

NEW WASHINGTON STATE PAID FAMILY MEDICAL LEAVE

As you may be aware - January 1st, 2019 the new Washington State Paid Family Medical Leave begins to rollout. Businesses of all sizes are part of this program. Employers must begin collecting premiums of 0.4% from each employee. Employers will remit premiums to the Employment Security Department (ESD) on a quarterly basis starting April 2019.

Step One

Calculate the total premium amount for each of your employees. The premium for 2019 is 0.4% of an employee's gross wages, so:

 Gross Wages x .004 = Total Premium

Step Two

Calculate the employee and employer shares. Under the law, employers may split the cost of the program with employees by withholding up to 63% of the premium.

 Total Premium x .6333 = Maximum Employee Share

 Total Premium x .3667 = Minimum Employer Share

- All employers may either withhold employee's premiums from their paychecks or pay some or all of the premium on their employee's behalf. Employers who choose to withhold premiums from their employees may withhold up to 63% of the total premium. The employer is responsible for paying the other 37%. **Businesses with fewer than 50 employees are exempt from paying the employer portion but are still required to collect and remit the employee portion.**
- "Gross Wages" are pre-tax wages.
- Premiums should be withheld with each paycheck; employers can't collect missed premiums in later pay periods.
- If you use a voluntary plan for family or medical leave, your calculations may be different. Visit <https://www.paidleave.wa.gov/voluntary-plans> for more information.
- Employees are eligible for family and medical leave benefits after working for at least 820 hours during the qualifying period.
- There are a few exceptions to the withholding requirements: Self-employed individuals (may opt-in); Federal Employees; Federally Recognized Tribes (may opt in); People who work temporarily in WA state.
- Employers may apply for a premium waiver for their workers when: The employee generally does their work out of state; the employee works in WA on a temporary schedule; and the employee is not expected to work in WA for 820 hours or more.
- It is still being determined how the premium payments will be remitted, but it will be quarterly and to the ESD.
- For further info please visit <https://www.paidleave.wa.gov/employers> or give us a call.