

# WHAT IS PAID FAMILY & MEDICAL LEAVE?

## What does Paid Family Medical Leave do?

- Pays the employee up to twelve weeks (amount of time determined by a health care professional and must be approved by NMDWS) of partial wage replacement for workers who have paid into the fund for at least six of the last 12 months and who are:
  - Welcoming a new child through birth or adoption
  - Managing a serious medical condition
  - Caring for a family member with a serious medical condition
  - A victim of domestic violence or sexual violence who needs leave
  - Exigencies arising out of a family member being called to military active duty
  - Bereavement following the loss of a child

## How is Paid Family Medical Leave paid for?

- PFML is funded through employee and employer contributions, paid quarterly through payroll deduction (for mean wages, the employee pays \$272 per year or \$5 for every \$1,000 of wages per year). The 34% of employers who pay an employer contribution (5 or more employees) pays \$218 per year per mean wage employee or \$4/\$1000.

## How does Paid Family Medical Leave benefit New Mexico and it's economy?

- Increased workforce participation, particularly among mothers, unpaid family caregivers, and people with chronic health conditions
- Employers report either no effect on their business or a slight positive effect due to improved recruitment, retention, morale, and workplace satisfaction.
- Employers report reduced costs associated with turnover, including hiring and decreased productivity.
- reduced infant mortality, child abuse injuries, & nursing home usage
- improved parental physical and mental wellbeing,
- Job stability (People who take leave to address a serious health condition early in the disease are less likely to leave the workforce permanently due to disability),
- Decreased utilization of public benefits, including SNAP, TANF, Medicaid and SSI.

## How does this bill ensure PFML claims are legitimate?

- PFML is NOT "calling in sick". It requires an application, verification, and a process.
- Leave-takers are required to apply to NMDWS and include a healthcare provider's signed verification with an estimated length of leave necessary (for military circumstances, military leadership would provide verification).
- The NMDWS will have up to 20 business days to process claims.
- The 14 states with PFML laws have reported very little fraud and abuse of this program.

	Annual salary	Yearly Contributions	
		Employee	Employer >4 (per employee)
Minimum wage*	\$24,960	\$124.80	\$99.84
State avg. wage**	\$54,400	\$272	\$217.60
Max contribution	\$168,600	\$843	\$674.40

	Annual salary	Weekly wage	Replacement (%)	Weekly replacement
Minimum wage*	\$24,960	\$480	100%	\$480
State avg. wage**	\$54,400	\$1046	67%	\$859
Max replacement	\$68,888	\$1325	67%	\$1046

\*Minimum wage beginning January 1, 2023

\*\*Mean Wage from Bureau of Labor Statistics Occupational Employment and Wage program May 2022



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## How will this benefit small businesses?

- Small businesses struggle to compete for employees because they are often unable to offer benefits comparable to larger businesses that have the profit margins to cover the expenses of paying someone while they are out on leave.
- 66% of New Mexico employers (those with fewer than 5 employees) will NOT pay anything into the fund but will still receive the benefit of their employees on leave being paid by the fund.

## How do we know the PFML fund is solvent and sustainable?

- It is sustainable. The U.S. Department of Labor and UNM Bureau of Business and Economic Research have conducted independent analyses and both determined that the fund will remain solvent based on the parameters in the current bill.

### **The bill protects solvency by:**

- Including a requirement for the NMDWS to contract with an actuarial firm to conduct an actuarial study within six months of bill passage.
- Requiring the NMDWS Secretary to conduct an annual financial analysis using a solvency adjustment formula and to report the findings to the legislature.

### **The bill protects employers and the Fund by:**

- Capping contribution increases at an annual rate of 0.1% of wages (\$1/\$1000)
- Solidifying the 45% employer to 55% employee total contribution ratio
- Delaying implementation of the employee benefits until 2027, with a year-long rule-making process and a 6-month period for employer technical support
- Requiring employees to have worked for at least 90 days before having job protection.
- Requiring an 8-hour minimum leave increment to reduce administrative burdens.
- Allowing self-employed individuals to opt into PFMLA or not participate.
- Clarifying that FMLA leave must be taken concurrently with PFMLA.
- Incentivizing employees to return to work by only providing 67% of wages (above minimum wage).



### **SMALL BUSINESS SUPPORTERS**

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| <ul style="list-style-type: none"><li>• Burque Bakehouse</li><li>• Worthington Farms</li><li>• Prisma Hair Co.</li><li>• Solana Self Storage</li><li>• Kei &amp; Molly Textiles, LLC</li><li>• Single Space Strategies</li><li>• NM Small Business Majority</li><li>• Fable Communications</li></ul> | <ul style="list-style-type: none"><li>• Color Wheel Toys</li><li>• W Kohler Lamp Co</li><li>• Current C. Energy Systems</li><li>• EASi Therapy and Diagnostic Services, LLC</li><li>• Equilibrium Wellness Center</li><li>• Family Values At Work</li><li>• Janet Ortega Insurance Agency, LLC</li><li>• Amplify Consulting &amp; Communication Solutions</li><li>• Erika Harding Mosaics</li></ul> | <ul style="list-style-type: none"><li>• Books on the Bosque</li><li>• Friends of the Organ Mountains- Desert Peaks</li><li>• Cafe Castro</li><li>• Levado LLC</li><li>• NDigitize</li></ul> | <ul style="list-style-type: none"><li>• Santa Fe Culinaria</li><li>• Blissful Spirits Yoga</li><li>• Hozda Management</li><li>• Aranda Strategies</li><li>• Body in Balance</li><li>• Sabrina At Your Cervix</li><li>• Sitterly Law Firm</li><li>• Sunny 505</li><li>• Turquoise Skies Inc</li><li>• Zeron Corp</li><li>• Aquarian Web Studio</li><li>• Fa'akasi Family Counseling</li></ul> | <ul style="list-style-type: none"><li>• Salt Mama Wellness</li><li>• Grabash Associates LLC</li><li>• LL Embroidery</li><li>• Real Time Solutions</li><li>• Sirena Studio</li><li>• KayFrances Designs, LLC</li><li>• Neuroo Counseling, LLC</li><li>• State of the Heart Recovery</li><li>• Sinuate Media</li><li>• The Jewelry Professor</li></ul> |
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