LEGISLATIVE REPORT

Paid Family & Medical Leave Report

DECEMBER 2024



Contact

Beth Marchand

Interim Director, Leave & Care Division

Beth.Marchand@esd.wa.gov | 360-480-3404

Learn more at esd.wa.gov

Contents

Executive summary	1
Key insights	1
Legislative changes	3
Program participation	4
Projected and actual Paid Family & Medical Leave benefits	4
Benefit application approval rates & denial reasons	7
Elective coverage participation	9
Voluntary plan participation	11
Premium rate	13
Premium rate calculation	13
Premium rate for 2025	14
Family-medical split	15
Benefit payments	16
Small business assistance	17
Operating & implementation costs	18
Family & medical leave insurance account balance	21
Outreach & community engagement	23
Employees	25
Community-based organizations	26
Help Me Grow Washington	27
WorkSource Centers	28
Employers	28
Health care providers	29
Program participant claims data & leave-taking behaviors	30
Lengths of leave	33
Program participant demographics	36
Age	38

	Gender	. 40
	Racial-ethnic identity	. 42
	Gender, age, and racial-ethnic identity	. 45
	Language preference	. 47
	Geography	. 52
Ρ	rogram participant employment characteristics	. 55
	Average hourly wage	. 55
	Employer size	. 57
	Average hourly wage and employer size	
	Employer industry	. 62

Executive summary

The Washington state Legislature enacted the Paid Family and Medical Leave (Paid Leave) insurance program in 2017, with premium assessments beginning in 2019 and benefits becoming available in 2020. Both employees and employers contribute premiums to pay for Paid Leave. The program is administered by the Employment Security Department (Employment Security) and generally allows for up to 12 weeks of paid family leave or paid medical leave for eligible Washington workers. Under certain circumstances, individuals may qualify for 16 to 18 weeks of combined family and medical leave. The law requires employment protection and continuation of employer-provided health care benefits for many employees. Benefits are progressive, providing up to 90% of participants' weekly pay for each week of leave.

This report is a product of RCW 50A.05.050¹. It covers program participation, premium rates, the Family and Medical Leave Insurance Account (Paid Leave account) balance, benefits paid, program costs, demographic information on program participants, outreach efforts and assistance available for small businesses.

Key insights

- The premium rate taking effect January 1, 2025, will be 0.92%, up from 0.74% in 2024.
- The Paid Leave account is projected to experience a short-term deficit as of April 2025 due to a lower premium rate and a continued increase in program benefits. The department expects it will take a few years to establish a three-month reserve and anticipates some risk for deficits in the meantime. For more detail, please see the 2024 Actuarial Report for Paid Family and Medical Leave. (Note: link to be added prior to formal publication)

During fiscal year 2024², the Paid Leave program:

- Covered about 61 million hours of leave;
- Paid approximately \$1.67 billion in benefits; and
- Provided benefits to more than 204,000 employees.

¹ See RCW 50A.05.050

² July 1, 2023 – June 30, 2024

- The program continues to grow as more benefit customers and employers engage with the program every year. Employment Security has been hiring staff and making system improvements to keep up with this demand, but additional support and resources are needed to meet demand and address gaps in customer service. For more information about staffing and funding needs for the Paid Leave program, see the 2024 Paid Family & Medical Leave Program Needs and Resources Report.
- The program established its Community Engagement team with the hiring of its first Community Engagement Manager in May 2024. Staff members have also collectively engaged in over 100 presentations and events.
- Age and gender continue to be the most significant drivers behind program participation. Customers who are between the ages of 30-39 and who identify as female have higher participation.
- Workers making up to \$18 and between \$18-\$24 an hour appear to have lower participation relative to eligible workers and lower rates of eligibility relative to all Washington workers.
- Those who work for small employers (49 or fewer employees) in Accommodation & Food Services and Retail Trade appear to have lower participation relative to the eligible worker population, as well as lower rates of eligibility.

Legislative changes

During the 2024 legislative session, the Legislature passed one bill pertaining to Paid Leave:

Substitute House Bill 2102 requires health care providers to provide a certification of serious health condition for qualifying a patient for paid leave, including any required documentation of a serious health condition, within seven calendar days of receipt of a request and authorization from the patient, provided the health care provider has the necessary patient information to do so. It also prohibits the provider from charging a fee for completing the certification, though it does not prevent the provider from charging a fee associated with any office visit necessary for evaluating the patient.

The program also implemented changes because of legislation passed in the 2023 legislative session:

- Second Substitute Senate Bill 5586 (2023), allowing employers and their third-party administrators more access to employees' claim information. Effective January 1, 2024, employers will have access to information related to their employee's claim, including type of leave being taken, the requested duration of leave and approved dates of leave, and the outcome of an application and any weeks an employee was paid benefits.
- <u>Substitute House Bill 1570</u> (2023), establishing a pilot program to facilitate
 Transportation Network Companies (TNCs) paying Paid leave premiums for TNC drivers who opt-in to the program beginning July 1st, 2024.

Program participation

Projected and actual Paid Family & Medical Leave benefits

Most employees in Washington state are eligible for benefits if they have experienced a qualifying event prompting their need for family and/or medical leave and worked at least 820 hours during a qualifying year period.³

For fiscal year 2024 (FY24), the number of claims projected at the beginning of the year aligned closely with actual claims⁴. Table 1 below details projected claims compared to actual claims paid.

Table 1. Projected claims and actual claims paid by fiscal year (FY20-FY24)

Year	Projected claims at beginning of year	Actual claims
FY2020 ⁵	36,033	47,960
FY2021	131,150	133,014
FY2022	157,146	169,606
FY2023	196,522	195,517
FY2024	228,993	232,192

Source: WA Paid Leave Administrative Data 7/1/2023 - 6/30/2024

The number of claims *submitted* to Employment Security provides an additional measure of program participation and the need for this type of benefit. Figure 1 shows claim applications submitted by month from January 2020 through June 2024. Claim applications submitted have generally trended upward. This year, applications submitted hit an all-time high in January 2024, with more than 25,000 applications submitted in the month. April and May 2024 also saw more than 25,000 applications submitted. Cumulatively, the program received 14% more applications in FY24 than the previous fiscal year.

³ Exemptions include federal employees, tribal employees, and certain employees under collective bargaining agreements (time-limited duration for this exemption).

⁴ July 1, 2023 – June 30, 2024

⁵ FY20 only includes six months, January 1, 2020 – June 30, 2020, due to the timing of when benefits launched.

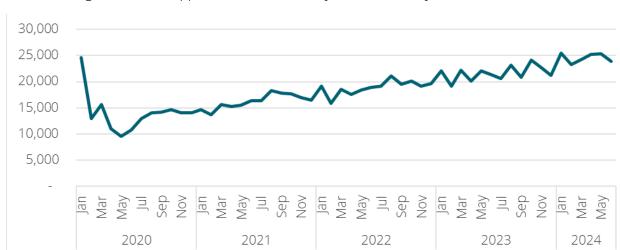


Figure 1. Claim applications submitted by month, January 2020 - June 2024

Figure 2 below shows claims submitted by type.

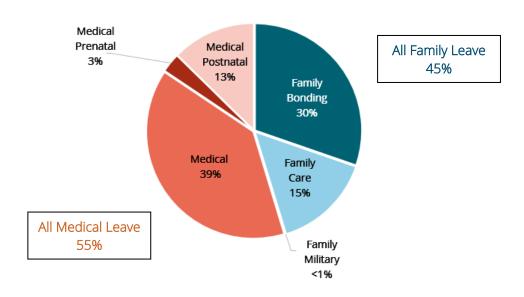
Family leave includes bonding leave, care leave, and military leave.

- Bonding leave is to care for a new child (adoption, birth or placement).
- Care leave is to care for a family member⁶ with a serious health condition.
- Military leave is family leave related to military exigencies, such as short-notice deployment.

Medical leave includes non-pregnancy medical leave, prenatal leave, and postnatal leave.⁷

- Medical leave is for workers to take for their own non-pregnancy serious health condition.
- Medical prenatal leave is medical leave taken for pregnancy.
- Medical postnatal leave is medical leave taken to recover from childbirth⁸.

Figure 2. Claim applications submitted by type, July 2023-June 2024



⁶ Qualifying family members include child, spouse of child, or other parent-child relationships (legal guardian, de facto, in loco parentis), parent or parent of a spouse, grandchild, grandparent, sibling, spouse, or registered domestic partner. In 2021, with the passage of <u>ESSB 5097</u>, the definition of a qualifying family member expanded to include chosen family or "any individual where the relationship creates an expectation for care."

⁷ With both prenatal and postnatal medical leave, an individual that experiences a condition in pregnancy that results in incapacity, like being put on bed rest or a C-section, can take up to 18 weeks of combined medical and family leave.

⁸ In June 2022, system changes allowed the program to begin distinguishing between medical leaves for one's own serious health condition and for pregnancy and childbirth recovery. Note here that we distinguish between pre- and post-natal medical leave for the purposes of reporting out on the number of applications submitted. In later sections, we refer to these claims as one group – "medical pregnancy" – which includes medical leaves taken for both pregnancy and childbirth recovery.

Figure 3 below show claims submitted by type and month. ⁹

30,000 25,000 20,000 15,000 10,000 5,000 0 July Oct Dec Feb Aug Sept Nov Jan Mar May June Apr ■ Family Bonding Family Care Medical ■ Medical Prenatal Medical Postnatal

Figure 3. Claim applications submitted by type & month, July 2023-June 2024

Source: WA Paid Leave Administrative Data //1/2023 - 6/30/2024

Benefit application approval rates & denial reasons

Table 2 shows a breakdown of the number of applications submitted by leave type and their corresponding approval rates. Claim applications for bonding leave have the highest approval rate, while applications for military¹⁰ and medical prenatal¹¹ leave have the lowest approval rate.

Table 2. Claim applications submitted & approval rates by type, July 2023-June 2024

	Benefit applications submitted	Application approval rate
Family Bonding	84,879	94%
Family Care	41,932	83%
Family Military	174	43%
Medical	109,437	83%
Medical Prenatal	8,163	72%
Medical Postnatal	35,483	91%
Total	280,068	87%

⁹ More information about monthly claim data, county level claim data and processing times can be found on the Paid Family and Medical Leave Claims Dashboard.

¹⁰ The most common denial reasons for military claims are the qualifying event does not meet the exigency definition, the customer does not meet the hours worked requirement, has not provided sufficient exigency documentation, or has not provided sufficient identity documentation. It is common for customers to submit the wrong documentation (i.e., memorandums in lieu of orders, which do not provide authorization of movement and lines of accounting for movement). Moreover, there are a consistent number of applications submitted for military leave that do not necessarily qualify under exigency, such as field training or change of duty stations.

¹¹ The most common denial reasons for medical prenatal claims are the customer does not meet the hours worked requirement, did not provide sufficient medical certification, or applied ahead of the event.

A benefit application may be denied for up to five different reasons. However, when an application is denied for insufficient documentation of identity or hours worked, then the application will only have the one denial reason listed. Most (99%) claims in the sample were denied for one reason only. Approximately 1% were denied for two or more reasons.¹²

The two most common reasons a benefit application may be denied are:

- The customer did not provide documentation for hours worked or did not meet the eligibility requirement of having worked 820 hours in the qualifying period; or
- The customer did not submit sufficient medical documentation, a requirement of both customers who take medical leave¹³ and those who take family leave to care for a family member with a serious health condition.

Table 3 shows the most common denial reasons for a sample of claims during the period of July 1, 2023 – June 30, 2024.¹⁴

Table 3. Most common benefit application denial reasons

Denial Reason	Percent
Hours worked requirement not met	38%
Missing/insufficient qualifying event documentation	25%
Applied ahead of the event	12%
Exhausted leave	10%
Claim year ended	3%
Missing/insufficient identity documentation	3%
Unable to establish good cause to backdate the claim	2%
Non-qualifying event	2%
Hours worked requirement not met – excluded under voluntary plan	1%
Hours worked requirement not met – excluded as a tribal or federal government employee	1%
Other	1%
Hours Worked requirement not met – excluded under a collective bargaining agreement	1%
Applied ahead of the event & missing/insufficient qualifying event documentation	.5%
Exhausted leave & claim year ended	0.2%
Exhausted leave & applied ahead of the event	0.03%

¹² Most commonly, benefit applications that are denied for two or more reasons are denied for a combination of applying before the qualifying event has occurred and not providing sufficient documentation of that event.

¹³ Medical certification is required for medical leave for one's own serious health condition as well as medical prenatal leave and medical postnatal leave with complications. Medical postnatal leave without complications only requires proof of birth.

¹⁴ These were claims that were submitted during the most recently completed fiscal year. Each claim is represented once.

Elective coverage participation

Those who are self-employed or working as independent contractors may choose to opt in to the Paid Leave program. This includes individuals who work independently and business owners who may have employees already covered by the program and would like to obtain coverage for themselves. Beginning July 1, 2024, this also includes rideshare drivers who are allowed to opt in to the Transportation Network Company Pilot established by Senate House Bill 1570¹⁵, passed by the Legislature in 2023. ¹⁶ Drivers who opt in to the pilot have their coverage begin the following quarter, like elective coverage customers. The initial participation period for elective coverage is three years, after which participation changes to an annual basis. Those electing coverage become eligible for leave at the beginning of the quarter after opting in and meeting the eligibility criteria of 820 hours worked in the qualifying period.

At the end of June 2024, 6,101 accounts associated with approximately 5,700 individuals had opted in to coverage. ¹⁷ In the last year, 1,509 accounts started coverage and 155 ended coverage. The program is continuing to grow, but at a slower rate than last fiscal year (see Table 4).

Table 4. Accounts by coverage start, FY19-FY24

	Accounts by coverage Year-over-yea start date percentage char	
FY19	476	-
FY20	696	46%
FY21	839	21%
FY22	1,198	43%
FY23	1,383	15%
FY24	1,509	9%
Total	6,101	

¹⁵ Senate House Bill 1570

¹⁶ As of September 30, 2024, a total of 1,120 drivers have opted in to coverage.

¹⁷ This includes individuals with accounts coverage start dates before the end of the fiscal year.

Figure 4 shows the distribution of accounts by the quarter and year of their effective start date. Approximately 20% of active elective coverage accounts filed claims during the fiscal year, 83% of which were approved.¹⁸

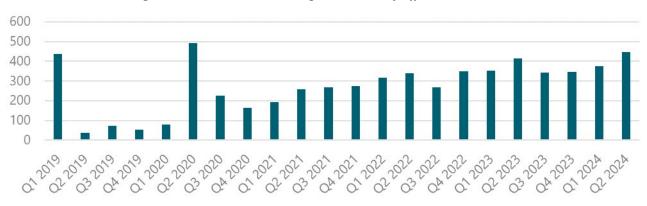


Figure 4. New elective coverage accounts by effective start date

¹⁸ Compared to overall rate of 86% of applications approved during the same time frame. Elective coverage claims cannot be directly linked. This is an estimate.

Voluntary plan participation

The Paid Leave program includes a provision for employers to operate a Voluntary Plan in lieu of participating in the state's plan. These leave programs must meet or exceed the state's Paid Leave benefits while not costing employees more than the state plan would. Interested employers submit a voluntary plan application to Employment Security, along with a nonrefundable application fee. ¹⁹ After Employment Security reviews and approves plans, the department provides ongoing technical assistance to employers operating voluntary plans. Plans must be fully reviewed on a periodic basis for the first three years to ensure requirements are met. Employers operating voluntary plans are still required to submit quarterly wage reports to Employment Security. Employment Security posts a list of all employers with an approved voluntary plan on its website. ²⁰

Table 5 shows voluntary plan employers by the type of plan offered and employer size. As of the end of FY24, there were 381 employers with approved voluntary plans. Approximately 91% of these employers offer a combined family and medical leave plan with the share of employers offering either a medical leave only (about 7%) or family leave only (about 2%) plan substantially lower.

Table 5. Voluntary plan employers by plan type offer & employer size

	Family & Medical	Medical Only	Family Only	All Plan
	Plan	Plan	Plan	Types
Known Employer Size	301	24	7	332
Small Employers	184	11	5	200
(<50 Employees)				
Large Employers	117	13	2	132
(50+ Employees)				
Unknown Employer Size	47	1	1	49
All Voluntary Plan Employers	348	25	8	381

¹⁹ For more information about voluntary plan costs and fee structures see the legislative report published in August, 2022 analyzing the administration of voluntary plans, found <u>here</u>.

²⁰ https://paidleave.wa.gov/voluntary-plans-employer-list/

Small employers make up the larger share, accounting for almost 53% of employers with approved voluntary plans. Employers with more than fifty employees constitute almost 35% of approved voluntary plan employers. The remaining 13% of approved voluntary plan employers were employers that did not submit quarterly wage records in FY24. This could be for a variety of reasons; for example, the business has since closed or there is still uncertainty about the need to submit wage records despite administering their own plan.

Table 6 depicts the average employment and total wages for the 381 voluntary plan employers with submitted wage records during the fiscal year. Voluntary plan employers reported a total of 134,256 employees during the fiscal year (or about 3% of statewide employment) and about \$27 billion in gross wages (or about 1% of statewide wages). The number of voluntary plan employers did increase by 69, and employment and wages as a share of statewide employment and wages remained relatively constant.²¹ While there are more small employers with voluntary plans, they account for less than 1% of total voluntary plan employment and wages and less than half a percent of statewide small employer employment and wages. On the other hand, large employers with approved voluntary plans account for 98% of all voluntary plan employment and 99% of voluntary plan wages, and about 5% of statewide large employer employment and 13% of statewide large employer wages.

Table 6. Employment & gross wages of voluntary plan employers by size

	Employment	Share of Statewide Employment	Total Gross Wages	Share of Statewide Gross Wages
Small Employers (<50 Employees)	2,094	0.2%	\$276,699,666	0.5%
Large Employers (50+ Employees)	132,162	5%	\$27,197,189,917	13%
All Employers	134,256	3.2%	\$27,473,889,583	11%

²¹ Wage and employment information regarding last year's voluntary plans can be found in the <u>2023 Annual Report</u> on pages 13 and 14.

Premium rate

Premiums are assessed quarterly and remitted to Employment Security in conjunction with employer reporting in the month following the end of each quarter. Reporting months are April, July, October, and January. Premium responsibility is split between employees and employers and only applies to wages up to the social security cap. Employers may withhold from employees up to 100% of the family leave premium and up to 45% of the medical leave premium. Employers with 50 or more employees are responsible for 55% of the medical leave premium. Small businesses (employers with 49 or fewer employees) are exempt from paying the employer portion of the premium, except if the small business receives a small business assistance grant²² or if they choose to opt in to contributing the employer portion of the premium. Upon receiving a grant, they are required to pay the employer portion of the premium for the next three years. Those who are self-employed and independent contractors electing coverage are responsible only for the employee share of the premium.

Premium rate calculation

Substitute Senate Bill (SSB) 5286, passed in 2023, modified the Paid Leave premium rate calculation beginning in 2024, based on recommendations from the Legislative Task Force On Paid Family And Medical Leave Premiums.²³ As a result, the rate no longer requires the use of the account balance ratio table when setting the premium rate and it no longer gives Employment Security's Commissioner the authority to set a solvency surcharge in the event of coming-year solvency concerns. The legislation does however continue to cap the premium rate at 1.2%. The new methodology is as follows:

 $Premium\ Rate = \frac{140\%\ (benefits\ paid\ +\ admin\ costs\ for\ prior\ fiscal\ year) - Sept\ 30\ account\ balance}{taxable\ wages\ of\ the\ prior\ fiscal\ year}$

The premium rate is calculated annually by taking 140% of the prior fiscal year's expenses, including benefits paid and Employment Security's administrative costs for the Paid Leave program. This is then reduced by the Paid Leave account balance as of September 30th. The result of the above calculation is then divided by the total taxable wages in the prior fiscal year. This ratio is carried out to the fourth decimal place and then rounded up to the nearest hundredth of a percent. This rounded figure is the new premium rate.

²² See Small Business Assistance section in this report.

²³ The final report and additional task force documents can be found <u>here</u>.

While SSB 5286 removed the ability to assess an additional solvency surcharge if the rate results in projected solvency concerns in the following year, it does require the Commissioner to adjust the premium rate lower if the rate calculated results in a projected Paid Leave account balance that would exceed a three-month reserve at the end of the following rate collection year. For the calculation of the 2025 premium rate, the end of the following rate collection year is the end of quarter one of 2026. The three-month reserve is defined in statute as three months' worth of the average monthly expenses (benefits paid and administrative costs) in the prior twelve months at the time of rate setting.

Premium rate for 2025

Using the methods outlined above, taking 140% of total benefits paid (\$1,653,501,020) and administrative costs (\$69,192,763) then reducing that by the Paid Leave account balance on Sept 30, 2023, (\$208,783,874) resulted in \$2,202,987,423. This was then divided by taxable wages in the prior fiscal year (\$242,002,809,498) which equated to 0.92% after being carried out to the fourth decimal place and then rounded up to the nearest hundredth of a percent.²⁶

$$0.92\% = \frac{140\% (\$1,653,501,020 + \$69,192,763) - \$208,783,874}{\$242,002,809,498}$$

Thus, the total premium rate taking effect January 1, 2025, will be 0.92%. This is an increase from 0.74% in 2024.

The estimated three-month reserve at the end of the rate year (2026 Q1) is \$459 million. Upon running this rate through Employment Security's Office of Actuarial Services model, the estimated Paid Leave account balance will likely be in deficit, much lower than the three-month reserve. The new rate structure only grants the Commissioner the ability to decrease the rate if the above calculation results in a premium rate higher than what is needed to maintain a three-month reserve at the end of the rate year. The new methodology reduces but does not eliminate risks of periodic future short-term deficits, with the highest risks falling in the first quarter of 2025. Projections also indicate it may take a few rate cycles for the Paid Leave account balance to fully build a three-month reserve.

²⁴ Projected Paid Leave account balances are estimated models produced by Employment Security's Office of Actuarial Services, for more information regarding project balances see the <u>Actuarial Annual Report for Paid Family and Medical Leave</u>.

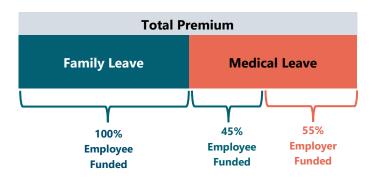
²⁵ RCW 50A.10.030(6)(c)(ii)

²⁶ Small business assistance grants were excluded from total benefits paid and were immaterial to the rate calculation.

Family-medical split

While the methodology behind the calculation of the premium rate has changed, the methodology used to determine the family-medical split of the rate remains the same. Under statute²⁷, premiums are split

between family and medical leave, with 100% of the family leave being employee funded and medical leave being



45% funded by employees and 55% funded by employers.²⁸ As of January 1, 2022, the family-medical split of total premium became variable based on the ratio of paid claims in the prior fiscal year²⁹. Changes to the ratio of paid family and medical claims adjust the contribution rates for employees and employers. Any shifts towards more paid family claims in relation to paid medical claims increases the employee contribution compared to employers. The inverse of this, shifting the ratio towards more paid medical claims, increases the employers' contribution. Employers may also choose to cover some or all their employees' portion as an additional benefit they provide to their employees.

For 2024, the family premium was set at 48.05% and the medical premium was set at 51.95% of the total premium. This means employees contributed 71.43% and employers contributed 28.57% towards the total premium for 2024.

For 2025, the family premium will be 48.22% and the medical premium will be 51.78% of the total premium. This translates to employees contributing 71.52% and employers contributing 28.48% towards the premium in 2025.

²⁷ RCW.50A.10.030

²⁸ Employers with fewer than 50 employees are not required to pay the employer portion of the Paid Leave premium, except in the event they voluntarily opt into paying or upon the receipt of receiving a small business assistance grant. In the case of receiving a grant they are required to pay the employer portion for three years.

²⁹ Claims paid include any leave claim with at least one payment in the prior fiscal year.

Benefit payments

Applicants approved to take leave submit weekly claims for each week of leave, relaying information about any hours worked that week, whether they used other benefits (e.g., unemployment) and other information necessary to calculate the week's benefit payment. Table 7 shows the number of employees and claims with at least one approved weekly payment, approved benefit dollars, and leave hours used by the month and in total for FY24. Between July 1, 2023, and June 30, 2024, the program covered about 61 million hours of leave and paid approximately \$1.7 billion in benefits to over 204,000 Washingtonians. On average, approved customers claimed 33 hours of leave and received \$890 each week.³⁰

Table 7. Benefit claims & approved payments by month, July 2023 - June 2024

	Employees with at least one approved weekly claim payment	Claims with at least one approved weekly claim payment	Approved benefits (millions)	Leave hours (millions)
July	35,476	36,642	\$117.7	4.40
Aug	39,007	40,277	\$134.9	5.01
Sept	37,827	39,284	\$120.2	4.47
Oct	43,143	45,319	\$150.7	5.59
Nov	39,494	40,943	\$123.0	4.53
Dec	42,654	44,419	\$141.7	5.24
Jan	44,865	46,550	\$144.2	5.31
Feb	44,332	45,979	\$137.9	5.05
Mar	47,289	49,381	\$151.5	5.51
Apr	47,794	49,791	\$148.2	5.35
May	48,841	50,912	\$146.2	5.27
June	48,456	50,435	\$149.6	5.41
July 2023- June 2024 ³¹	204,343	258,465	\$1,666	61
Percentage change from FY23	+18%	+18%	+25%	+18%

³⁰ Washington workers taking Paid Leave may do so intermittently and some start or end mid-week, which results in proration of the weekly benefit.

³¹ Figures are deduplicated totals for the year and are not equal to the sum of the columns.

Small business assistance

The Paid Leave program includes provisions to support smaller businesses, which may be disproportionately affected when employees take leave. Businesses with 150 or fewer employees are eligible to apply for grants. Employers with fewer than 50 employees that receive a grant pay the employer portion of premiums for three subsequent years (twelve quarters). For each employee on leave, employers may receive a grant of \$3,000, if they have hired a temporary worker to replace an employee on Paid Leave for at least a week, or a grant of up to \$1,000 for significant wage-related costs associated with an employee's use of Paid Leave. Employers may apply for up to 10 grants per year and must provide documentation of a replacement worker and/or wage-related costs.

A total of 132 small business assistance grant applications were submitted during the fiscal year, 67 percent of which were approved.³² Table 8 and Table 9 detail what types of grants were approved and the distribution of size of the businesses who received those grants. Approximately \$216,000 in grants went to 43 small businesses. Businesses received a median of 3 grants each. Associated with these small business assistance grants are 85 employees with 134 approved leave claims.

Table 8. Approved grants by type

Grant Type	Count	Percent
Grants to cover wage-related costs associated with an employee's use of Paid Leave	24	27%
Grants to hire a temporary worker to replace an employee on Paid Leave	64	73%
Total Approved Grants	88	

Table 9. Approved grants by business size

Employer Size	Count	Percent
<50 employees	31	35%
50-150 employees	57	65%
Total Approved Grants	88	

³² The most common reasons for denial are insufficient documentation or the employer did not apply within four months of the employee's last day of leave.

Operating & implementation costs

The Paid Leave program continues to grow as more customers utilize the benefit every year. As a new program, Paid Leave also continues to respond to customer demand and policy changes by updating and improving processes and technology. Key projects from the last year include:

- Developed and deployed eight major technology releases comprised of 76 features and 78 bug fixes, many of which improved the customer experience. These updates include:
 - o Improved customer communications in the customer portal; including improvements to secure messaging
 - o Improved the process for employees to provide their employment information at time of application
 - o Created a bank of hours that is visible to customers so they can better manage their leave usage and ensure they are not surprised when they are low on hours
 - Updated the questions about race and ethnicity on the benefit application and when signing up for elective coverage to increase data quality, decrease confusion, and offer customers more inclusive options
- Migration of our financial and accounting system to a cloud-based system, allowing for better stability, development speed, and reduced downtime, as well as improved functionality for workload management.
- Revisions of the medical certification forms based on feedback from employees, medical providers, and community partners, to include a side-by-side translation in 24 languages.³³
- Implemented Second Substitute Senate Bill 5586 (2023), allowing employers and their third-party administrators more access to employees' claim information. Effective January 1, 2024, employers have access to information related to their employees' claims, including type of leave being taken, the requested duration of leave and approved dates of leave, and the outcome of an application and any weeks an employee was paid benefits.
- Beginning July 1, 2024, allowed rideshare drivers to opt in to the Transportation Network Company Pilot established by SHB 1570 (2023).³⁴

³³ The medical certification is available to download from paidleave.wa.gov in 15 languages, however, an individual can call and request it nine additional languages for a total of 24 languages available (and more added as requested).

³⁴Drivers who opt in to the pilot have their coverage begin the following quarter, like elective coverage customers. These drivers can enroll individually or through bulk enrollment through the Drivers Union. Once enrolled, drivers or a third-party administrator will be able to file wage reports beginning 2025 Q1 and will have paid premiums assessed on rideshare earnings reimbursed by the companies they drive for.

In the last year, application volumes have continued to increase, while processing times for benefits have trended downwards. Stakeholders generally expect the program to target two weeks from application submission to first payment, but lack of adequate staffing has limited Employment Security in reaching that target. Figure 5 below shows the three-month rolling average of applications submitted compared to the median time from application submission to first payment.³⁵

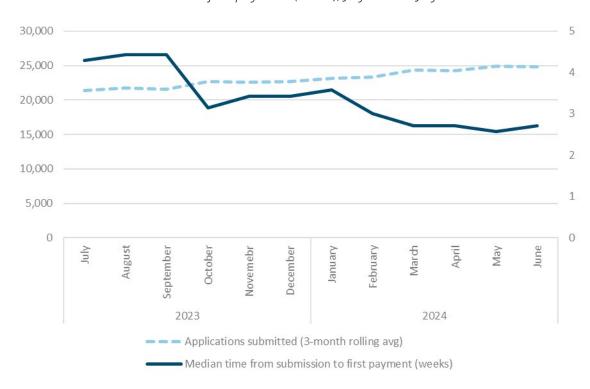


Figure 5. Applications submitted (3-month rolling average) and median time from application submission to first payment (weeks), July 2022 – July 2023

Source: WA Paid Leave Administrative Data 7/1/2023 - 6/30/2024

Paid Leave has hired additional specialists to assist customers and process applications and weekly claims. To prevent time to first payments from increasing, staff have been prioritizing processing benefit customers (applications, weekly claims, redeterminations) over other customer service such as answering phones. Call queues are limited to mitigate lengthy hold times. However, this increases the calls that receive a high call volume notice, asking the caller to call again at another time instead of being entered into the phone queue. With fewer staff to answer phones, fewer calls are entering the phone queues. As calls have continued to

³⁵ Figure 4 includes the three-month rolling average of applications submitted and the median time between application submission and first weekly payment approved, for claims approved in their initial determination. The three-month rolling average shows longer-term trends in application volume, that would otherwise be hidden by monthly fluctuations. The Median accounts for outlier cases and provides a more realistic picture of the typical customer experience.

increase, calls into queue and calls handled have decreased, and queue times decreased for a time but rose again in the later part of the fiscal year, as shown in Figure 6 below.

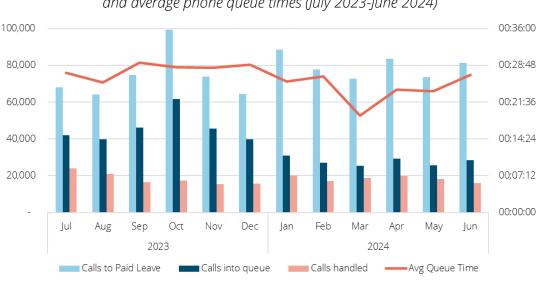


Figure 6. Calls to Paid Leave, calls into queue, calls handled, and average phone queue times (July 2023-June 2024)

Source: WA Paid Leave Administrative Data 7/1/2023 - 6/30/2024

The program also implemented changes to improve the employer experience by reallocating staff and resources to create an additional dedicated Employer Services team. The program now has two teams focused solely on employer services. Employer needs, claims volumes and associated work are expected to continue to increase such that additional staff will be needed to support current and additional claims volumes, additional training and workload management. For more information about staffing and funding needs for the Paid Leave program, see the 2024 Paid Family & Medical Leave Program Needs and Resources Report.

Table 10 below details operating and implementation costs for each fiscal year.

*Table 10. Operating & implementation costs, fiscal years 2019 through 2025*³⁶ (millions)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Paid Leave implementation &							
operating costs	\$40.69	\$50.72	\$43.38	\$48.34	\$63.2	\$69.2	\$78.12
(out of 22F Fund)							

³⁶ FY19-FY24 are historical amounts, FY25 is expenditure authority for the current year.

Family & medical leave insurance account balance

Shown below in Figure 7 is the Paid Leave account balance at the end of each month in FY24. The Paid Leave account balance has a distinct quarterly seasonality where it is typically highest in the month following the end of the quarter. This is the result of a large influx of premium payments following the reporting period.



Figure 7. Paid Leave account balance by month, FY2024 (millions)

Shown below in Figure 8 is the Paid Leave account balance, benefits approved, premiums collected, and operating expenses for FY22-FY24. ³⁷ Operating expenses have remained stable, averaging about 4% of approved benefits in recent quarters. Premiums assessed for each quarter are remitted in the following quarter. The first quarter of premium assessments, reported and collected in Q2, are the largest premiums to be collected each year due to more employees reaching the social security wage cap through the progression of the calendar year. There have been no short-term Paid Leave account deficits in FY24. However, as discussed in the 2023 session when legislation changed the premium rate calculation, Employment Security expects it to take a few years to establish a three-month reserve, and for there to be some risk for deficits in the meantime. At the time of that change, the department is anticipated short-term deficits to re-occur in early 2025 and still holds that expectation. In fact, as the program has continued to experience high growth, those deficits are likely to be larger and longer-term. For more detail, please see the 2024 Actuarial Report for Paid Family and Medical Leave. (Note: link to report to be added upon publication.)

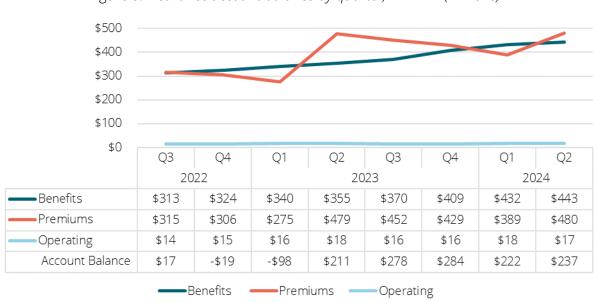


Figure 8. Insurance account balance by quarter, FY22-24 (millions)

³⁷ Paid Leave account balance is taken on the last day of each month.

Outreach & community engagement

The Paid Leave program is required by statute ³⁸ to develop and implement an outreach program to ensure employees who may be qualified to receive family and medical leave benefits are made aware of these benefits. The Paid Leave program has been focused on outreach and education from the start. Prior to benefits becoming available, the program dedicated significant resources to outreach and messaging research and development, media and social media campaigns, in-person events, and outreach and marketing to employers and workers. The program also completed initial research and planning for a community partnership program and "train-the-trainer" ambassador program. In 2020, when benefits became available, the program experienced a much higher than anticipated volume of applications and the COVID-19 pandemic caused claims to skyrocket. Due to the pandemic and capacity issues, outreach and community partnerships were put on hold.

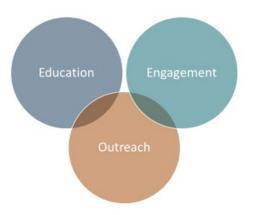
In FY23, the program largely resumed these outreach activities and continued to build the relationships, structures, and capacity needed to expand informational outreach and technical assistance to employers, healthcare providers, and community-based organizations statewide. This past year, the program has continued these efforts, outlined in more detail below. The program established its Community Engagement team with the hiring of its first Community Engagement Manager in May 2024. Paid Leave staff have also collectively engaged in over 100 presentations and events, including employer webinars, education and technical assistance for healthcare providers, community health workers, and public health entities, and partner events with WorkSource, the Shared Work program, the Department of Labor and Industries (L&I), Department of Social and Health Services (DSHS), the Office of Equity, and the Washington Health Care Authority.

The program is focused on how it can provide better technical assistance and increase self-service for our customers, to empower them to give the correct information the first time and make the process more efficient. The program is working to identify and align with existing networks, like Help Me Grow Washington, and leverage existing structures (like partnering with other state agencies) to reduce administrative burden for both community-based organizations and customers. For example, in the last year, the program has been conducting outreach and education specifically with foster care parents and organizations. Through connections made with partners at the Department of Children, Youth, and Families (DCYF), the program was able to provide content for their newsletter, gather some information about

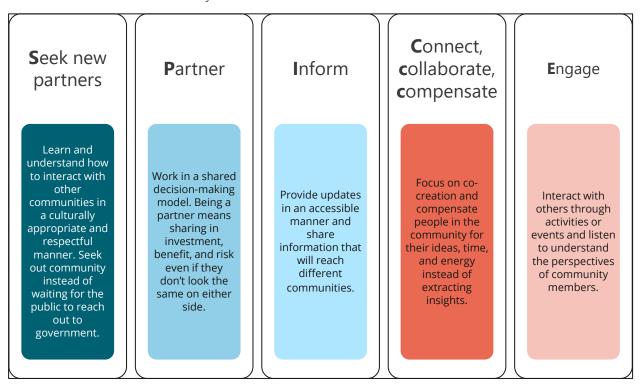
³⁸ RCW 50A.05.020

pain points and confusion and develop a flyer specific to foster and kinship caregivers, and plans to provide support for upcoming trainings for caregivers.

Equally important to this work is understanding and distinguishing between community outreach and engagement efforts. Community outreach is a one-way conversation that focuses on the education of our customers, such as tabling at events and presentations. Community engagement is a two-way conversation with customers that focuses on understanding pain points and the development of a feedback loop.



The Paid Leave program is centering the SPICE framework that the Washington State Office of Equity developed as part of their Relational Partnership Guide³⁹ in the design, planning, and implementation of our outreach and community engagement model. Relational partnerships are a new approach to how state government operates that centers the needs and values of marginalized people in Washington. Instead of the current model of transactional management where government dictates to historically and currently marginalized groups how they should interact with government, the relational partnership approach includes the affected communities in every decision.



³⁹ Washington State Office of Equity, "Relational Partnership (Shared Power)."

This year, the main challenges have been the limited capacity of existing staff to keep up with increasing requests for presentations, technical assistance and outreach, and balancing strategically increasing access to the benefit with ongoing operational capacity challenges and fund solvency concerns. The program's focus on improving technical assistance and increasing self-service for customers helps to mitigate these challenges. In the near-term, the program needs funding to support additional staffing⁴⁰, community-based organizations, as well as increased travel, material development and distribution, community member compensation, and event hosting. In the long term, the program will be seeking funding for designing and implementing changes to allow for third-party application submission and claim management, a designated phone line for partner organizations, and designing and implementing direct referrals for partner organizations and agencies.

In the following sections, Employment Security provides more details about the community outreach and engagement that has been done over the past year with employees, community-based organizations, Help Me Grow Washington, WorkSource, employers, and health care providers.

Employees

The program continues to examine eligibility, awareness, and utilization among workers to identify the subgroups that may experience the biggest barriers in accessing and utilizing the benefit and to inform its outreach and education efforts. Low-income workers, among others, have lower rates of eligibility, awareness, and utilization and are more likely to experience barriers to using the program when they most need it. In partnership with the DCYF and WithinReach, the Paid Leave program partnered with Catholic Charities to host five listening sessions with a total of 38 new, expecting, and first-time parents from low-income families to learn about where they may experience barriers to becoming aware of and accessing the program.⁴¹

Key findings include:

• There is a desire for more clear and accessible informational materials that present high-level information about the program. Families want more accessible information about the application process and timeline, eligibility, qualifying events, example use cases (e.g., medical to bonding transition; how to use bonding leave intermittently),

⁴⁰ https://media.esd.wa.gov/esdwa/Default/ESDWAGOV/newsroom/Legislative-resources/2024-PFML-Program-Needs-and-Resources-Report.pdf

⁴¹ Four of these sessions were virtual; 1 was in-person; 2 were conducted in Spanish.

- payment calculation and options, how to fill out employer information with multiple employers, and their rights as employees.
- There is a desire for more clear and frequent communication about what to expect from the program, e.g., wait times for application processing and receiving payments.
- There is a need for more language accessible materials and services, e.g., translated materials online, ability to submit electronically, ability to authorize a representative to call on the applicant's behalf.
- Families see their employer and medical provider as trusted sources of information about Paid Leave, but they also rely on informal networks (e.g., family and friends), community-based organizations (e.g., parenting groups), and other state agency local offices (e.g. DSHS Community Services Offices, local public agencies, WorkSource, the Women, Infants, and Children (WIC) Nutrition Program) for help with resource navigation and information. They prefer physical materials distributed in-person, via community partners.
- There is a need for in-person application assistance because the paperwork is confusing, and many people experience technological barriers. There is also a desire for more outreach and education, and families will be a valuable resource to help identify local partners in specific communities.

The learnings from this research will be used to inform customer-facing communications and on-going outreach activities and planning, as well as potential technology and process improvements that may help remove barriers and promote equity for benefit customers.

Community-based organizations

Beginning in 2020, the Perigee Fund, a private organization focused on partnering with organizations to support the infant-caregiver relationship and increase family well-being, awarded outreach and enrollment grants to community organizations in Pierce and Yakima counties to support Paid Leave benefits usage. Early in that work, it became clear that outreach alone isn't enough to adequately support customers in accessing and successfully using the benefit, and Perigee asked Employment Security to partner with them and provide technical assistance trainings in English and Spanish to their grantees. That partnership continued through the end of their outreach and enrollment grants in the summer of 2023.

In parallel, Employment Security and Perigee Fund began discussions about how to scale up the work with select organizations in two counties to communities statewide. In November 2022, the department received a \$200,000 dollar-for-dollar matched grant from Perigee to partner with the Evans Policy Innovation Collaborative (EPIC) at the University of Washington to design an equitable, scalable community engagement and partnership model for Paid Leave.

EPIC's work is rooted in human-centered design practices and uses methodologies for convening conversations that center diverse voices and perspectives. Employment Security's work with them is broken into three distinct project phases and is slated to be completed in late 2024. To build capacity to support community engagement and implement the outputs of the EPIC project, as mentioned above, Employment Security has hired a Community Engagement Manager and will be recruiting for two Outreach & Engagement Specialists in the coming year.

Help Me Grow Washington

Help Me Grow Washington (HMG) is a system model that promotes statewide collaboration to build upon existing early childhood resources to promote protective factors among families and mitigate the impact of adversity. By connecting families to existing community services through a coordinated access point or call center, HMG provides timely access to resources and care coordination to reduce barriers to services.

HMG consists of four main components:

- Creating a coordinated access point and call center for resource connection using family resource navigators.
- Developing and implementing data collection and evaluation to systematically identify service gaps.
- Conducting family and community outreach.
- Conducting health care provider outreach.

The Paid Leave program began partnering with HMG following a proviso in the 2022 operating budget, which directed Employment Security to report to the Governor and Legislature concerning the ability of the Paid Leave program to serve as a statewide family resource, referral, and linkage system and provide integrated services to eligible beneficiaries. Key partners included WithinReach, DCYF, Department of Health (DOH), Premera Blue Cross, and King County Best Starts for Kids⁴².

⁴² Help Me Grow 2023 Impact Report

WorkSource Centers

WorkSource is a statewide partnership of state, local and nonprofit agencies that provides an array of employment and training services to job seekers and employers in Washington, both online and through a network of more than 60 WorkSource centers, affiliates and connection sites.

This past year, the Paid Leave program continued to partner with staff and leaders in the Employment Security's Employment Connections division to increase support for Paid Leave customers in WorkSource Centers and better integrate Paid Leave into the offerings available through the WorkSource system. Activities included:

- Delivering Paid Leave training and increasing awareness of Paid Leave among Employment Connections staff to enable them to identify potentially eligible customers and support them in connecting with Paid Leave Customer Care specialists.
- Piloting options for increasing Paid Leave services in WorkSource Centers, including offering in-person assistance at WorkSource Centers in Vancouver and Kennewick, and a direct phone line at the WorkSource Center on Rainier Avenue in Seattle.

Employers

The program's outreach to employers largely focuses on education and assistance to ensure they understand and can successfully fulfill their responsibilities under the Paid Leave law.

Last year, the program began a series of monthly webinars covering a range of topics relevant to employers, including calculating and withholding premiums, quarterly reporting requirements and functional process, elective coverage for self-employed people, and employer account management. Additionally, after a hiatus during the pandemic, L&I restarted their Contractor Training Day event series and invited Employment Security to present at inperson events held monthly throughout the state.

In the last year, the Paid Leave program conducted 31 virtual presentations, 19 in-person presentations, and four webinars with employers. The program continued to share information with employers monthly in the agency employer newsletter. The newsletter has an audience of more than 200,000 and an open rate of over 40%.

Health care providers

By leveraging existing relationships with community-based organizations and other state agencies, the program has expanded its outreach and technical assistance to healthcare providers and clinic staff who help customers access and apply for Paid Leave benefits. The presentations cover eligibility for benefits, the application process, filing weekly claims, and frequently asked questions.

Additionally, the program has engaged in research activities with the goal of building a deeper understanding of service providers who interact with customers and potential customers to inform the development of our community partnership and engagement model for the program.

As part of the same project with DCYF and WithinReach, the program surveyed and interviewed community health workers who work with new and expecting parents. The purpose was to better understand and maximize the role of health workers in connecting families with Paid Leave, as well as identify and address program disparities that families with low incomes may face when they are welcoming a new child. Key findings include:

- Community health providers offer a broad spectrum of support, ranging from low-touch support, such as providing high level information about the program and referring clients elsewhere for application assistance, to high-touch support, such as providing in-depth application assistance and case management. They require customized outreach based on the level of support they provide to their patients.
- Community health providers desire a direct line of communication to the Paid Leave program so they can help patients get the support they need while they are meeting with them.
- The program is exploring how to better integrate Paid Leave into existing workflows/processes within the health care system, so providers are prompted by their systems at specific points in the health care journey to tell patients about the program.
- Providers are limited in the time and capacity they can spend with patients, and those that provide more in-depth support need funding to be able to spend more time with patients in future.

Program participant claims data & leave-taking behaviors

The following analysis focuses on 216,341 claims that ended and were associated with at least one payment during the fiscal year. Those who applied and were denied, were approved but did not take leave or who only took leave during their "waiting week" were not included. Figure 9 shows the claim subtype composition of the claim sample. More information about monthly claim data, county level claim data and processing times can be found on the <u>Paid Family and Medical Leave Claims Dashboard.</u>

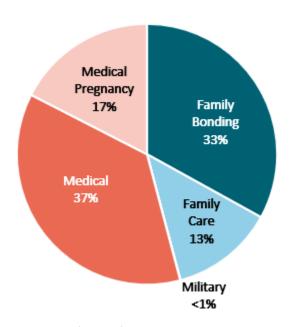


Figure 9. Approved claim sample subtype breakdown⁴³

⁴³ "Medical pregnancy" includes medical leaves taken for both pregnancy and childbirth recovery (prenatal and postnatal medical leave).

Almost all benefit applications were submitted electronically – just 1% of claims in the sample were submitted via paper. Of all claims, 19% were approved for the maximum weekly benefit amount. ⁴⁴ Approximately 24% of claims were associated with intermittent leave use. ⁴⁵ On average, customers took about 33 hours of leave and received approximately \$892 in benefits per week. Table 11 shows how these figures differ by leave type.

Table 11. Select summary statistics on leave use by leave type

	Percent of claims submitted	Percent of claims with intermittent	Average weekly benefit	Average weekly payment	Average leave hours per week
	by paper	leave use	amount	amount	'
Bonding	1%	22%	\$1,056	\$924	33
Care	2%	36%	\$983	\$784	31
Military	-	18%	\$953	\$738	28
Medical	1%	29%	\$991	\$883	33
Medical Pregnancy	1%	9%	\$971	\$918	34

Source: WA Paid Leave Administrative Data 7/1/2023 - 6/30/2024

The following section characterizes leave claims by the type of leave taken, in terms of the qualifying event experienced. Customers may have multiple leave claims within a year; for example, a customer who has a child may have a medical claim to recover from pregnancy and childbirth and a family bonding claim to bond with their child in the year following the birth.

⁴⁴ The maximum weekly benefit amount was \$1,000 in 2020, \$1,206 in 2021, \$1,327 in 2022, \$1,427 in 2023, and \$1,456 in 2024.

⁴⁵ Intermittent leave use is defined as any claim with at least one weekly claim where leave hours used were less than typical workweek hours or no leave hours were used. For this data point, we only considered those customers within the samples whose claims had ended during the fiscal year (n = 216,421).

Just over a third (35%) of customers in the sample had more than one claim. Figure 10 shows the most common leave types for customers.

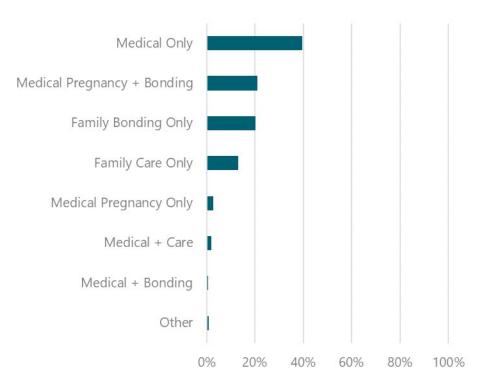


Figure 10. Most common leave types (customer level)

Lengths of leave

The program examined average lengths of leave at the claim level and the customer level. Lengths of leave are not calculated in terms of calendar weeks, but rather workweeks as determined by each customer's typical workweek hours. A customer's typical workweek hours are determined based on whether they are salaried or otherwise at the time of filing the initial application. For salaried employees, their typical workweek hours are 40 hours, regardless of the number of hours worked in the qualifying period. For all other employees, the program determines typical workweek hours by dividing the sum of all hours reported in the qualifying period by fifty-two and rounding down to the nearest hour. Once an individual is approved to take leave, they must file weekly claims for a minimum of eight consecutive hours to receive benefits. Customers may use leave intermittently; the weekly payment amount is prorated based on reported hours worked and non-supplemental paid time off used each week.

At the claim level, average length of leave was calculated by dividing the sum of all leave hours used across approved weekly claims by each customer's typical workweek hours, including any hours reported during the waiting week. The result was averaged across all claims within the sample. If a customer had more than one claim, each of their claims was included in this sample. Figure 11 shows the average length of leave at the claim level for each subtype, compared to the overall average length of 7.2 weeks. The median was 7 weeks.

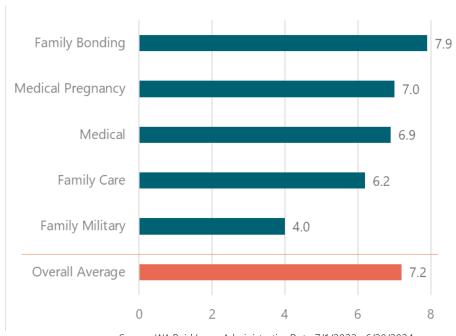


Figure 11. Average length of leave by claim subtype (claim level, weeks)

At the customer level, average length of leave was calculated by dividing the sum of all leave hours used across claims within the customer's claim year by their typical workweek hours. ⁴⁶ The result was averaged across customers in the sample. The average length of leave was 9.8 weeks, with customers using a median of approximately 11.5 weeks. Figure 12 shows the average lengths of leave of the most common leave type combinations, compared to the overall average for customers within the sample.

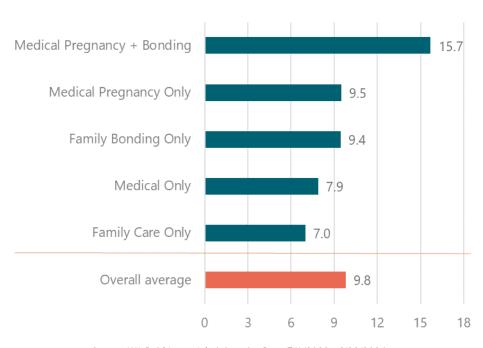


Figure 12. Average length of leave (customer level, weeks)

Source: WA Paid Leave Administrative Data 7/1/2023 - 6/30/2024

⁴⁶ Only customers whose claim years ended between July 1, 2023, through June 30, 2024, and who received at least one payment were included in this calculation. A customer's claim year starts the Sunday of the week when they submit their first application for leave, have worked at least 820 hours in Washington during their qualifying period and ends approximately one year later. Those still within their claim year could file another claim to take additional leave if they experience another qualifying event and still have leave available to them, which is why we are only examining average lengths of leave at the customer level for those who have completed their claim year.

Figure 13 illustrates the average length of leave across various subgroups, compared to the average overall length of leave of 9.8 weeks, denoted by the dotted black line. Lengths of leave tended to be shorter for older customers, for those who identified as male or nonbinary, for white customers, and for those in the higher wage groups. However, length of leave did not vary much for customers whose preferred language was English, compared to those who preferred a language other than English.

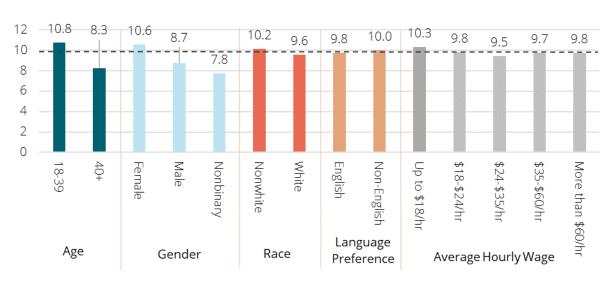


Figure 13. Average length of leave across subgroups (customer level, weeks)

Program participant demographics

As part of the application process, the Paid Leave program asks benefit customers for information about their age, gender, race and ethnicity, and language preference. The program does this to better understand its program participants and identify gaps that may potentially be addressed through improvements to outreach, product, and operations efforts.

The following section focuses on the characteristics of approximately 180,302 customers who submitted benefit applications between July 2023 and June 2024 and were approved with at least one payment. To understand participation patterns, a comparison has been constructed that uses census data estimates of Washington workers who meet Paid Leave work history eligibility requirements.⁴⁷ This information is also displayed on the <u>Paid Family and Medical</u> Leave Demographics Dashboard.

Age, gender, racial-ethnic identity and language preference were examined alone. To provide a more nuanced view of participation, age, gender, and racial-ethnic identity are also examined together.

The key takeaways are:

- Customers ages 30-39 make up most of the customer base and appear to have much higher participation rates, while all other ages appear to have lower participation. The high participation of those in the 30-39 age group is related to the high number of family bonding and pregnancy-related medical leaves.
- Those who identify as female have higher participation rates, compared to those who identify as male. Nearly half of claims from customers who identify as male are for family bonding leave, while 81% of claims from customers who identify as non-binary are for non-pregnancy-related medical leave.
- When looking at racial-ethnic identity alone, it appears that certain groups have relatively high participation rates compared to their share of the eligible worker population. However, when gender and age are considered together with racial-ethnic identity, this changes. A more detailed look at subgroup participation rates is provided later in this report.

⁴⁷ Source: ACS 1-Year Estimates-Public Use Microdata Sample, 2022. Eligible Washington workers include adults ages 18 and over who were employed by a private company, non-profit, local or state government and who met an approximation of the Washington Paid Leave eligibility requirement of working at least 16 hours per week in the last twelve months. Those who are not in the labor force, who have not worked for more than 5 years, who never worked, who are self-employed or who work for the federal government were not included. Using this data source overestimates the eligible worker population in terms of work history and does not allow identification of who has or will experience a qualifying event. However, it is the best data source we have identified to date, offering the most complete view of Washington workers and their characteristics.

- A total of 7% of customers in the sample indicated they prefer a language other than English on their benefit application. The most common languages preferred by customers are Spanish, Vietnamese, Chinese, Russian, and Tagalog.
- The five counties with the most claims submitted per 1,000 residents are: Yakima, Grant, Franklin, Adams, and Benton. The five counties with the fewest claims submitted per 1,000 residents are: Ferry, Asotin, Pend Oreille, Skamania, and San Juan.

Age

Table 12 and Figure 14 show the percentage breakdown of approved customers and the corresponding estimates of eligible and all Washington workers.

- Workers ages 18 to 29 appear to have lower participation rates relative to the eligible worker population and the same rate of eligibility relative to their share of Washington workers.
- Workers ages 30 to 39 make up most of the customer base and appear to have much higher participation rates. They also appear to be eligible at a slightly higher rate relative to their share of Washington workers.
- Workers ages 40+ appear to have lower participation rates. Workers ages 40 to 49 and 50 to 59 appear to be eligible at the same rate relative to their share of Washington workers, while workers ages 60+ appear to be eligible at a lower rate relative to their share of Washington workers.

Table 12 & Figure 14. Paid Leave customer comparison to eligible and all WA workers by age

	Approved Customers	Eligible WA Workers	All WA Workers
Ages 18-29	19%	24%	24%
Ages 30-39	40%	26%	25%
Ages 40-49	18%	21%	21%
Ages 50-59	13%	18%	18%
Ages 60+	10%	11%	13%



Sources: American Community Survey 1-Year Public Use Microdata, 2022 & WA Paid Leave Administrative Data, 7/1/2023 - 6/30/2024.

Table 13 below shows the distribution of claims from customers in the sample by age group and leave type.

Table 13. Paid Leave claims by leave type and age

Age	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
Ages 18-29	45%	6%	0.05%	22%	27%
Ages 30-39	48%	8%	0.03%	20%	23%
Ages 40-49	20%	21%	0.02%	53%	6%
Ages 50-59	2%	27%	0.04%	71%	0.1%
Ages 60+	0.3%	22%	0.02%	78%	0.02%
Not available	36%	13%	-	40%	11%
Overall	33%	13%	0.03%	37%	16%

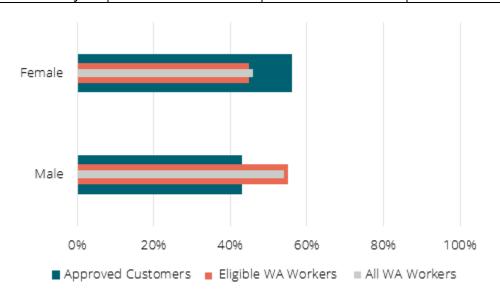
Gender

Table 14 and Figure 15 show the percentage breakdown of the customer populations by gender, compared to the corresponding estimates of eligible and all workers in Washington.

- Those who identify as female have the highest participation rates, compared to those who identify as male, nonbinary, or who prefer not to disclose their gender. 48
- Relative to their respective shares of the worker population, female participation is higher while male participation is lower.
- Both female and male workers appear to be eligible at the same rate relative to their respective share of Washington workers.

Table 14 & Figure 15. Paid Leave customer comparison to eligible and all WA workers by gender

	Approved Customers	Eligible WA Workers	All WA Workers
Female 56%		45%	46%
Male 43%		55%	54%
Prefer not to say 0.5%		N/A	N/A
Nonbinary	0.5%	N/A	N/A



Sources: American Community Survey 1-Year Public Use Microdata, 2022 & WA Paid Leave Administrative Data, 7/1/2023 - 6/30/2024.

⁴⁸ The ACS report does not report on gender outside of the binary structure, preventing the program from including a comparison of approved customers who identified as nonbinary to Washington workers.

Table 15 shows the distribution of claims from customers in the sample by leave type and gender identity.

Table 15. Paid Leave claims by leave type and gender

	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
Female	25%	13%	0.04%	36%	27%
Male	48%	14%	0.01%	38%	0.1%
Nonbinary	8%	7%	-	81%	4%
Prefer not to say	27%	14%	-	55%	4.1%
Overall	33%	13%	0.03%	37%	16%

Racial-ethnic identity

Table 16 and Figure 16 show the percentage breakdown of customers by racial-ethnic identity, compared to the corresponding estimates of eligible and all workers in Washington.⁴⁹

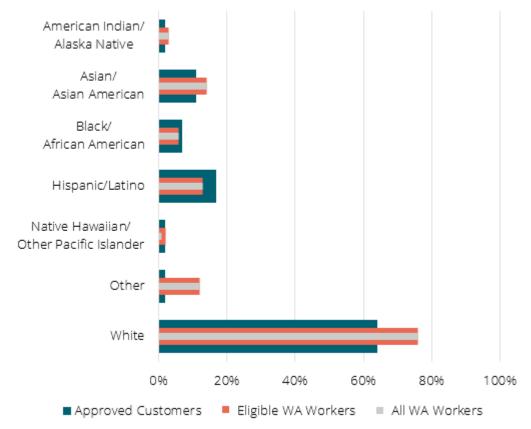
- Workers who identify as American Indian/Alaska Native, Asian/Asian American, white, or another racial-ethnic identity appear to have lower participation relative to their share of eligible and all Washington workers.
- Workers who identify as Black/African American, Hispanic/Latino, or Native Hawaiian/Other Pacific Islander appear to have the same or higher rates of participation relative to their share of eligible and all Washington workers.
- All racial ethnic identities appear to be eligible at the same rate relative to their respective share of all Washington workers.

These differences vary in magnitude for each group relative to their share of the worker population. For example, the data shows that American Indian/Alaska Native customers have lower rates of participation than expected given their share of the eligible worker population. However, they represent a small group of Washington workers overall at just three percent of all workers in Washington.

⁴⁹ Customers may be represented more than once in this comparison if they selected more than one race.

Table 16 & Figure 16. Paid Leave customer comparison to eligible and all WA workers by racial-ethnic identity

	Approved Customers	Eligible WA Workers	All WA Workers	
American Indian/	2%	3%	3%	
Alaska Native	∠70	270	270	
Asian/	11%	14%	14%	
Asian American	1 1 70	1470	14%	
Black/	7%	6%	6%	
African American	7 70	090	U 90	
Hispanic/Latino	18%	13%	13%	
Native Hawaiian/	2%	2%	1%	
Other Pacific Islander	∠90	∠%	1 90	
Other	2%	12%	12%	
Prefer not to say	4%	N/A	N/A	
White	64%	76%	76%	



Sources: American Community Survey 1-Year Public Use Microdata, 2022 & WA Paid Leave Administrative Data, 7/1/2023 - 6/30/2024.

Table 17 below shows the distribution of claims from customers in the sample by leave type and race.

Table 17. Paid Leave claims by leave type and race

	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
American Indian/Alaska Native	31%	12%	-	43%	14%
Asian/Asian American	40%	12%	0.04%	27%	20%
Black/African American	28%	21%	0.04%	36%	15%
Hispanic/Latino	36%	16%	0.04%	29%	18%
Native Hawaiian/	34%	16%	0.09%	33%	17%
Other Pacific Islander					
Other	35%	17%	0.04%	32%	16%
Prefer not to say	33%	15%	0.01%	39%	14%
White	32%	11%	0.03%	40%	16%
Overall	33%	13%	0.03%	37%	16%

Gender, age, and racial-ethnic identity

A closer examination of gender, age, and racial-ethnic identity together reveals a more nuanced story about participation relative to the eligible worker population. Age appears to be the main driver of subgroup participation, in that both female and male customers, ages 40+, across most racial identities, appear to have lower participation relative to the eligible worker population. Participation patterns appear to be slightly different for male and female workers in terms of racial-ethnic identity. Figure 17 shows the comparison of approved female customers to the estimate of eligible workers in Washington by age and racial identity. Figure 18 shows the same comparison for male customers. ⁵⁰ Both comparisons are arranged in order from largest to smallest different in participation.

⁵⁰ We have opted not to include the comparison to all Washington workers here for readability reasons.



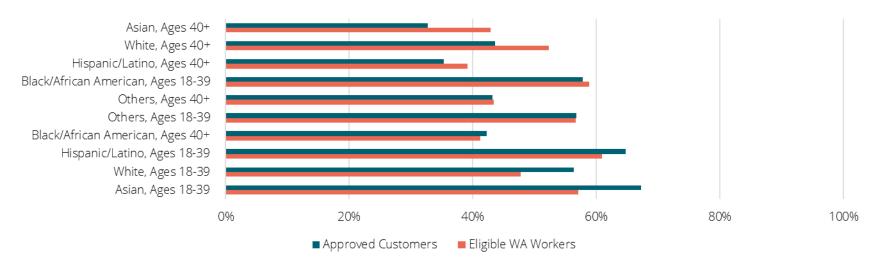


Figure 18. WA Paid Leave male customer comparison to eligible WA workers by race and age



Sources: American Community Survey 1-Year Public Use Microdata, 2022 & WA Paid Leave Administrative Data, 7/1/2023 - 6/30/2024.

Language preference

In May 2021, the Paid Leave program began asking customers if they preferred a language other than English when communicating about their benefit application. A total of 7% of customers in the past year indicated they prefer a language other than English on their benefit application. The proportion of customers who prefer a language other than English is growing; it increased from 5% in FY22 to 6% in FY23 to 7% in FY24. Table 18 shows the percentage breakdown of approved customers by language preference.

Table 18. WA Paid Leave customer language preference

Language	Percent
Amharic	0.2%
Arabic	0.1%
Bengali	0.004%
Bosnian	0.01%
Burmese	0.01%
Cantonese	0.003%
Chinese	0.3%
Chuukese	0.002%
Dari	0.01%
Farsi	0.1%
French	0.1%
Haitian Creole	0.003%
Hindi	0.01%
Indonesian	0.003%
Japanese	0.01%
Karen	0.01%
Khmer	0.1%
Korean	0.1%
Lao	0.01%
Lingala	0.004%
Marshallese	0.02%
Mixtec	0.01%
Mongolian	0.002%
Nepali	0.02%
Oromo	0.03%
Other	0.03%
Pashto	0.02%
Portuguese	0.01%
Punjabi	0.1%
Russian	0.1%
Samoan	0.004%
Somali	0.1%
Spanish	5%
Swahili	0.01%
Tagalog	0.2%
Tamil	0.01%
Telugu	0.003%
Thai	0.01%
Tigrinya	0.03%
Turkish	0.003%
Ukrainian	0.1%
Urdu	0.003%
Vietnamese	0.3%

Figure 19 below shows the top 10 languages preferred by customers. A comparison to eligible Washington workers is not included here because there is not a data source that offers an appropriate equivalent comparison of the preferred language of Washington workers.⁵¹

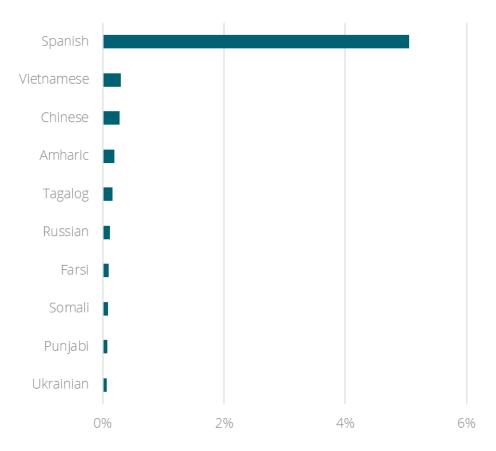


Figure 18. Top 10 languages preferred by WA Paid Leave customers

Source: WA Paid Leave Administrative Data, 7/1/2023 - 6/30/2024.

Instead, the following is a list of the top languages spoken at home by Washington workers.

Spanish	Chinese
Vietnamese	Russian
Hindi	Korean
Tagalog	Mandarin
Tagalog	Manda

⁵¹ The Paid Leave program asks customers what language they would prefer to communicate in about their benefit application, whereas the American Community Survey asks whether they speak a language other than English at home.

There is some variation in the languages represented, which could suggest that those customers whose preferred languages appear more often in the data (Amharic, Farsi, Somali, Punjabi, Ukrainian) may be more likely to experience language as a barrier and require additional assistance navigating the program and application process. Customers whose preferred language is not English did have higher rates of application denial (17%) compared to customers whose preferred language is English (13%); however, the reasons for denial were similar.

Table 19 below shows the distribution of claims from customers in the sample by leave type and language preference.

Table 19. Paid Leave claims by leave type and language preference

	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
Amharic	23%	51%	-	11%	15%
Arabic	34%	35%	-	28%	3%
Bengali	23%	15%	-	38%	23%
Bosnian	0%	12%	-	88%	0%
Burmese	38%	13%	-	50%	0%
Cantonese	0%	33%	-	50%	17%
Chinese	40%	13%	-	28%	19%
Chuukese	25%	25%	-	50%	0%
Dari	47%	16%	-	21%	16%
English	33%	12%	0.03%	38%	17%
Farsi	43%	19%	-	29%	9%
French	29%	28%	-	21%	22%
Haitian Creole	33%	17%	-	33%	17%
Hindi	47%	7%	-	30%	17%
Indonesian	14%	14%	-	29%	43%
Japanese	45%	18%	-	6%	30%
Karen	31%	38%	-	23%	8%
Khmer	31%	24%	-	33%	12%
Korean	20%	23%	-	50%	6%
Lao	7%	33%	-	53%	7%
Lingala	22%	33%	-	11%	33%
Marshallese	44%	13%	-	38%	6%
Mixtec	55%	5%	-	10%	30%
Mongolian	0%	25%	-	75%	0%
Nepali	43%	16%	-	22%	19%
Oromo	25%	54%	-	5%	16%
Other	24%	16%	-	45%	15%
Pashto	66%	19%	-	16%	0%
Portuguese	33%	33%	-	17%	17%
Punjabi	19%	34%	-	27%	20%
Russian	24%	19%	-	51%	6%
Samoan	22%	33%	-	22%	22%
Somali	19%	53%	-	17%	11%
Spanish	32%	28%	-	28%	12%
Swahili	30%	15%	-	25%	30%
Tagalog	14%	35%	-	42%	8%
Tamil	40%	30%	-	30%	0%
Telugu	60%	20%	-	0%	20%
Thai	18%	36%	-	27%	18%
Tigrinya	18%	57%	-	15%	10%
Turkish	60%	40%	-	0%	0%
Ukrainian	49%	5%	-	39%	8%
Urdu	17%	67%	-	0%	17%
Vietnamese	26%	23%	-	36%	16%
Overall	33%	13%	0.03%	37%	16%

Geography

Figure 20 shows claims submitted by county. ⁵² The counties that are darker in color have more claims submitted while the counties that are lighter in color have fewer claims submitted. Program participation and population size vary drastically by county, so claims submitted are presented on a scale per 1,000 residents in each county for comparability. The five counties with the most claims submitted per 1,000 residents are: Yakima, Grant, Franklin, Adams, and Benton. The five counties with the fewest claims submitted per 1,000 residents are: Ferry, Asotin, Pend Oreille, Skamania, and San Juan.

In addition to the claims submitted reflected by the map, 5,246 applications (2%) were submitted with an out-of-state mailing address.⁵³ Workers must have Washington employment to qualify for Paid Leave, but they may reside or be temporarily living with family members they provide care for, out of state.

More information on claims by county is available on <u>the Paid Family and Medical Leave Claims</u> <u>Dashboard</u>.

⁵² Counties are approximated using zip codes so may not match future data reports once address allocation to counties is built into the data system. At that time, legislative district reporting will also become available. While several free geocoding and mapping applications exist, using them would require uploading applicant address data to an external site, which would compromise applicant privacy, by, in effect, disclosing identity.

⁵³ There is no residency requirement under RCW 50a.

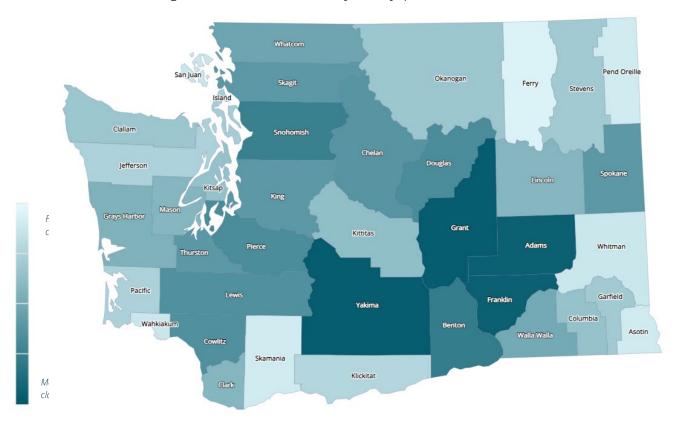


Figure 19. Claims submitted by county, per 1,000 residents

The counties that are darker in color have more claims submitted per 1,000 residents and the counties that are lighter in color have fewer claims submitted. Source: WA Paid Leave Administrative Data, 7/1/2023-6/20/2024 & State of Washington Office of Financial Management County Population Data.

Table 20 shows claims submitted by leave type and county.

Table 20. Paid Leave submitted claims by leave type and county¹

County	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
Adams	38%	21%	-	22%	20%
Asotin	22%	12%	1%	49%	16%
Benton	31%	16%	0.01%	37%	16%
Chelan	31%	20%	0.03%	34%	16%
Clallam	21%	17%	-	48%	13%
Clark	29%	13%	0.03%	43%	15%
Columbia	19%	13%	-	54%	14%
Cowlitz	28%	14%	0.05%	43%	14%
Douglas	31%	22%	-	32%	16%
Ferry	26%	18%	-	42%	14%
Franklin	32%	19%	0.04%	33%	16%
Garfield	28%	12%	=	38%	22%
Grant	32%	23%	0.02%	30%	14%
Grays Harbor	27%	15%	-	43%	15%
Island	28%	15%	0.7%	41%	16%
Jefferson	21%	14%	=	52%	12%
King	32%	14%	0.02%	38%	16%
Kitsap	27%	14%	0.3%	42%	17%
Kittitas	29%	16%	=	40%	15%
Klickitat	26%	19%	-	39%	16%
Lewis	28%	17%	0.1%	41%	14%
Lincoln	31%	15%	=	39%	15%
Mason	22%	18%	0.1%	47%	13%
Okanogan	31%	17%	0.1%	34%	17%
Pacific	27%	18%	-	41%	14%
Pend Oreille	16%	16%	-	55%	13%
Pierce	29%	15%	0.1%	41%	15%
San Juan	27%	14%	-	45%	14%
Skagit	32%	14%	0.1%	37%	16%
Skamania	26%	15%	-	43%	16%
Snohomish	34%	14%	0.04%	36%	16%
Spokane	29%	12%	0.1%	43%	16%
Stevens	25%	17%	0.4%	46%	12%
Thurston	27%	15%	0.1%	43%	15%
Wahkiakum	26%	13%	5%	45%	11%
Walla Walla	28%	15%	-	41%	16%
Whatcom	29%	15%	0.03%	42%	14%
Whitman	32%	10%	-	40%	19%
Yakima	30%	14%	0.2%	39%	17%
Unavailable	29%	22%	0.03%	34%	15%
Overall	30%	15%	0.1%	39%	16%

Program participant employment characteristics

During the application and eligibility verification process, the program links claims to the customer's wage records. This allows the program to determine the amount of leave available to them and their weekly benefit amount. Quarterly wages, quarterly hours worked, average employee count and employer count from the employer wage reports are used to estimate average hourly wage, business size and employer industry for each customer and to construct a comparison sample of eligible and all Washington workers. This information is also available on the Paid Family and Medical Leave Demographics Dashboard.

The key takeaways are:

- Workers making up to \$18 and between \$18-\$24 an hour appear to have lower participation relative to eligible workers and lower rates of eligibility relative to all Washington workers.
- Those who work for small employers (49 or fewer employees) appear to have lower participation relative to the eligible worker population, as well as lower rates of eligibility.
- Closer examination of participation by employer size and average hourly wage revealed that lower participation rates persist for those making up to \$18 and more than \$60 an hour across all employer sizes.
- Those who work in Accommodation & Food Services and Retail Trade have lower rates of participation relative to their respective shares of the eligible worker population and lower rates of eligibility relative to their share of all Washington workers.

Average hourly wage

Table 21 and Figure 21 shows the percentage breakdown of approved customers to the estimates of eligible and all workers in Washington by average hourly wage range. The average hourly wage was calculated by taking the average of quarterly wages over the average of hours worked for each customer in each quarter of the qualifying period that reports were available and linked to a claim.

- Workers making up to \$18 and between \$18-\$24 an hour appear to have lower participation relative to eligible workers and lower rates of eligibility relative to all Washington workers.
- Workers in the two middle wage groups (between \$24-\$35 and between \$35-\$60) have higher participation relative to eligible workers and higher rates of eligibility.
- Workers in the top wage group (more than \$60) appear to have lower participation rates relative to eligible workers and higher rates of eligibility relative to all Washington workers.

Table 21 and Figure 20. WA Paid Leave customer comparison to eligible and all WA workers by average hourly wage range⁵⁴

	Approved Customers	Eligible WA Workers	All WA Workers
Up to \$18	9%	12%	20%
Between \$18 and \$24	20%	20%	20%
Between \$24 and \$35	27%	22%	20%
Between \$35 and \$60	26%	24%	20%
More than \$60	17%	23%	20%



Table 22 below shows the distribution of claims from customers in the sample by leave type and average hourly wage.

Table 22. Paid Leave claims by leave type and average hourly wage

	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
Up to \$18	29%	14%	0.04%	34%	23%
Between \$18 and \$24	28%	16%	0.02%	39%	18%
Between \$24 and \$35	29%	15%	0.05%	42%	14%
Between \$35 and \$60	36%	13%	0.04%	36%	15%
More than \$60	44%	8%	0.01%	30%	17%
Overall	33%	13%	0.03%	37%	16%

Sources: WA Paid Leave Administrative Data and Wage Reports, 1/1/2023 – 6/30/2024.

⁵⁴ These wage groupings were determined by looking at the quintile distribution of wages of all Washington workers, thus they will change and increase every year as wages increase.

Employer size

Table 23 and Figure 22 show the percentage breakdown of customers compared to the estimate of eligible and all workers in Washington by employer size.

- Customers that work for employers with 49 or fewer employees have lower rates of participation relative to the eligible worker population and slightly lower rates of eligibility relative to all Washington workers that work for employers with 49 or fewer employees.
- Customers that work for employers with 50 to 150 employees have lower rates of participation relative to eligible workers and the same rates of eligibility relative to all Washington workers.
- Customers that work for employers with 151 to 250 employees have lower rates of participation relative to eligible workers and slightly higher rates of eligibility relative to all Washington workers.
- Customers that work for employers with more than 250 employees have higher rates of participation relative to eligible workers and higher rates of eligibility relative to all Washington workers.

Table 23 and Figure 21. WA Paid Leave customer comparison to eligible and all WA workers by employer size

	Approved Customers	Eligible WA Workers	All WA Workers
49 or Fewer Employees	18%	26%	28%
50 to 150 Employees	12%	14%	14%
151 to 250 Employees	6%	7%	6%
251+ Employees	56%	54%	52%
Unavailable	8%	-	-



Table 24 below shows the distribution of claims from customers in the sample by leave type and employer size.

Table 24. Paid Leave claims by leave type and employer size

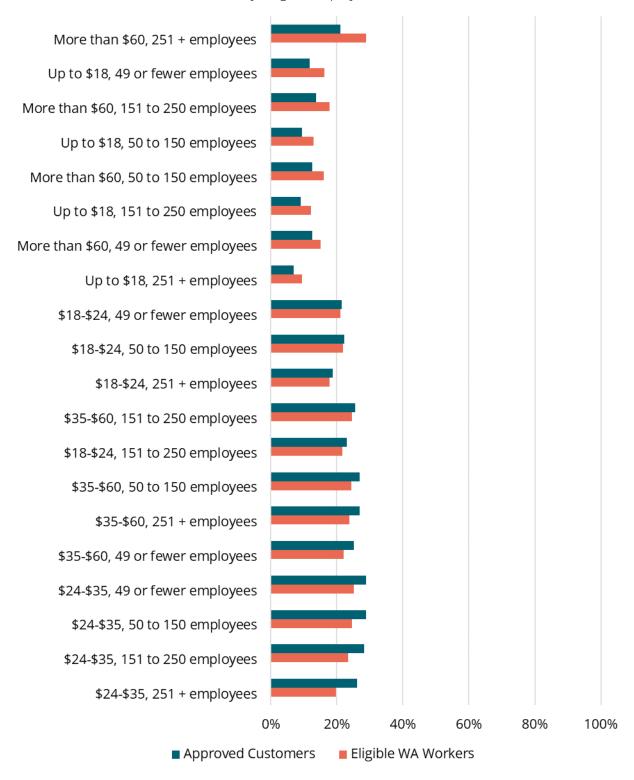
	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
49 or fewer employees	40%	9%	0.02%	30%	20%
50 to 150 employees	35%	12%	0.05%	37%	15%
151 to 250 employees	35%	14%	0.04%	37%	15%
251+ employees	30%	15%	0.04%	40%	15%
Unavailable	36%	13%	-	32%	19%
Overall	33%	13%	0.03%	37%	16%

Sources: WA Paid Leave Administrative Data and Wage Reports, 1/1/2023 - 6/30/2024.

Average hourly wage and employer size

Figure 23 shows the comparison of approved customers to eligible workers in Washington by average hourly wage and employer size. Closer examination of participation by employer size and average hourly wage revealed that lower participation rates persist for the lowest and highest wage groups across all employer sizes. Those in the middle wage groups (between \$18-\$24, between \$24-\$35, between \$35-\$60) appear to have higher participation relative to the eligible worker population across all employer sizes.

Figure 22. WA Paid Leave customer comparison to eligible WA workers by wage & employer size



Sources: WA Paid Leave Administrative Data and Wage Reports, 1/1/2023 - 6/30/2024.

Employer industry

Table 25 shows the percentage breakdown of customers, eligible workers, and all workers in Washington by industry. Figure 24 shows the comparison between approved customers, eligible workers, and all workers in Washington for the ten industries with the largest share of employment in the state.

- Those who work in Accommodation & Food Services and Retail Trade have lower rates of participation relative to their respective shares of the eligible worker population and lower rates of eligibility relative to their share of all Washington workers.
- Those who work in Education, Construction, Agriculture, Information, Real Estate, Professional & Technical Services, and Other Services have lower rates of participation relative to their respective shares of the eligible worker population. They have the same rate of eligibility relative to their share of all Washington workers.
- Those that work in Wholesale Trade have lower rates of eligibility relative to their share of eligible workers and just slightly higher rates of eligibility relative to their share of all Washington workers.
- Those that work in the Arts, Entertainment, and Recreation have participation rates equal to their share of eligible workers, but slightly lower rates of eligibility relative to their share of all Washington workers.
- Those that work in Administrative & Waste Services have slightly higher rates of participation relative to their share of eligible workers and slightly lower rates of eligibility relative to their share of all Washington workers.

Table 25. WA Paid Leave customer comparison to eligible and all WA workers by employer industry

	Approved Customers	Eligible WA Workers	All WA Workers
Accommodation & Food Services	3%	6%	8%
Administrative & Waste Services	8%	7%	8%
Agriculture	1%	2%	2%
Arts, Entertainment, & Recreation	1%	1%	2%
Construction	6%	7%	7%
Education	6%	8%	8%
Finance & Insurance	3%	3%	3%
Health Care & Social Assistance	17%	12%	11%
Information	1%	2%	2%
Management	<1%	<1%	<1%
Manufacturing	7%	7%	6%
Mining	<1%	<1%	<1%
Other Services	2%	3%	3%
Professional & Technical Services	7%	8%	7%
Public Administration	4%	4%	3%
Real Estate	1%	2%	2%
Retail Trade	8%	10%	11%
Transportation	3%	3%	3%
Utilities	1%	1%	1%
Wholesale Trade	4%	5%	4%
Unknown	15%	10%	10%

Sources: WA Paid Leave Administrative Data and Wage Reports, 1/1/2023 - 6/30/2024.

Figure 23. WA Paid Leave customer comparison to eligible and all WA workers by employer industry



Sources: WA Paid Leave Administrative Data and Wage Reports, 1/1/2023 - 6/30/2024.

Table 26 below shows the distribution of claims from customers in the sample by leave type and employer industry.

Table 26. Paid Leave claims by leave type and industry

	Family Bonding	Family Care	Family Military	Medical	Medical Pregnancy
Accommodation	33%	9%	0.01%	32%	26%
& Food Services					
Administrative &	38%	11%	0.05%	34%	16%
Waste Services					
Agriculture	31%	30%	-	31%	8%
Arts,	36%	11%	-	37%	16%
Entertainment &					
Recreation					
Construction	51%	10%	0.03%	34%	5%
Education	32%	13%	0.04%	33%	23%
Finance	34%	11%	0.01%	35%	20%
Health Care	25%	15%	0.05%	39%	22%
Information	46%	8%	0.03%	27%	19%
Management	31%	16%	=	34%	19%
Manufacturing	35%	15%	-	42%	8%
Mining	45%	10%	=	42%	3%
Other Services	35%	11%	0.02%	32%	21%
Professional &	42%	9%	0.05%	29%	21%
Technical					
Services					
Public	25%	19%	0.04%	44%	12%
Administration					
Real Estate	36%	11%	0.03%	36%	17%
Retail Trade	29%	12%	0.03%	44%	14%
Utilities	28%	18%	0.05%	46%	8%
Wholesale Trade	43%	17%	0.04%	32%	9%
Transportation	36%	15%	-	38%	11%
Unavailable	33%	13%	0.03%	36%	17%
Overall	33%	13%	0.03%	37%	16%

Sources: WA Paid Leave Administrative Data and Wage Reports, 1/1/2023 – 6/30/2024.