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# Major Shift in Connecticut's Leave Landscape: What Employers Need to Know About the New Connecticut Paid Family and Medical

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Connecticut has followed a growing trend among the states by implementing a system to provide paid time off to workers experiencing health and family-related issues. On June 25, 2019, Governor Ned Lamont signed into law "An Act Concerning Paid Family and Medical Leave," making Connecticut the most recent state to pass a paid family leave law, joining California, the District of Columbia, Massachusetts, New Jersey, New York, Rhode Island, and Washington. Connecticut's law is currently regarded as the most generous paid family leave law in the country and is solely employee-funded through a mandatory payroll tax. The law revises Connecticut's existing Family and Medical Leave law in a number of ways, the most significant of which are – *leave is paid <u>and</u> all employers, regardless of size, must provide such leave.* 

#### KEY DATES FOR CONNECTICUT EMPLOYERS

- January 1, 2021 Connecticut employers must begin withholding mandatory payroll tax.
- January 1, 2022 Employees may utilize paid family and medical leave.
- July 1, 2022 Written notice must be given to new hires and every employee annually.

#### **KEY HIGHLIGHTS OF NEW LAW**

- **Covered Employers** All private employers are covered by this law, regardless of size. (Previously, only employers with 75 or more employees in Connecticut were covered by Connecticut's current unpaid Family and Medical Leave Law ("Current Law") which will remain in effect until the new law takes effect January 1, 2022).
- *Eligible Employees* Employees who have worked three months for an employer immediately preceding their request for leave are covered. (Under Current Law, employees must have been employed at least 12 months and worked at least 1,000 hours during the 12-month period preceding the first day of leave.)
- Leave Amount Beginning on January 1, 2022, employees will be eligible to take up to 12 weeks of leave in any 12-month period. Employees also will be eligible to take two additional weeks of leave for serious health conditions resulting in incapacitation that occurs during a pregnancy. (Under Current Law, employees are entitled to take up to 16 weeks of unpaid leave in any 24 month period.)
- Use of Other Accrued Leave Employers may permit or require employees to substitute accrued paid vacation, sick, personal, or family leave (to the extent applicable), except that the employee

must be permitted to retain at least two weeks of such leave.

- Salary Continuation Employees will continue to receive a portion of their salary during leave, currently capped at \$900 per week.
- Administration The new law establishes the Paid Family and Medical Leave Authority (Authority) in Connecticut, which will be a quasi-public agency responsible for administering the Family and Medical Leave Insurance Program.
- **Contributions** Contributions to the Family and Medical Leave Insurance Program will be funded by a payroll deduction from employee wages of up to 0.5 percent at the discretion of the Authority. Wages subject to the deduction are limited to the amount of annual earnings subject to Social Security taxes, currently capped at \$132,900 per year.
- *Timing* Deductions will be made from employee pay beginning January 1, 2021; however, employees cannot take leave until January 1, 2022.
- Reasons To Take Leave The reasons for leave are the same as those under Current Law, which include: 1) birth of a son or daughter; 2) placement of a son or daughter for adoption or foster care;
  3) care for a family member with a serious health condition; 4) serious health condition of employee;
  5) serve as an organ or bone marrow donor; 6) qualifying exigency related to spouse, son, daughter or parent on active duty or notification of an impending call or order to active duty in the armed forces; or 7) for reasons related to family violence.
- **Definition of "Family Member"** The definition of "family member" has been expanded and now includes spouse, sibling, son or daughter, grandparent, grandchild or parents or an individual related to the employee by blood or affinity whose close association the employee shows to be the equivalent of those family relationships.
- **Notice** Written notice regarding leave must be provided to employees upon hire and annually, beginning on July 1, 2022.
- **Self-Employed Individuals** Self-employed individuals and sole proprietors will have the option to opt-in to the paid family leave program but must do so for an initial period of at least three years.
- **Option for Private Plan** Employers may offer a private plan if approved by the Authority to do so. Any such plan must provide, at a minimum, the same level of benefits at the same cost to the employee with the same conditions as offered by the Authority's program.

Guidance will likely be issued in the coming months. Employers may want to consult with labor and employment counsel to ensure compliance with the law and any guidance issued.

#### EMPLOYERS MAY WISH TO CONSIDER THE FOLLOWING ACTIONS

- 1. Training human resources personnel, managers, supervisors, and other personnel involved in administering leave policies on the new law and its interaction with other types of leave.
- 2. Reviewing current leave offerings to determine whether such offerings should be modified based on the new law.
- 3. Drafting a paid family leave policy for the employee handbook and revising leave, benefits, and other applicable policies to ensure consistency with the new leave law. This is particularly important as it relates to revising leave policies so it is clear which leaves may/will be taken concurrently and when paid time can/must be used during leave.
- 4. Coordinating with any vendors, who assist in leave law compliance, such as payroll, human resource information systems, and human resource compliance vendors, so they understand their role in assisting with the employer's compliance with the new law.
- 5. Determining whether changes should be made in the employer's organization-wide leave offerings based on the new law, with a specific eye toward leave offerings for employees in other states.
- 6. Creating a plan to manage any issues related to the absence of employees, including an ongoing review of the potential for significant operational challenges and relevant solutions.

### FOR MORE INFORMATION

If you have questions about how the issues raised in this legal update affect your policies, practices, or other compliance efforts, please contact one of the following lawyers in the firm's Labor, Employment,



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