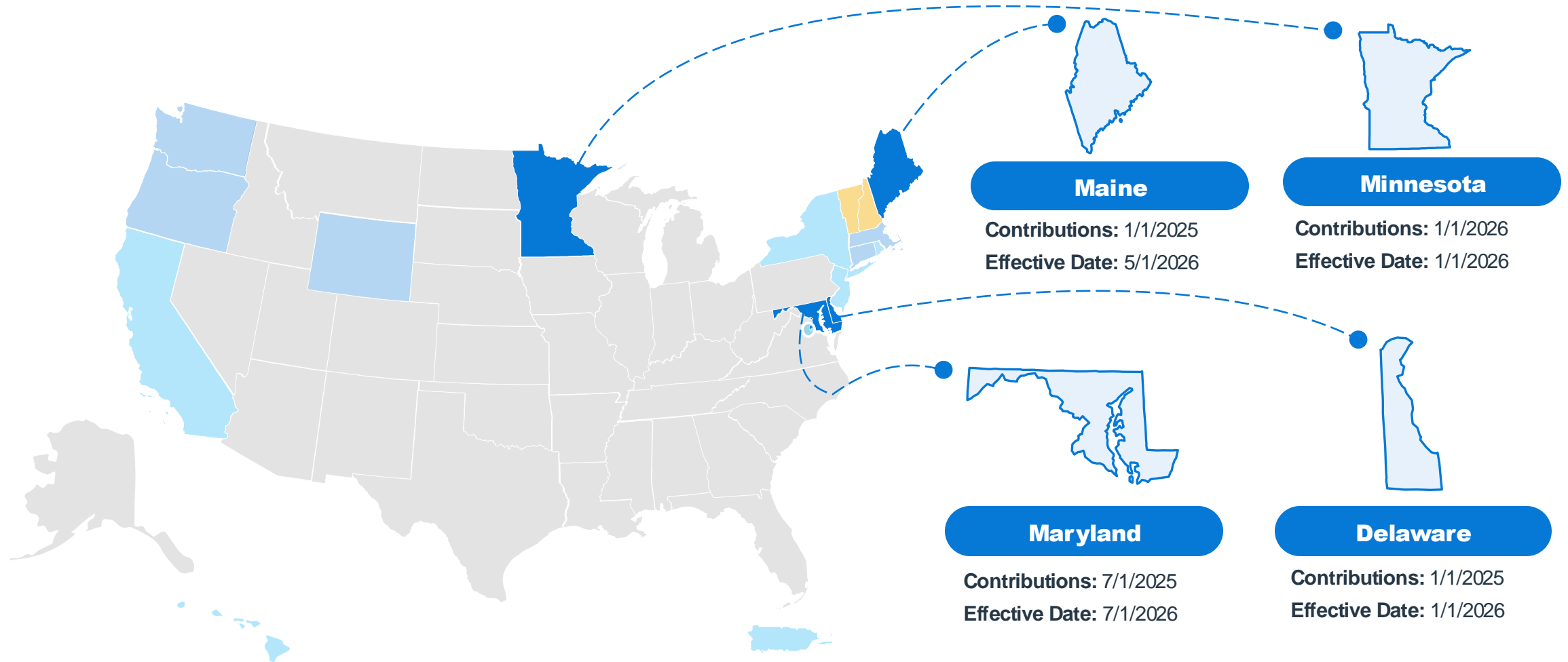
- Beginning July 1, 2024, Oregon SB 1515 made significant changes to Oregon's Family Leave Act (OFLA) and the Paid Leave Oregon (PLO) program in effort to do away with redundancies between the two laws.
- One of the many changes enacted by SB 1515 included adding leave related to the legal proceedings required for the placement of a child through foster care or adoption as a covered leave reason under OFLA from July 1, 2024 through December 31, 2024.
- As we move into 2025, SB 1515 rounds out its changes to the laws by shifting the two (2) additional weeks of leave available for this leave reason to become a qualifying leave reason under Paid Leave Oregon as of January 1, 2025.

Future Paid Family Medical Leave Programs

2026 Scheduled Programs



Paid Family Medical Leave (PFML): New Additions



Contribution Requirements Overview

Delaware *Effective January 1, 2026*

Contributions: *July 1, 2025*

- Combined 0.8% of employee wages
 - Medical Leave: 0.4%
 - Family Leave: 0.08%
 - Parental Leave: 0.32%

All rates subject to 50 / 50 split between employer and employee.

Maryland *Effective July 1, 2026*

Contributions: *July 1, 2025*

- Combined 0.9% of wages up to annual Social Security Wage Base Limit
 - Employer: 0.45%
 - Employee: 0.45%

Small employers with less than 15 employees are not subject to employer contribution requirements but must still collect and remit employee contributions.

Maine *Effective May 1, 2026*

Contributions: *January 1, 2025*

- Combined 1.0% of wages up to annual Social Security Wage Base Limit
 - Employer: 0.5%
 - Employee: 0.5%

Small employers with less than 15 employees are not subject to employer contribution requirements but must still collect and remit employee contributions.

Minnesota *Effective July 1, 2026*

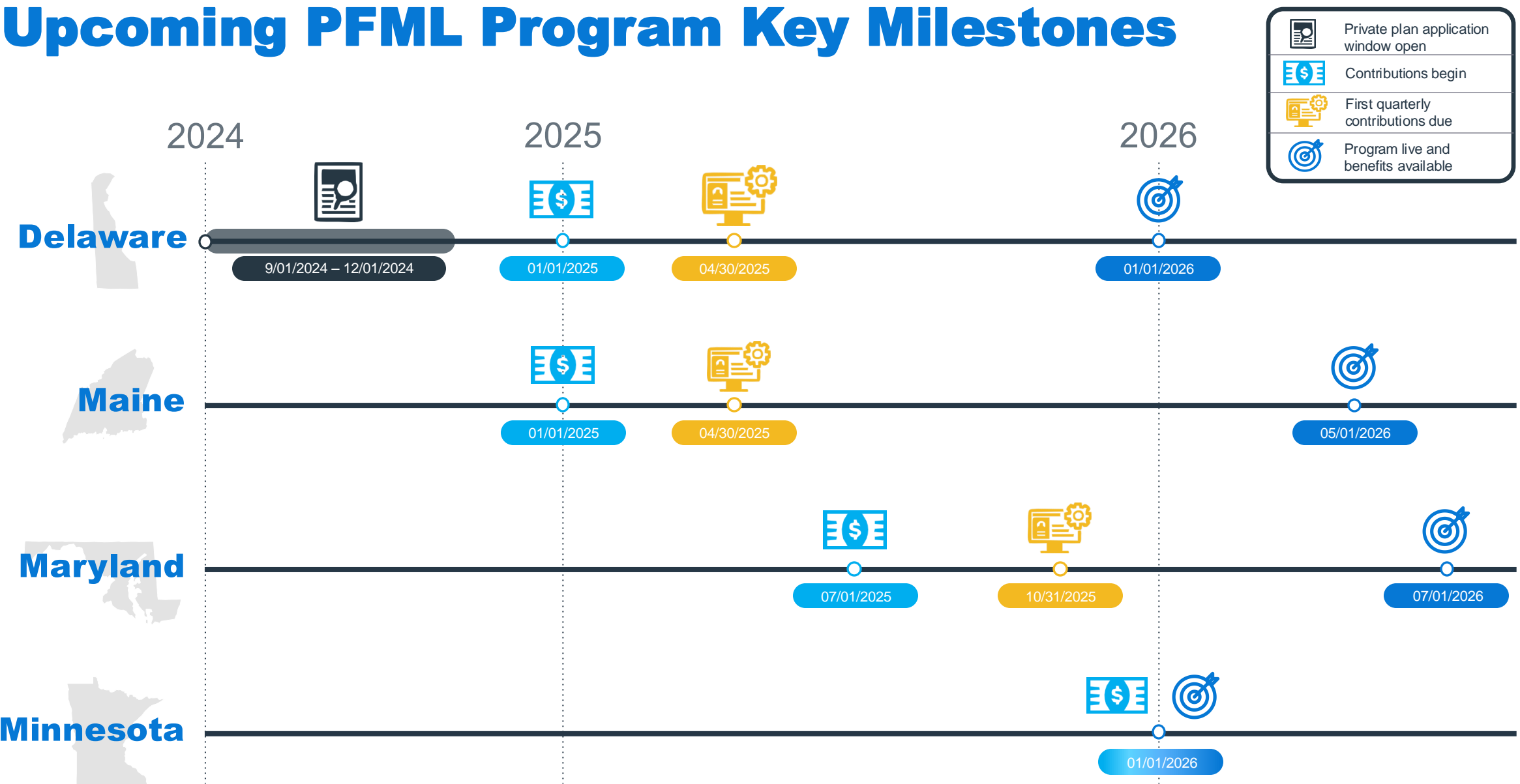
Contributions: *January 1, 2026*

- Premiums per benefits through state*:
 - Medical & Family Leave: 0.7%
 - Medical Leave Only: 0.57%
 - Family Leave Only: 0.13%

All rates subject to 50 / 50 split between employer and employee.

**Employers can obtain private plan exemptions for all reasons, Medical benefits only, or Family benefits only..*

Upcoming PFML Program Key Milestones



Maine is scheduled to be effective May 1, 2026

Starting May 1, 2026, under Maine's program, eligible workers may take up to 12 weeks of paid leave annually for qualifying family or medical reasons. Here are the latest updates:

Eligible workers in the public and private sectors can take up to 12 weeks of paid leave in a year

The program is funded by contributions from both employers and employees into a state fund

The combined contribution rate for 2025-2027 is 0.5-1% of wages and depends on the employer's size. Employers with 15 or more employees contribute 1% of wages, and can deduct up to half of that from the employee's pay

The program covers several reasons, due to a family member's serious health condition, a qualifying exigency, safety leave, bonding leave, or the employee's own pregnancy, pregnancy recovery, or serious heart condition

Coverage is job protected after an employee has worked 120 days for their employer

Maryland is scheduled to be effective July 1, 2026

Beginning July 1, 2026, Maryland workers will be eligible for the FAMLI program, granting protection and the ability to take time off to care for themselves or a family member. Here are the latest updates:

The contribution period for the state plan begins on July 1, 2025. Employers will deduct payroll contributions and send the first payment to the state in October 2025

Contributions to the state-administered fund will be made by both employers and employees. Contributions cannot exceed 1.2% of wages

Employers can either participate or comply with an approved private plan. Employers who choose a private plan will have to pay application and renewal fees

The definition of “wages” will follow the Maryland Unemployment Insurance’s definition

Remote employees may be covered if their employment is not localized in any state, or if their service is directed or controlled from Maryland

Employees can take up to 12 weeks of paid leave for a variety of reasons in a rolling 12-month period. Employees may be eligible for an additional 12 weeks of paid parental leave

Delaware is scheduled to be effective January 1, 2026

Effective January 1, 2026, Delaware's Paid Family & Medical Leave (PFML) program will offer benefits to eligible employees for qualifying family or medical reasons. This program will be mandatory for most businesses with 10 or more employees in Delaware. Here are a few key updates:

Benefits become available for eligible employees on January 1, 2026

Employer & Employee contributions begin for the program on January 1, 2025

Coverage is mandatory for most businesses with 10 or more employees in Delaware

Employers can participate in the state-run program, self-insure, or fully insure a private plan

Employees are limited to a maximum of 12 weeks of combined leave per year

Employees will receive up to 80% of their wages, capped at \$900 per week in 2026 and 2027

Employers may require employees to provide notice of their need to take leave at least 30 days in advance

Employees and employers can agree to waive coverage, but waivers can be revoked if the employee works more than 12 months for the employer

Minnesota is scheduled to be effective January 1, 2026

Beginning January 1, 2026, benefits would be available to Minnesota employees unable to work due to qualifying or medical reasons. Here are a few updates:

Employers and employees will each contribute 50% of the premium for the program. The premium rate is capped at 0.7% of taxable wages up to the Social Security Wage Cap

Employers must include the amount deducted for the portion of the premium passed on to employees on employees' earnings statements

Small employers (30 or fewer employees) may qualify for a lower premium rate if their average worker's wage is equal to or less than 150% of Minnesota's average wage

Employers can use a private plan to administer paid leave. Private plans can help employers balance coverage and cost

Employees will receive up to 20 weeks of paid time off per year for family and medical leave. Employees can take up to 12 weeks for each type of leave

Thank you

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