

A photograph showing the back of a person wearing a white long-sleeved shirt and white pants, holding a baby wrapped in a white blanket. The person's hands are visible, supporting the baby. The background is a bright, out-of-focus indoor space with a wooden shelf and some greenery.

BRIEFING REPORT

Paid Family and Medical Leave

Legislative Auditor's Update: JLARC staff are conducting research and have hired consultants to assist with the financial reviews. The study is on track to be completed in fall 2024.

PFML program offers paid leave to public and private employees

Eligible employees can take up to 12 weeks of paid family or medical leave to:



Recover from a serious health condition.



Care for a family member.



Bond with a new baby or child.



Take military family leave.

Program funded by employee and employer contributions



Administered by ESD.

Premium formula set in statute.

Employers with 50 or more employees are required to pay a share of premiums.

JLARC staff directed to evaluate the following:

- 1 | ESD's program administration
- 2 | ESD's accounting practices for the PFML program
- 3 | The financial solvency of the Family and Medical Leave Insurance Account

JLARC staff examining how ESD sets staffing levels and the degree to which it:

Operates the program according to legislative intent.

Prioritizes and implements new initiatives.

Processes applications in a timely, systematic, and equitable manner.

Promotes equitable access to the program.

Monitors employer and employee compliance.

Consultant to review ESD accounting practices

Premiums are deposited into dedicated account.

Accounting consultant to:

- Review accounting practices & controls.
- Sample and test transactions for compliance with GAAP & SAAM.

Note: ESD does not prepare separate financial statements for the account.



Actuarial consultant to assess account solvency

Consultant to:

- Analyze the financial condition of the account.
- Develop a model to project future contributions and costs.
- Make recommendations to maintain solvency under new premium rate formula.

Next Steps

Preliminary Report

Fall 2024

View the study questions:

www.leg.wa.gov/jlarc



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