

Washington  
**Paid Family & Medical Leave**

# Annual Report

Employment Security Department

DECEMBER

**2020**

# Paid Family and Medical Leave Program Report to Legislature

## December 2020

The Washington state legislature enacted the Paid Family and Medical Leave Program Insurance Program in 2017 with bipartisan support.<sup>1</sup> Washington was the fifth state in the nation to implement such a paid leave program and the first to do so from scratch, rather than building on a long-standing temporary disability program.<sup>2</sup> Paid Family and Medical Leave (Paid Leave) provides an easily accessible benefit that helps employers and employees maintain economic stability and peace of mind so that Washingtonians can take the time they need to care for themselves and the people they love.

Since we are still within the first year of this program, it is too early to have formal impact evaluation results. That said, employers and employees alike have shared the positive effects they perceive this program to have. On a fall 2018 survey, a few months before premiums went into effect, we asked employers about the impact of the program on their business. Though there were certainly concerns about premium costs and paperwork, the majority of employers anticipated net positive effects on employee morale and productivity, and more employers saw positive than negative impact on turnover, ability to provide competitive benefits and ability to compete with other businesses.

In addition, our Paid Family and Medical Leave Customer Care Team specialists – the staff helping employers file quarterly reports, processing employee benefit applications, and answering questions about the program – hear about the impact this program has every day. Here is a selection of what customers have relayed to us via our specialists and customer surveys, with names changed to protect the privacy of program participants.

- ♦ Jose expected more time to prepare but found himself applying in the first month of the program – baby arrived early and had complications. He shared his gratitude and thanks for the program by sending us pictures of the baby, in the hospital and then healthy and at home with her family! He said we made it possible for him to spend time with his wife and new baby at this crucial time.
- ♦ Chris is an employer whose employees are eligible for leave: “Thank you for all your efforts getting the new program going and for asking for input from people like me. I think this program was well received in NY and CA and wish that a paid family leave program was available when I had my child 25 years ago!”
- ♦ Emily originally requested medical leave for her own serious and chronic health condition. Shortly after approval, she had to request family leave to care for her elderly mother. We were able to assist her with submitting a second application and explain how the program allows up to a total

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<sup>1</sup> SSB 5975, codified as RCW 50A. Subsequently amended by SHB 1399.

<sup>2</sup> California, New Jersey, Rhode Island, and New York all had existing temporary disability insurance systems in place prior to implementing the family leave component.

of sixteen weeks when receiving both family and medical leave. She shared appreciation at having access to leave that she could use for both herself and to care for her parent.

- ◆ Nia is a small business owner who shared: "Glad that the state is doing this. It is an important benefit that my very small business could otherwise not afford."
- ◆ Dan applied for benefits after his leave had ended, requesting five weeks of medical leave. In general, claims start upon receipt of application, so we had to request information from him about why he had not applied sooner, and we learned he was in a treatment facility where he was not allowed outside contact or communication. Our program was built with a provision for backdating applications in these kinds of situations, so he was able to receive benefits for the entire period of time he was in the treatment facility.
- ◆ Eric is a medium-sized employer who shared: "I think this is great legislation and you're doing an excellent job implementing it and communicating. Keep up the good work. Employees who can take care of their families and not lose their jobs make our communities stronger. I'd love to see this in other states and hope this is a great success for Washington."
- ◆ Yuki and her husband provide foster care. They had a new infant placed in their home and she requested family leave to bond with the child. As this infant required extra and round-the-clock care, she was particularly grateful our program could provide paid leave during this sensitive time.
- ◆ Darryl applied for family care leave, as his father was in hospice following a massive stroke. He shared that he is incredibly thankful he was able to spend this time with his father and help provide end-of-life care.
- ◆ Pat is an employee on leave who shared: "I simply want to express my thanks to every single individual, including the person(s) reading this, that have helped create and maintain the WA [Paid Family and Medical Leave] program. Our baby girl is one of the happiest babies I've ever seen and I'm certain this program played a vital role in ensuring her incredibly healthy state of mind. Thank you everyone!"

These stories illustrate both the need for and impact of Paid Family and Medical Leave on Washington employers, workers, and families. Since Paid Family and Medical Leave's successful launch, the program has been supporting employers of all sizes and in all industries to provide competitive leave benefits that they see as enhancing employee retention, productivity, and morale. The program provides crucial benefits that support the well-being of Washington businesses, workers, and families and we look forward to more deeply assessing impact as the program matures.

## **Program background and implementation**

Generally, Washington's Paid Family and Medical Leave program allows for up to 12 weeks of paid family leave or paid medical leave for eligible Washington workers who have worked at least 820 hours during a qualifying year. Under certain circumstances, individuals may qualify for up to 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 – those in larger companies who have been

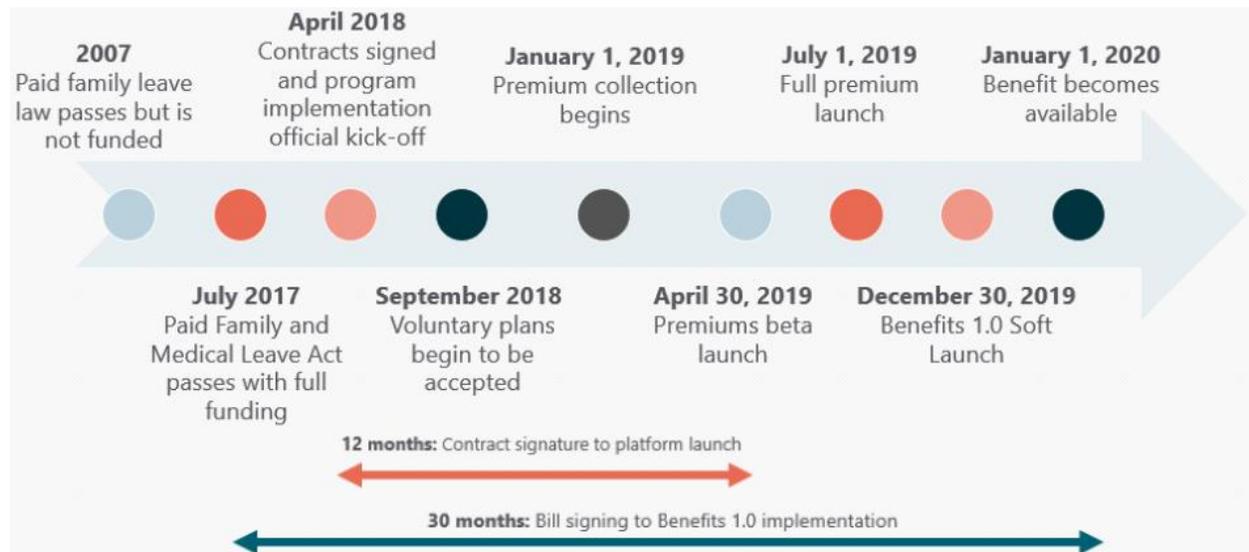
## Washington Paid Family & Medical Leave

with their employer for at least a year and worked 1,250 hours in the past year. Premiums are shared between employees and employers. Benefits are progressive, providing up to 90 percent of participants' weekly pay for each week of leave, and are portable across jobs.

Paid Family and Medical Leave also provides supports to businesses and flexibility for businesses to provide their own benefits to employees. Small employers with fewer than 50 employees are exempt from the employer portion of premiums. Small employers that choose to pay the employer portion of the premium become eligible for small business grants to help ameliorate the costs of having an employee take leave. Medium-sized businesses of up to 150 employees are also eligible for these grants. Employers of all sizes may choose to cover part or all of the employee portion of the premium as a benefit to their employees. They may likewise choose to "top off" leave benefits to provide full wage replacement during leave. Employers may also apply for a voluntary plan, which allows them to run an internal program providing benefits equal to or greater than the state program benefits. Tribal employers, the self-employed and independent contractors may also choose to participate in the program.

Program implementation occurred over a three-year project window. An \$82 million start-up loan allocated to the Employment Security Department (ESD) from Washington's General Fund in the 2017-19 enacted budget (SSB 5883) covered implementation costs during the first two years. The program has an advisory committee, consisting of eight voting members – four representing employees and four representing employers – along with an ESD representative and Paid Leave ombuds as ex officio members. The collaborative partnership of this group ensured employer and employee perspectives informed program development throughout implementation. Post-launch, the committee has continued to provide valuable input shaping ongoing operations and continuous program improvement.

Three key dates marked essential milestones of program implementation. First, a voluntary plan process, for employers to apply to run an internal program, had to be in place before premiums assessment began. The program began accepting voluntary plan applications in September 2018. Premiums assessment and related employer reporting requirements began on January 1, 2019. Premiums support leave benefit payments and program administrative costs, including the start-up loan payback. Leave



benefit applications and claims payments began January 1, 2020. Despite constricted timelines for implementation, the program has delivered successful outcomes to date. The program’s innovative technology implementation and use of Agile values and principles has garnered recognition. For Paid Family and Medical Leave, Washington state received the Merrill Baumgardner Award for excellence in information technology from the National Association of State Workforce Agencies (NASWA) and the State CIO Office Special Recognition award from the National Association of State Chief Information Officers (NASCIO).<sup>3</sup>

## Program participation

### *Projected and actual Paid Family and Medical Leave benefits*

Most employees in Washington state who have worked at least 820 hours during a qualifying year period are eligible for benefits if they also have a qualifying event prompting their need for family and/or medical leave.<sup>4</sup> In 2015, Washington state received a Department of Labor grant to study possibilities for a paid family and medical leave program in the state. The work under this grant included simulation models estimating program participation and costs under various parameters. The simulation model closest to Washington’s program formed the basis for program projections supporting the 2017 fiscal note, with adjustments made to more closely approximate program parameters and subject matter expert expectations. (For more information on projections, see Appendix.) As shown here, projected first year claims paid were a little under 75,000. They were expected to grow significantly over the first few calendar years as program awareness and take-up increased.

**Projected claims ramp-up**

Year	Claims Paid
2020	72,067
2021	120,112
2022	144,134
2023	166,171

As has been widely reported, in the first several months of benefit availability our program received far more applications than anticipated, with more than 7,000 applications coming in the first week alone. We had hired enough staff to handle the expected level of claims, so the workload quickly exceeded capacity. These higher-than-anticipated volumes proved to be a challenge as we dealt with hiring additional staff to process claims while simultaneously transitioning all employees to telework due to the COVID-19 pandemic. Through increasing staff and streamlining processes during spring and summer 2020, the program successfully decreased average application processing time from over ten weeks to under two weeks.<sup>5</sup> The program had as many approved claims as projected for year one by the end of July and claim volumes to date continue to be more in-line with levels expected during the second or third year of the program.<sup>6</sup> The volume of family leave applications out of the gate also demonstrates pent up demand for

<sup>3</sup> See <https://www.nascio.org/press-releases/nascio-announces-recipients-for-2020-nascio-state-it-recognition-awards/> and <https://www.naswa.org/news/washington-state-receives-national-innovation-award-for-information-technology>.

<sup>4</sup> Exemptions include federal employees, tribal employees, and certain employees under collective bargaining agreements (time-limited duration for this exemption).

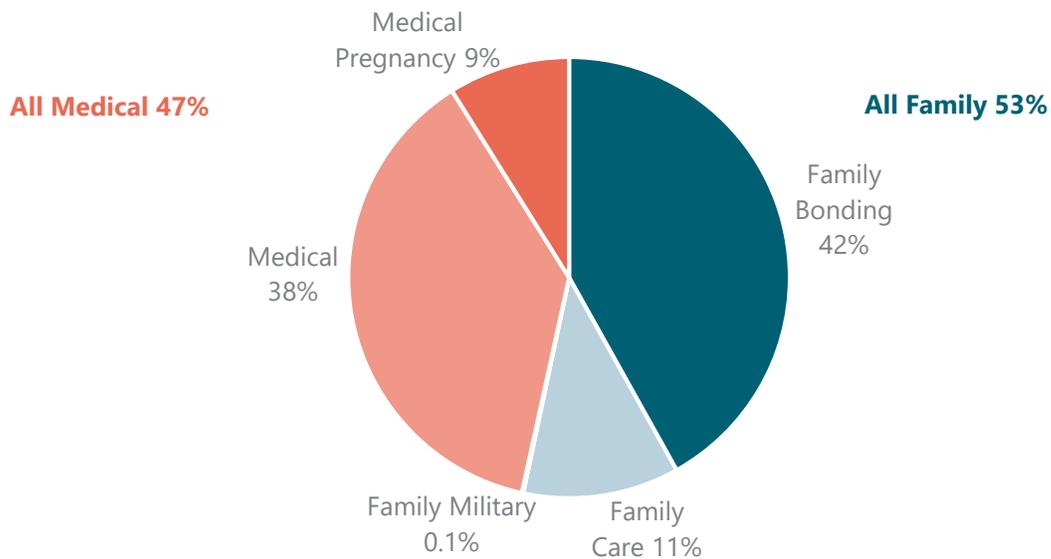
<sup>5</sup> These efforts were supported by the 2020 supplemental budget (ESSB 6168).

<sup>6</sup> Projections estimated program participation in terms of the number of leave claims paid. Here we compare to approved applications for leave, because at that point claim payments may occur. We reached the projected number of claims paid in early September.

this kind of leave from the prior 12 months – the period during which workers are eligible for leave when welcoming a new child into the family.

Projections were focused on claims *paid* since their intended use was for fiscal estimates. A more global indicator of program participation and the need for leave is the number of claims *submitted* to ESD. The following tables and graphs show claim applications submitted by leave type during the first nine months.<sup>7</sup> “Family leave” includes leaves listed as bonding, care, and military. “Bonding leave” is to care for a new birth, adoption, or foster child placement. “Care leave” is for workers to care for a family member with a serious health condition. “Military leave” is family leave related to military exigencies, such as short notice deployment. “Medical leave” is for workers to take for their own serious health condition. “Pregnancy” is for pregnancy-related medical leave. The law also includes a provision for an additional two weeks of leave during a claim year for pregnancy complications.

**Claim applications submitted by type January-September 2020**

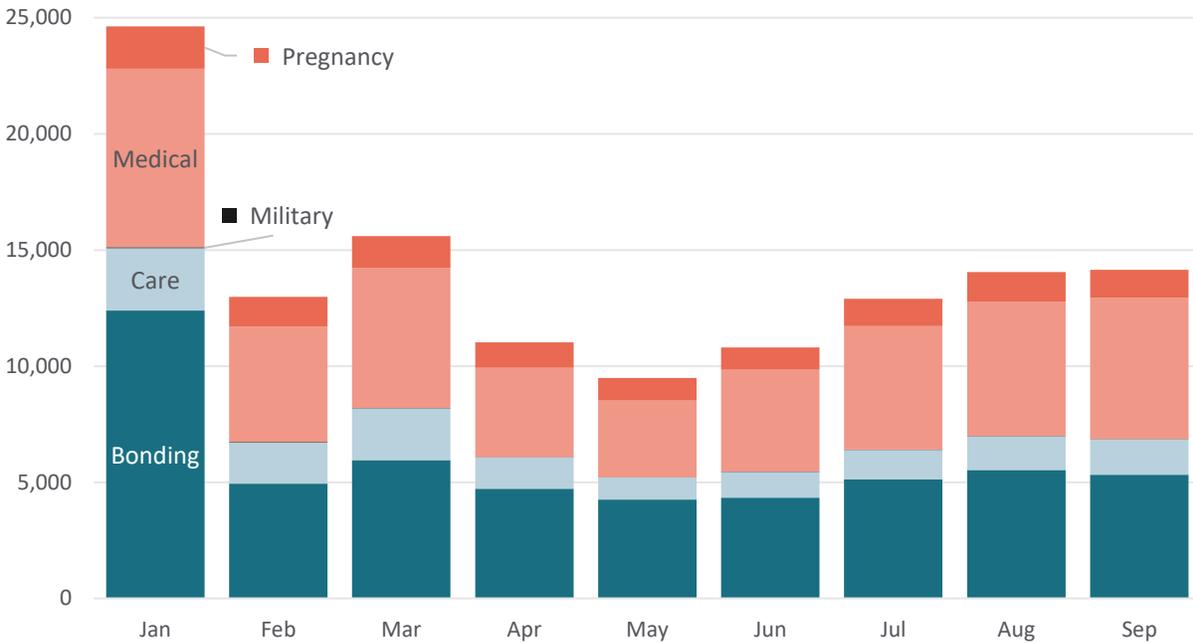


**Claim applications by type of leave and month January-September 2020**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Bonding	12,390	4,938	5,950	4,723	4,257	4,342	5,112	5,532	5,329
Care	2,685	1,772	2,240	1,339	950	1,108	1,277	1,448	1,521
Military	40	19	11	11	6	8	11	16	10
Medical	7,685	4,969	6,028	3,850	3,304	4,384	5,318	5,783	6,073
Pregnancy	1,827	1,279	1,364	1,101	972	955	1,176	1,274	1,207
<b>Total</b>	<b>24,627</b>	<b>12,977</b>	<b>15,593</b>	<b>11,024</b>	<b>9,489</b>	<b>10,797</b>	<b>12,894</b>	<b>14,053</b>	<b>14,140</b>

<sup>7</sup> Data are as of 11/20/2020 throughout this report.

Claim applications by type of leave and month January-September 2020



Applications and approved leaves by type January-September 2020

	Leave Applications Submitted	Approved Leaves
Bonding	52,573	44,125
Care	14,340	9,759
Military	132	68
Medical	47,394	34,315
Pregnancy	11,155	8,737
<b>Total</b>	<b>125,594</b>	<b>97,004</b>

### Elective coverage participation

Those who are self-employed or working as independent contractors may choose to opt in. 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. 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 they opt in.

By the end of September 2020, we had 1,302 active elective coverage accounts, representing 1,259 individuals opting in. People who own or work as more than one business entity have more than one elective coverage account. Those opting in represent a wide range of self-employed and independent contractors, such as real estate agents, musical instrument teachers, counselors, massage therapists,

accountants, and small business owners working in diverse industries from construction and automotive repair to software development and technical consulting.

#### Elective Coverage Participation

	Elective Coverage Start							Total as of 9/30/20
	2019				2020			
	Jan	Apr	Jul	Oct	Jan	Apr	Jul	
<b>Accounts</b>	286	19	24	32	28	652	261	1,302
<b>Individuals</b>	277	19	24	32	28	631	248	1,259

#### Voluntary plan participation

Employers may offer their own leave program to employees instead of participating in the state Paid Family and Medical Leave program, if their plan meets or exceeds state benefits. Review of voluntary plan applications began in September 2018, before premiums went into effect. There has been lower demand than expected for voluntary plans to date.<sup>8</sup> Voluntary plan employers are diverse, ranging from large companies to small non-profits, and they span different industries and regions.<sup>9</sup> Denials of completed applications occur when parts of the proposed voluntary plan do not meet or exceed state plan requirements – for example, when they cover only a select portion of employees – or when meeting state plan requirements cannot be established.

There are 268 employers with active Voluntary Plans as of September 30, 2020. Most employers (86%) operating a voluntary plan do so for both family and medical leave. Over half (55%) of the employers choosing to operate a voluntary plan are small employers with fewer than fifty employees.

#### Voluntary Plan employers by plan type and size

	Medical	Family	Both	Total
Large employer (50+ employees)	17	0	87	104
Small employer (<50 employees)	12	5	130	147
Unknown size*	3	0	14	17
<i>Total</i>	32	5	231	268

\* size becomes known though employer quarterly reporting

The number of employees covered by voluntary plans varies by quarter. Using businesses' average number of employees across quarters in the prior year (and excluding those with unknown size to date), about 115,600 employees are covered by voluntary plans.

<sup>8</sup> The original estimate, developed in collaboration with business community representatives, was that about 12 percent of wages statewide would not contribute to state plan premiums because of voluntary plan participation. In 2019, we had about 5 percent.

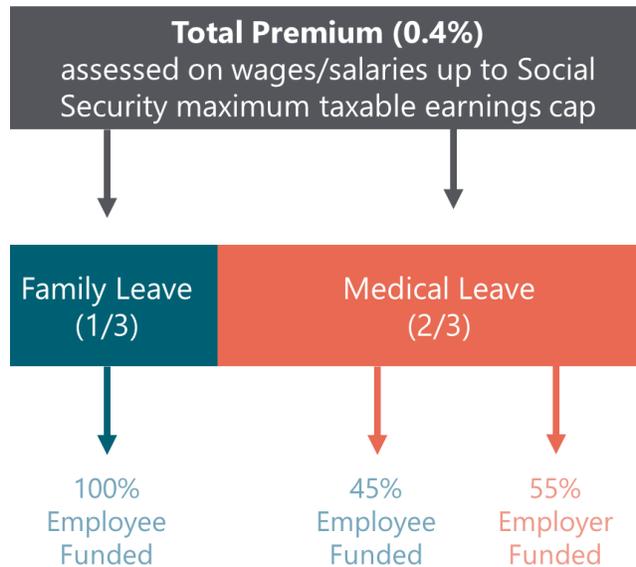
<sup>9</sup> Names of specific voluntary plan employers are confidential and cannot be disclosed.

## Premium rates

Premium assessment began on January 1, 2019. Benefits became available one year later, on January 1, 2020, which provided three quarters of premium collection prior to paying benefits. The lag in benefit payment implementation ensured the program was able to cover benefit payments, operating costs, and repay the start-up loan with interest. Premiums are assessed quarterly and remitted to ESD in conjunction with employer reporting in each month following a quarter: April, July, October, and January. Premium responsibility is split between employees and employers. Employers may withhold from employees up to 100 percent of the family leave premium and up to 45 percent of the medical leave premium.

Employers with 50 or more employees are responsible for 55 percent of the medical leave premium. This translates to employers contributing 36.667 percent and withholding up to 63.333 percent of the total premium from employees. Smaller employers that optionally choose to pay the employer premium share may receive grants to offset the costs of having an employee take leave. Those who are self-employed and independent contractors electing coverage are responsible only for the employee share of the premium.

For 2019 and 2020, the total premium was set at a constant 0.4 percent of gross wages. The premium split between family and medical leave will also be constant until 2022. Beginning in 2021, the Paid Family and Medical Leave premium will be determined by the trust fund account balance ratio, described in [RCW.50A.10.030](#).



$$\text{Account Balance Ratio} = \frac{\text{Trust fund account balance as of 09/30/2020}}{\text{Prior fiscal year of total covered wages}}$$

**For 2021, the Paid Family and Medical Leave premium rate will continue to be 0.4 percent.** If current working assumptions about future program utilization and wage growth hold, program projections show the premium rate to vary between 0.4% and 0.6% over the coming decade.<sup>10</sup> As a new program that is making history and having its first year of benefits occur during a pandemic, there

Account Balance Ratio	Premium Rate
0.0% to 0.09%	0.6%
0.1% to 0.19%	0.5%
0.2% to 0.29%	0.4%
0.3% to 0.39%	0.3%
0.4% to 0.49%	0.2%
0.5% or greater	0.1%

<sup>10</sup> For a more comprehensive overview of assumptions used in current program projections, see the July 16, 2020 Advisory Committee meeting presentation at <https://resources.paidleave.wa.gov/advisory-committee>.

is considerable uncertainty in these projections. We will continue to update and improve modeling as we learn more.

## Benefit payments

Applications for benefits began on January 1, 2020.<sup>11</sup> Applicants approved to take leave submit weekly claims for each week of leave, relaying information about how many leave hours they took, whether they used other benefits (e.g., unemployment) and other information necessary to calculate the week's benefit payment. At the end of September, the program had covered about 20 million hours of leave and paid over \$400 million in benefits to over 71,000 Washingtonians. On average, approved customers took about 28 hours of leave and received about \$600 each week.<sup>12</sup>

### Benefit claims and approved payments by month

	Employees with at least one approved weekly claim payment	Claims with at least one approved weekly claim payment	Weekly claims approved for payment	Benefits paid (millions)	Leave hours (millions)	Average paid per weekly claim	Average hours per weekly claim
Jan	2,389	2,389	7,388	\$4.6	0.22	\$621	29
Feb	6,408	6,408	27,212	\$17.5	0.83	\$643	31
Mar	11,052	11,292	61,024	\$38.8	1.85	\$636	30
Apr	19,809	20,427	109,667	\$64.9	3.10	\$592	28
May	13,459	13,791	60,070	\$36.4	1.75	\$606	29
Jun	24,919	25,973	132,212	\$78.4	3.69	\$593	28
Jul	21,358	22,031	82,628	\$50.6	2.36	\$612	29
Aug	24,002	24,831	98,390	\$61.0	2.83	\$620	29
Sep	26,824	27,966	111,433	\$64.6	2.98	\$579	27
<b>Jan-Sep</b>	<b>71,654</b>	<b>81,017</b>	<b>690,024</b>	<b>\$416.8</b>	<b>19.61</b>	<b>\$604</b>	<b>28</b>

## Operating and implementation Costs

Initial program implementation costs for FY18 and FY19 were covered by a start-up loan from the State General Fund to the program's trust fund (22F). Following the first reporting and premium collections period, the program successfully repaid this start-up loan in June 2019 and has covered ongoing operations and additional implementation costs (e.g., those related to SHB 1399) with premium collections.

<sup>11</sup> With soft launch of technology on December 30, 2019.

<sup>12</sup> Washington workers taking Paid Leave may do so intermittently and some start or end mid-week, which results in proration of the weekly benefit.

**Operating and implementation costs, fiscal years 18 through 21**

	FY18	FY19	FY20	FY21*
Paid Family and Medical Leave implementation and operating costs (out of 22F Fund)	\$12,810,000	\$40,696,000	\$50,720,500	\$65,074,000

\* FY18-FY20 are historical amounts, FY21 is expenditure authority for the current year

In the first year of operations, during which there was higher-than-expected demand and a global pandemic, there has been fluctuation in projected costs. We continue to leverage efficiencies where we can and aim to make the best use of resources to serve our customers. Though claims volumes will likely change modestly in the future, we do not expect sudden significant claims volume increases in the coming year. As program awareness and uptake grows, there likely will be gradual increases over the next several biennia. However, if incoming applications change considerably, resource adjustments will be necessary. We will continue to periodically re-assess and communicate caseload-related needs and savings.

**Trust fund**

The Family and Medical Insurance Account was initially funded with a start-up loan for implementation costs in 2017. Premium assessment began in 2019 and benefit payments in 2020. The following table provides the quarterly account balance from 2019 to date.

**Fund balance**

	2019				2020		
	Mar	Jun	Sep	Dec	Mar	Jun	Sep
Paid Family and Medical Leave Insurance Account 22F book balance at end of each quarter <i>(millions)</i>	\$50.56	\$26.83	\$209.82	\$372.09	\$467.18	\$454.16	\$426.79

The implementation start-up loan was repaid in June 2019. Revenues coming into the account include Paid Family and Medical Leave premiums and voluntary plan application fees, along with interest accumulated on the fund. Expenditures out of this fund include benefits payments, operating and implementation costs, small business grants, and transfers to the Unemployment Compensation Account to cover unemployment claims resulting from replacement workers hired to backfill employees on leave. The program also has an enforcement account that will be used for compliance activities.

Because of the higher-than-anticipated first-year program usage, the trust fund balance is lower than originally projected for September 2020. Since the premium rate for 2021 will stay the same, there will be less ability to absorb unexpected costs in the coming year than original projections anticipated.

## Small business assistance

The Paid Family and Medical Leave program includes provisions to support smaller businesses, which may be disproportionately affected when employees take leave. Businesses with 50-150 employees and businesses with fewer than 50 employees that opt into the employer portion of the premium will be eligible to apply for grants. The process for small business assistance grant applications will begin before the end of 2020 and grants will be retroactive to cover costs related to 2020 leave benefits. The release of this functionality was previously delayed in order to ensure benefit payments could be made by January 2020 and subsequently to deal effectively with the unprecedented demand for leave. 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 replacement worker and/or wage-related costs incurred due to use of Paid Family and Medical Leave.

## Outreach

### Key insights

- \* **Prioritizing outreach and communications yields results.** Legislators and stakeholders who crafted the legislation to create Paid Family and Medical Leave had the foresight to include outreach in statute. Prioritizing and funding outreach and communication allowed Washington state to tackle, head-on, issues other states had experienced in standing up their programs, such as low awareness and low program usage rates.
- \* **Engage early and often to gain customer input.** Our team started talking to customers early in the process to gauge their awareness and perceptions of the program. This allowed us to create materials that spoke to Washingtonians and addressed the major misconceptions, while also highlighting the value they inherently saw in it.
- \* **One-size-doesn't-fit-all.** We used a variety of methods to learn from and communicate to employers and workers. From broad surveys to small focus groups in multiple languages to social media to snail mail, we aimed to meet people wherever they were with messages and information that resonated.

### Approach

It is a rare opportunity in state government to build a brand-new program from the ground up – especially one that would support Washingtonians to take essential time to care for themselves and their loved ones. From an outreach and communications perspective, this presented an opportunity to frame a positive message and provide clear information to employers, workers, and health care providers.



There were also, of course, significant challenges when it came to communicating about something so new and raising awareness within the short timeframe. To mitigate the challenges this presented for both our team and our customers, we used a phased approach to outreach and communication based on the program's milestones:

- **Phase 1: Premium collection begins Jan. 1, 2019.** This phase focused primarily on helping employers understand the program, learn their responsibilities and inform their employees.
- **Phase 2: Benefits begin Jan. 1, 2020.** This phase went through much of 2019 and continues today, focusing on direct outreach to help workers, employers, and health care providers understand their rights and responsibilities.

Research was critical to our outreach and communications efforts throughout and beyond program implementation. We pursued multiple methods of gathering insights and feedback from employers and workers, as well as health care providers and social workers.

#### Focus areas and goals for outreach and communication

1. Create broad awareness about Paid Family and Medical Leave statewide
2. Support employers in the implementation of this new law, particularly small businesses
3. Start to shift the culture around taking Paid Family and Medical Leave so it can be the "new norm" when people need it
4. Reach people most likely to need the program and who are least likely to use it

#### Employers

We started with outreach to employers, not only because they had the first responsibilities under the law, but also because they are often the first point of contact a worker has with the program when they need to take paid leave. We were determined to help businesses of every size get ready for Paid Family and Medical Leave and to do so with messages that got to the heart of why this program matters – there are times in all our lives when we need to care for ourselves and our loved ones and this program provides affordable access to this powerful employee retention benefit.

Employers were key to the successful implementation of this program, and it was important to us to understand their perspective, both the value they saw in the program as well as any pain points.

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*"You didn't let me accidentally forget to deal with this. Thanks!"*

*– Employer comment, Feb. 2019*

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#### Research

- **Feedback surveys.** Starting in 2018, we collected feedback directly from employers. This provided insight into employers' perspectives of the program and helped us to understand where there may still be confusion. We used this feedback to improve the information we provided employers.
- **Broad survey in the summer of 2018.** Using a third-party research firm, we surveyed more than 400 employers of all sizes statewide. Surveys were in English and Spanish, on the phone and online.

- **A/B message testing.** We tested two frameworks for messages in Sept. 2018 – one more straight-forward (“Washington Paid Family and Medical Leave premium collection starts on Jan. 1, 2019”) and one more values-based (“Starting Jan. 1, 2019 – A new way to take care of the people who take care of your business”). Urban areas responded more favorably to values-based messages, while more rural areas had higher click rates on ads creating a sense of urgency.
- **Awareness survey in Feb. 2019.** We conducted a broad employer survey in February 2019 and found that 88 percent of employers were aware of the program.
- **Focus groups with small businesses.** These were part of a series of statewide focus groups that also included workers and health care providers. The focus groups were conducted by a third-party research firm and were held on both the west and east sides of the state.

#### **Employer awareness survey – Feb. 2019**

- Employers of all sizes
- Employers in every county
- Over 88% were familiar with the program
  - 87% of small employers (<50 employees)
  - 93% of medium employers (50-149)
  - 94% of large employers (150+)

#### **Multi-faceted outreach and critical tools for employers**

- **On-the-ground.** In 2018 alone, we provided more than 260 in-person presentations in communities across Washington – from Aberdeen to Walla Walla, Ritzville to Friday Harbor, Vancouver to Colville. We presented to payroll companies, human resource professionals, Chambers of Commerce, industry trade organizations, and individual employers.
- **Webinars.** We provided dozens of webinars, sometimes for payroll companies that represented tens of thousands of employers.
- **Direct mail.** We sent multiple direct mailers – over 800,000 pieces of mail in 2018 alone – to get employers familiar with the program and ready for launch.
- **Email.** We sent numerous emails to hundreds of thousands of employers at a time, starting in spring 2018. Our list included employers of all sizes – from sole proprietors to the state’s largest employers. We sent weekly emails for the last five weeks of 2018 to ensure employers were ready to begin premium collection in 2019. We continue to send emails with key employer information.
- **Social media.** We launched Facebook, Twitter and Instagram accounts in the summer of 2018 to share information about the program and keep employers up to date.
- **Partner communications.** We provided cut-and-paste content to partners within state government and in the private sector. State agencies, elected offices, corporations and trade associations used the newsletter and social media content we provided to get the word out.
- **Paid ads.** In September 2018, we launched a highly targeted paid media campaign aimed at businesses in every county in the state. The campaign featured stories of real Washington business owners who believe providing paid family and medical leave benefits will be good for

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#### **Quality outreach and communications works.**

*Our employer survey found those who had attended one of our webinars or in-person events scored 15 points higher on factual questions about the program than those who had not.*

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## Washington Paid Family & Medical Leave

their employees and their bottom lines. This campaign significantly outperformed industry benchmarks in all areas, including social media, digital display and search engine marketing.

- **Earned media.** As a final push before the end of 2018, we pitched news stories to reporters in major media markets – yielding headlines like, “Washington to implement best paid family & medical leave in America in 2019.” Earned media drove significant traffic to our site, with close to 40,000 people coming to [paidleave.wa.gov](http://paidleave.wa.gov) from a single news story at the end of 2018.

## PRINT ADS



Puget Sound Business Journal

Yakima Valley

Vancouver Business Journal

South Sound Business & Tri-Cities Business Journal

## Resources for employers – and their employees

- **Employer toolkit, with employee information in multiple languages.** A key resource for employers, the employer toolkit has been well-received. It has been downloaded more than 145,000 times from the time it was published in October 2018 to the end of September 2020. It included the latest about the rules and requirements, program implementation and shareable resources for employees, including a paystub insert in 12 languages in addition to English.
- **Website.** We launched the first version of [paidleave.wa.gov](http://paidleave.wa.gov) in the beginning of August 2018. By March 31, 2019, nearly 350,000 users had visited the program website, 97% of whom were new visitors. We refreshed the website significantly in December 2019 before the launch of benefits. Since the refresh, nearly 2.1 million people have visited the website.
- **Videos.** We developed numerous videos to help employers understand and meet the program's requirements. The videos have been viewed tens of thousands of times and we have received positive feedback from employers that the videos help them meet their requirements.

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*“I’m impressed with the pro-active outreach/education that the state of WA provides. Additionally, your customer service is excellent. It has changed a bias that I had about inefficient and ineffective government run organizations.... You’re doing a fabulous job – keep it up! It appears that your employees are engaged and motivated.” – Employer comment, Feb. 2019*

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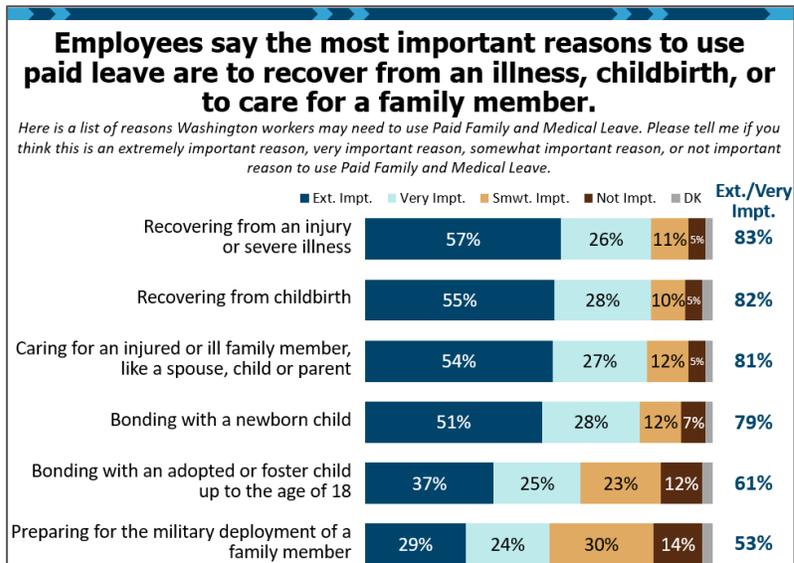
## Workers

Just as it was with employers, hearing directly from workers around the state was critical as we developed and shared communications about this new program. Were they aware of Paid Family and Medical Leave? What value did it hold for them? What concerns did they have? Getting insights into basic questions and learning from our customers allowed us to develop key resources and messages that educated and resonated with Washingtonians.

## Research

### Broad survey in the spring of 2019.

Using a third-party research firm, we surveyed 800 workers in Washington in both English and Spanish via phone and email. There was strong support for the program among most groups, with recovering from an illness or injury and recovering from childbirth the top two reasons respondents found the program valuable. Close behind were caring for an ill or injured family member and bonding with a new child coming into the family.



### 15 focus groups, June 2019

#### Seattle and surrounding area sessions:

- Spanish speaking (in Spanish)
- Women
- Small business owners
- Black workers (x2)
- Healthcare providers/workers
- Chinese workers (interpreter available)
- Filipino workers (interpreter available)
- Korean workers (interpreter available)
- Vietnamese workers (interpreter available)

#### Spokane and surrounding area sessions:

- Healthcare providers/workers
- Rural workers
- Small business owners

#### Yakima and surrounding area sessions:

- Spanish speaking (in Spanish)
- Rural workers

**Focus groups with individuals across the state, representing our diverse communities.** We conducted a series of statewide focus groups that included small business owners, workers and health care providers. These were conducted by a third-party research firm and held on both the west and east sides of the state.

#### Key findings from the focus groups

- **Reception:** Participants said the program was important and they were likely to use it. Favorability was higher among those already familiar with it.
- **Points of confusion:** Details of the program on which participants needed more explanation included portability between employers, how job protection worked, and intermittent leave.
- **Obstacles to participation:** Previous negative experience with government, workplace culture that did not support leave, and concerns about impact on coworkers and employers were some top concerns.

- **Incentives to overcome barriers:** Knowing the program is legally required, their employer encouraging them to use the leave, and having job protection were cited as the top factors to help overcome hesitation with using the program.

### Multi-faceted outreach and critical tools for workers

- **Social media.** We updated social media daily and, as the benefit became available, re-focused mostly on a worker audience that now makes up the majority of our followers. We provide tips and resources for prospective applicants, as well as emergent information they need to know.
- **Partner communications.** Private, public, and non-profit groups around the state were eager to share the word about the new benefits coming for Washington families. We provided shareable content for newsletters and social media, participated in Facebook Live events and more. Leveraging trusted messengers was, and will continue to be, a key strategy to reach workers.
- **Earned media.** We consistently shared information with, and proactively reached out to, the media. The program garnered broad interest before, during and after benefits launch.
- **Videos.** We developed numerous videos to help workers understand, apply for, and maintain their benefits. The videos have been viewed tens of thousands of times and serve both those directly applying for benefits and those seeking detailed information about the program.
- **Guides for parents, patients and families.** We developed three guides to help those preparing for leave – the comprehensive Benefit Guide, the Parent Guide, and the Patient and Family Guide. These were downloaded 175,000 times as of September 2020.
- **Paid ads.** Because of the enormous response right out of the gate in January 2020, we adjusted our paid ad strategy to focus more on non-English speaking communities where we were seeing fewer applications. We also continued search engine marketing in English, which was a great way to ensure those looking for us online could go directly to our website.
- **Website.** The website, [paidleave.wa.gov](http://paidleave.wa.gov), and the accompanying Spanish version of the site, are critical access points to the program for our customers and the public. The sites are often the first place they go when they want to learn more, apply, or share more information with others. We launched the first versions of both sites in August 2018 and updated content continuously until we launched new versions – complete with tools like the eligibility checker and the benefit estimator – in December 2019.

#### Paid ads

##### Channels

- Terrestrial radio
- Digital radio
- Print
- Online digital display
- Search engine marketing
- Non-English television channels
- Social media (Facebook, Twitter, Instagram and LinkedIn)

##### Languages

- English
- Spanish
- Korean
- Vietnamese
- Chinese

##### Audiences

- Workers
- Employers
- Healthcare providers

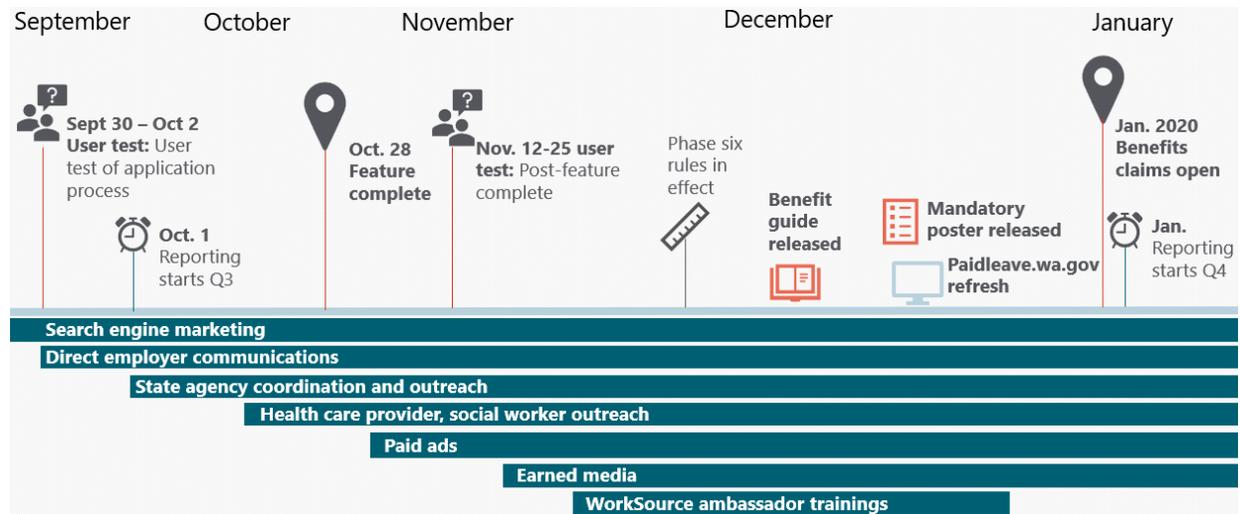
### Healthcare providers & social workers

Other states with Paid Family and Medical Leave programs, particularly California, had noted that healthcare providers and social workers were a relatively untapped group that could help get the word

out to folks who would need to use their paid leave program. Learning from this, we had additional research, outreach and communications specific to these groups.

- **Research:** Healthcare providers participated in the focus groups in 2019. We were able to gain insights into their awareness and perceptions of the program not only as workers, but also as key messengers to patients and families who may need to use the program. In addition, we partnered with a team of student consultants from the UW Evans School of Public Policy & Governance to interview social workers and other direct service providers in spring 2020. From this research, the group developed recommendations for outreach and approaches to creating a Paid Family and Medical Leave ambassador train-the-trainer program.
- **Outreach and input:** Through summer and fall of 2019, we conducted numerous information sharing and feedback sessions with health care providers – from non-profits and community clinic networks to the state’s largest health care providers. These allowed us not only to get information out, but also to get their input as we developed the medical certification process.
- **Paid ads for healthcare workers:** To increase program awareness among health care providers and help them understand their responsibilities, we ran targeted online ads in 2020. These ads performed well and drove traffic to the health care provider section of the website. In addition, those who clicked through stayed longer than the average user, which indicated we were both hitting the right audience and providing compelling content to review.

### Final campaign plan to launch of benefits on January 1, 2020



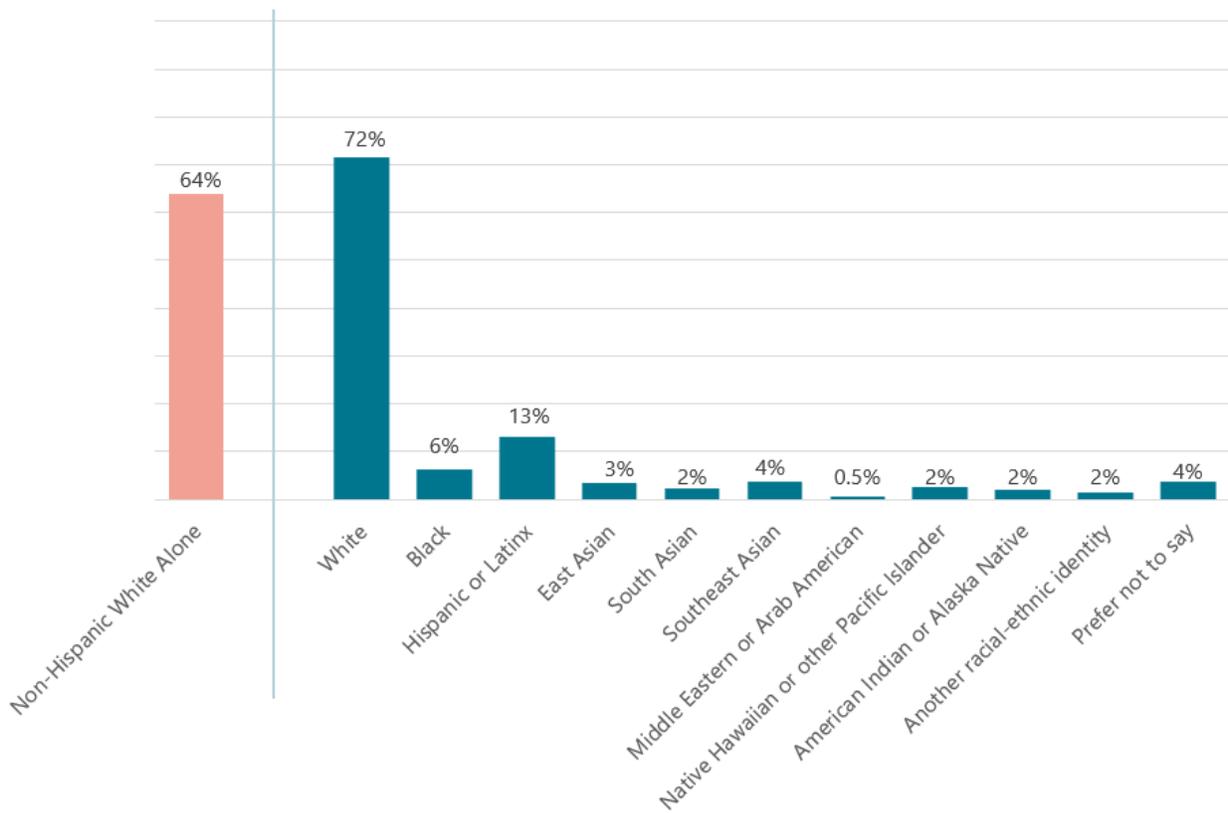
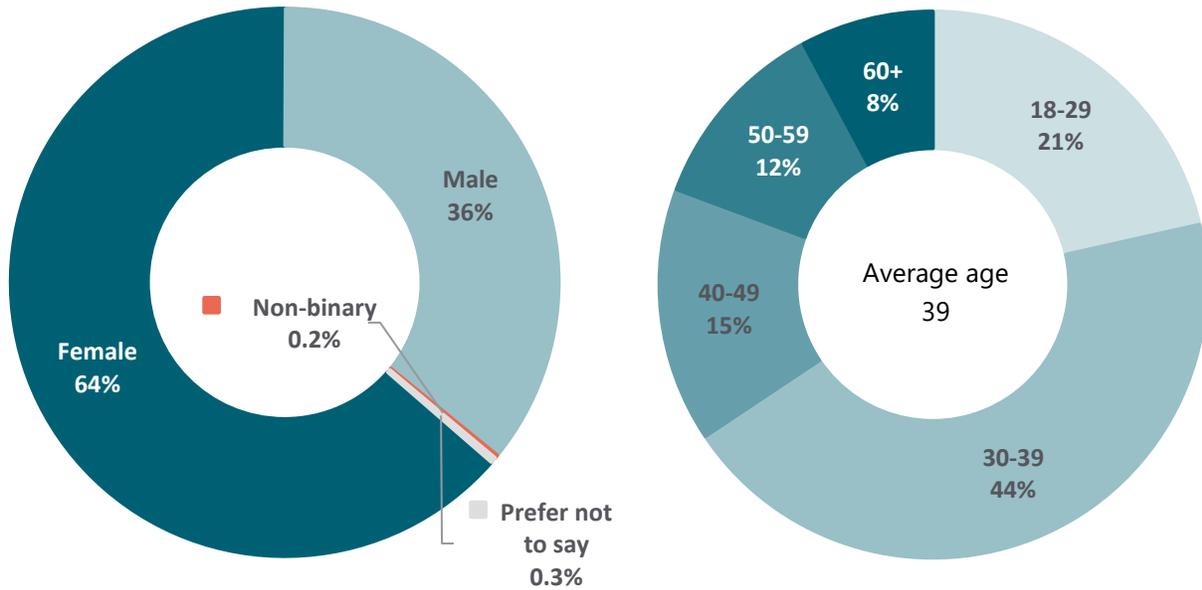
### Program participant demographics

As part of the application process, we ask benefit customers for information about their age, gender, and race/ethnicity in order to better understand our program participants and identify gaps that may potentially be addressed through improvements to outreach, product, and/or operations.

# Washington Paid Family & Medical Leave

Shown below are characteristics of the 125,594 applications submitted between January and September 2020.

## Applications by age, gender and racial-ethnic identity





In addition to the number of claims by county shown in the map, an additional 2,175 applications (1.7 percent) were submitted with an out-of-state mailing address.<sup>14</sup> Workers must have Washington employment to qualify for Paid Leave but may reside in bordering states or may temporarily be living with family members for whom they are providing care. 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.<sup>15</sup>

Because volume is largely a function of population, we show here the percentage of Paid Family and Medical Leave applications and percentage of Washington workers by county. Overall, the percentage of claim applications is generally consistent with workforce size in each county.

### Claim applications and Washington workers by county

County	Percentage of applications*	Percentage of WA workers**
Adams	0.2%	0.2%
Asotin	0.1%	0.3%
Benton	3.1%	2.7%
Chelan	0.9%	1.1%
Clallam	0.6%	0.9%
Clark	5.2%	6.5%
Columbia	<0.1%	<0.1%
Cowlitz	1.4%	1.5%
Douglas	0.6%	0.6%
Ferry	<0.1%	0.1%
Franklin	1.6%	1.1%
Garfield	<0.1%	<0.1%
Grant	1.1%	1.0%
Grays Harbor	0.7%	0.9%
Island	0.7%	0.9%
Jefferson	0.2%	0.3%
King	31.0%	32.8%
Kitsap	2.6%	2.8%
Kittitas	0.4%	0.5%
Klickitat	0.2%	0.2%

County	Percentage of applications*	Percentage of WA workers**
Lewis	0.9%	1.0%
Lincoln	0.1%	0.1%
Mason	0.7%	0.7%
Okanogan	0.3%	0.4%
Pacific	0.1%	0.2%
Pend Oreille	0.1%	0.1%
Pierce	13.4%	11.3%
San Juan	0.1%	0.2%
Skagit	1.6%	1.7%
Skamania	0.1%	0.2%
Snohomish	12.7%	11.8%
Spokane	7.5%	6.6%
Stevens	0.4%	0.5%
Thurston	3.8%	3.5%
Wahkiakum	<0.1%	<0.1%
Walla Walla	0.6%	0.7%
Whatcom	2.7%	2.8%
Whitman	0.3%	0.5%
Yakima	3.9%	3.1%

\* Excluding applications with out-of-state mailing address.

\*\* Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter 2017). Excludes federal employment. County shown here is home location of workers.

<sup>14</sup> There is no residency requirement under RCW 50a.

<sup>15</sup> 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.

### Industry of current employment

Leave-taking behavior is known to vary by occupations and industries.<sup>16</sup> Shown below are claim applications by industry of current employer(s) at the time of application. Applicants may have multiple current employers so percentages may add to over 100. The size of these industries in Washington state is a factor shaping the distribution of Paid Leave applications. In addition, since health care providers had requirements under the program to provide medical certifications for leave benefit applications, targeted outreach engaged them before program launch.

#### Claim applications by industry

Industry	Percent of applications with current employer in this industry	Percent of jobs in industry*
Agriculture, Forestry, Fishing and Hunting	1%	3%
Mining	<1%	<1%
Utilities	<1%	<1%
Construction	4%	6%
Manufacturing	9%	9%
Wholesale Trade	4%	4%
Retail Trade	14%	12%
Transportation and Warehousing	3%	4%
Information	3%	4%
Finance and Insurance	4%	3%
Real Estate Rental and Leasing	2%	2%
Professional, Scientific, and Technical Services	7%	6%
Management of Companies and Enterprises	<1%	2%
Administrative and Support and Waste Management and Remediation Services	5%	5%
Educational Services	7%	9%
Health Care and Social Assistance	21%	13%
Arts, Entertainment, and Recreation	1%	2%
Accommodation and Food Services	4%	8%
Other Services (except Public Administration)	2%	3%
Public Administration	4%	4%
Unclassified	1%	NA
Industry information not available**	11%	NA

\* Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter 2017). Excludes federal employment.

\*\* Industry information is obtained by matching Paid Leave data to the unemployment (UI) data system. Not available include applications that do not link to an employer with a matching UBI in the UI data system.

<sup>16</sup> See, for example <https://www.bls.gov/news.release/leave.t02.htm>.

## Looking forward to year two

Paid Family and Medical Leave done well is a considerable contributor to statewide efforts to promote equitable economic growth. With less than a year completed as a fully operational program, we are still learning a great deal about our customers, their needs, and how we can improve our operations, policies, technology, outreach and communication efforts so anyone who needs the program and is eligible can easily access it. Though it is too early to complete a formal impact evaluation, it is crucial to develop an approach to short- and long-term evaluation from the beginning of program implementation. Essential for all public programs, evaluation is especially important for a program like Paid Family and Medical Leave that has little historical precedent. Much is known about the need for paid leave to care for self and family; much less is known about how specific program parameters and operational processes affect use and differentially impact wide-ranging effects on health, wellbeing, family, and economic outcomes. To further this work, we have established an Evaluation Consultation Group to guide Paid Family and Medical Leave program evaluation in collaboration with researchers at the University of Washington and with initial support from a private grant.

It is also apparent that 2020 has been a highly unusual year to develop a baseline. The full impact of COVID-19 will become apparent only in hindsight. That said, it is clear from the immediate and high demand for the program that our goals to raise awareness about the program statewide and provide an accessible benefit had a significant impact. Not only did we successfully implement the program on-time and under budget, we exceeded first-year projections for both benefits and premium collections. This signals that we effectively reached both employers and workers – they knew we existed and how to fulfill their responsibilities and access benefits. It also speaks to our agility with technology and continuous improvement culture. *Launch and last, not launch and leave* is a motto we stand behind across our products and services, continuing to iterate toward the best Paid Leave experience for all our customers. Because of ongoing technology and infrastructure investments, we have already deployed eight major technology releases to add and enhance functionality during this first year, with one more scheduled in December.

As we delve more deeply into our data on who is taking leave, for how long, and for which types of qualifying events, we will engage in targeted outreach and feedback among groups with lower take-up rates. We also continue to monitor application and weekly claim processing volumes, so that we can adjust staffing and leverage process and technology efficiencies where possible. Moving into our second year of program operations, we look forward to continuing to enhance operations, technology, policies, communications, research, and organizational development to better serve our customers and ensure an easily accessible benefit that supports employers and workers, so Washingtonians can care for themselves and the people they love.

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*Questions about this report or the Paid Family and Medical Leave Program?*

*Contact [John.Mattes@esd.wa.gov](mailto:John.Mattes@esd.wa.gov)*

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## Appendix: Projections Assumptions

Washington state was awarded a grant by the Women’s Bureau of the US Department of Labor to provide analysis of issues related to Paid Family Leave. The Washington grant funded quantitative research on the potential financial and programmatic impacts of a paid family leave program, including two sets of microsimulation model runs completed by Randy Albelda (University of Massachusetts, Boston) and Alan Clayton-Matthews (Northeastern University). We considered these simulations<sup>17</sup> as the foundation for program utilization and ramp-up estimates while drafting the agency fiscal note for SSB 5975 and the budget allocation made to stand up and operate the program. Once the law passed, staff from ESD’s research and data team iterated on the Albelda/Clayton-Matthews models to align assumptions to the law as it had passed in 2017. Specifically, for ESD fiscal projections, we adjusted the number of claims anticipated to account for:

- *Different eligibility requirements.* The team adjusted projections for utilization based on a higher eligibility threshold of 820 hours in SSB5975 (as opposed to 620 hours in the simulation)
- *Self-employment opt-in.* Simulations assumed 100% of self-employed would opt-in. Discussion between Government Relations and program staff identified that was likely too high of a projection and so estimates were reduced to 10%.
- *Program utilization ramp-up.* In other states there was slow adoption of the program over time. ESD adjusted simulations to reflect program ramp-up over time resulting in projected demand as follows:

Calendar Year	Estimated Approved Claims	Estimated Benefit Payments (millions)
2020	72,067	\$333.8
2021	120,112	\$556.3
2022	144,134	\$667.6
2023	166,171	\$769.7

<sup>17</sup> Albelda, Randy and Clayton-Matthews, Alan  
[https://www.dol.gov/wb/media/WA\\_Paid\\_leave\\_modeling\\_final\\_report.pdf](https://www.dol.gov/wb/media/WA_Paid_leave_modeling_final_report.pdf)



The Employment Security Department is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Language assistance services for limited English proficient individuals are available free of charge. Washington Relay Service: 711