

Washington
Paid Family & Medical Leave

Annual Report



Employment Security Department
WASHINGTON STATE

December
2022

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Paid Family & Medical Leave Program Report to Legislature December 2022

Executive summary

The Washington state legislature enacted the Paid Family and Medical Leave insurance program in 2017, with premium assessment beginning in 2019 and benefits becoming available in 2020.¹ Both employees and employers contribute premiums to pay for Paid Leave. Generally, the program allows for up to 12 weeks of paid family leave or paid medical leave for eligible Washington workers.² 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.³ Benefits are progressive, providing up to 90 percent of participants' weekly pay for each week of leave.

This report is a product of [RCW 50A.05.060](#). It covers program participation, premium rates, the insurance account balance, benefits paid, program costs, demographic information on program participants, outreach efforts, and assistance available for small businesses.⁴

Key insights:

- The program continues to grow toward mature benefits uptake levels. Actual usage of the program was higher than yearly fiscal projections for FY22.
- We have made substantial improvements in decreasing phone hold times and the median time from application submission to first payment. Phone hold times were down from 57 minutes in June 2021 to 7.5 minutes in June 2022. The median time from application submission to first payment decreased from 26 days in June 2021 to 18 days in June 2022.
- As required by law, ESD recalculates the total premium rate annually based on the account balance ratio as of September 30 of the current year. We include a solvency rate, if needed, to the premium rate for the coming calendar year. The premium rate taking effect January 1, 2023, will be 0.8 percent, up from 0.6 percent in 2022.
- The insurance account balance fluctuates based on where we are in the quarterly employer reporting cycle, resulting in temporary negative account balances. The first deficit occurred in April 2022 but did not impact our ability to pay benefits. This trend will continue each month following the end of a quarter as claims volumes continue to grow. A legislative task force has convened to consider recommendations to support long-term solvency and stability.
- Age and gender identity are the most significant drivers behind program participation. Customers who are between ages 30-39 and identify as female have higher participation.

¹SSB 5975, codified as RCW 50A. Subsequently amended by SHB 1399.

² Employees must have worked at least 820 hours in the previous year to be eligible. Hours can be worked across multiple jobs.

³ Continuation of employer-provided healthcare benefits is dependent upon concurrency of FMLA leave. Job protection extends to those working in larger companies who have been with their employer for at least a year and worked 1,250 hours.

⁴ The information in this report covers the program's fiscal year 2022, from 7/1/2021 - 6/30/2022.

- Some of the lowest participation rates are among: customers earning up to \$17 and more than \$46 an hour; those who work for small employers; and those who work in the Accommodation & Food Services, Information, Education and Professional & Technical Services industries.

Operations & implementation

In our third year of operations, our focus was on improving the customer experience, including for those who call or email. We made process and technology improvements, hired more than 100 additional staff and revised our staffing structure. These changes have led to a major decrease in phone hold times, from over an hour in 2021 to under 10 minutes in 2022, as well as substantial improvements in decreasing time from application submission to first payment.

For workers applying for benefits, we've streamlined the weekly claim questionnaire by adding conditional logic so that customers will now only have to answer the questions that are relevant to them. We also made weekly claim history available to employees in their online benefit accounts, implemented secure messaging for benefit-related questions, and enabled automatic notification when a customer's benefit application status changes. On the employer side, we've streamlined wage reporting as well as payments processes. These improvements have yielded measurable benefits to our customers. Payments have gone out quicker to more people as a result of fewer errors on weekly claims and we've seen fewer errors on employer reports, which save businesses both time and money.

Language access plan

We're committed to prioritizing equitable access to Paid Leave benefits and reducing barriers for customers with limited English proficiency (LEP). To support this commitment, and to align with ESD's Language Access Policy and plan, we drafted a division-level language access plan that: compares statewide and customer demographic and language data; describes policy and process requirements for providing services to customers with LEP; outlines our approach to meeting those requirements; and helps to identify and implement additional improvements in the future. To gain insights, we've engaged with our Advisory Committee members, community-based organizations and other partners, as well as our dual-language Customer Care Specialists. We're working on incorporating this feedback and we've prioritized a division-wide project to begin implementing the plan.

Insurance account balance

The account balance has generally continued to decrease this year. Benefits growth during the initial phase-in period for the program has outpaced the variable premium mechanism. Within each year, the insurance account balance fluctuates based on where we are in the quarterly employer reporting cycle. The account balance is typically highest in the month following quarterly reporting because we have just received employer payments. The account balance is lowest in the month before the next quarterly reports are due. To offset the cash flow effects of the combination of these factors, the Office of Financial Management granted the Employment Security Department (ESD) spending authority to continue to make payments in the event of a negative cash balance. Legislature also set aside a \$350 million reserve. While the first account deficit occurred in April 2022, ESD has not drawn on the reserve and there has been no impact to our ability to pay benefits.

Understanding periods of cash deficits has been a top priority of ESD. We have developed models to help predict future cash deficits and are monitoring those daily as we near periods of negative balances. While April is the only period within fiscal year 2022 that this deficit has occurred, the division is projecting that this cycle will continue through the next biennium as claims volumes continue to grow while the program matures.

Legislative & policy changes

Three bills were passed during the 2022 legislative session that impacted the Paid Family and Medical Leave program. These changes took effect on June 9, 2022.

[Second Substitute Senate Bill 5649](#) made several changes and added new requirements to the program, including:

- *Leave for the loss of a child.* It added the ability for employees who take bonding leave to take up to seven days of family leave following the death of a child, if the employee did or would have qualified for medical leave for pregnancy or childbirth recovery, or if the employee did or would have qualified for family leave to bond with a new child.
- *Postnatal leave as medical leave.* It added a definition for “postnatal” to mean the first six weeks after birth. Leave within the first six weeks after an employee gives birth qualifies and is automatically considered medical leave unless the employee chooses otherwise. A serious medical condition certification is not required.
- *Collective bargaining agreement exemption.* The collective bargaining agreement exemption will sunset on December 31, 2023. Beginning January 1, 2024, employers will start collecting premiums from all employees who were covered by a collective bargaining agreement.
- *List of voluntary plan employers.* The bill modifies privacy statute to require the department to publish a list of all employers with an approved voluntary plan.
- *Additional actuarial analyses and task force.* The bill requires the development of an actuarial unit at ESD, which will report annually to the Legislature on premium rates and program solvency. It also requires the program to begin submitting quarterly reports to the Paid Leave Advisory Committee on premium collections, benefit payments, insurance account balance and other program expenditures in 2023. Additionally, it requires the Office of Financial Management (OFM) to contract with an external actuary to develop a report to the Legislature covering the insurance account experience, recommendations, and comparative analysis of other states’ premium provisions.⁵ This report will inform the legislative task force tasked to provide premiums-related recommendations by the end of 2022.⁶
- *Legislative audit.* By October 1, 2024, the Joint Legislative Audit and Review Committee (JLARC) is tasked with conducting a performance audit of the program, focused on evaluating the program’s service delivery model and the solvency of the insurance account and providing recommendations on any administrative and legislative changes that need to be made to improve efficiency while maintaining quality service.⁷

⁵ This requirement expires December 31, 2023.

⁶ This requirement expires January 4, 2023.

⁷ This requirement expires December 31, 2025.

- *Data sharing.* The bill allows for data sharing agreements to be developed with OFM and JLARC for the purposes of executing the report requirements described above.
- *Leave related to COVID-19.* Beginning July 1, 2022, and until 12 months after the end of the COVID-19 state of emergency declared by the governor, ESD must ask applicants whether the qualifying event related to their application for paid leave is related to the COVID-19 pandemic.

Engrossed Substitute House Bill 2076⁸ clarified that drivers for transportation network companies (TNCs) are not considered employees for the purposes of Paid Leave. It also requires ESD to convene a workgroup to study the appropriate application of UI, Paid Leave, and WA Cares programs on TNCs and drivers. By December 1, 2022, the workgroup must submit to the governor and Legislature a report of recommended changes to state law to establish terms by which TNCs and drivers can participate.

House Bill 1613⁹ amended Paid Leave laws related to data sharing and privacy, allowing data-sharing with other state and local government agencies for the purposes of program evaluation.

In addition, we responded to stakeholder concerns about policies related to the waiting week, working with our Paid Family and Medical Leave Advisory Committee and other rulemaking stakeholders to make revisions. Hours of leave taken during the waiting week will no longer count against the total hours available in a twelve-month period. The maximum possible number of hours of leave remains the same. This does not change the allowable length of leave, only how the hours are treated during the waiting week. In addition to family bonding and family military exigency, medical claims to recover from childbirth now also do not have a waiting week. Other use of medical leave and leave to care for a family member with a serious health condition do have a waiting week. We implemented these changes at the same time as this year's legislative changes to streamline and minimize customer confusion.

Communications & outreach

Our communications work supports our efforts to expand awareness and access to the program so that customers receive their benefits quickly and easily. Our messaging is influenced by the results of an awareness survey we conducted in May 2022 with Washington workers. The survey found that while familiarity has grown over time, there are still some misconceptions about the program and opportunities to increase awareness, particularly within certain demographic groups and communities. We have also further engaged with employers, stakeholders, community partners, and healthcare providers.

Research & evaluation

In the last year, much of our evaluation focus has been on work to support performance management, process and compliance activities, product evaluation, and customer experience research to support program operations. Another analytic focus has been on enhancing our fiscal projections and developing short-term cash flow projections to supplement the longer-term quarterly projections. We have also worked with our fraud detection team to help them improve their fraud and imposter detection capabilities. Other examples of focal projects this year include informing improvements to denial reasons

⁸ For more information, see [Engrossed Substitute House Bill 2076](#).

⁹ For more information, see [House Bill 1613](#).

data collection, analyzing data to inform the division’s Language Access Plan, and developing a statewide awareness survey that will inform future outreach efforts.

We’ve also developed reports to meet legislative requirements. As required under ESSB 5097, in December 2021, we released a report analyzing leave usage among employees covered by voluntary plans.¹⁰ Also in response to ESSB 5097, in June 2022, we published a report analyzing leave claims that resulted from the expanded family member definition.¹¹

We continue to engage in short-term evaluation and reporting efforts focused on program participation and utilization. We developed two external dashboards: a [Demographics Dashboard](#) and a [Claims Dashboard](#), both of which are referenced heavily in this report.¹² Moreover, we worked with two groups of students from the University of Washington Evans School of Public Policy to examine perceived impacts of Paid Leave among our customers and to develop a comparative analysis of state paid leave programs.

¹⁰ For more information, see [Engrossed Substitute Senate Bill 5097](#) and the [report](#).

¹¹ For more information, see the [report](#).

¹² These dashboards will be updated quarterly.

Program participation

Projected & actual Paid Family and 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 they have worked at least 820 hours during a qualifying year period.¹³

In 2015, Washington state received a U.S. 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.

As shown here, actual claims with a first payment continue to come in higher than projected within each fiscal year. The program continues to be in a high growth period as it matures. Growth coupled with the uncertainty caused by the COVID-19 pandemic makes drawing direct correlations between claims and COVID-19 cases difficult, especially with limited administrative data. We continue to iterate on the model, revising the projections as claim and benefit payment data matures each quarter. The program has begun communicating these changes monthly to the Advisory Committee and legislative staff.

Year	Projected at beginning of year	Actual claims
FY2020	36,033	47,960
FY2021	131,150	133,014
FY2022	157,146	169,606

A more global indicator of program participation and the need for leave is the number of claims *submitted* to ESD. Figures 1.A., 1.B. and 1.C. show claim applications submitted by leave type in the most recently completed fiscal year.¹⁴ “Family leave” includes types of leave listed as bonding, care and military. “Bonding leave” is to care for a new child (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, including healthy pregnancy and childbirth recovery. “Pregnancy complications” is medical leave for pregnancies that met the requirements to qualify for two additional weeks of leave.

As of June 9, 2022, system changes were implemented to add additional claim types for medical leaves related to pregnancy and childbirth recovery, enabling the distinction between medical leave for one’s own serious health condition and pregnancy-related medical leave taken prenatally or postnatally. Because this change occurred less than a month before the end of the fiscal year, any pregnancy-related medical leave claims with the new leave types that were included in this analysis were recoded to reflect the previous categories.¹⁵ 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](#).

¹³ Exemptions include federal employees, tribal employees and certain employees under collective bargaining agreements (time-limited duration for this exemption).

¹⁴ July 1, 2021 – June 30, 2022.

¹⁵ We will provide more information on these types of claims in next year’s report.

Figure 1.A. Claim applications submitted by type, July 2021-June 2022

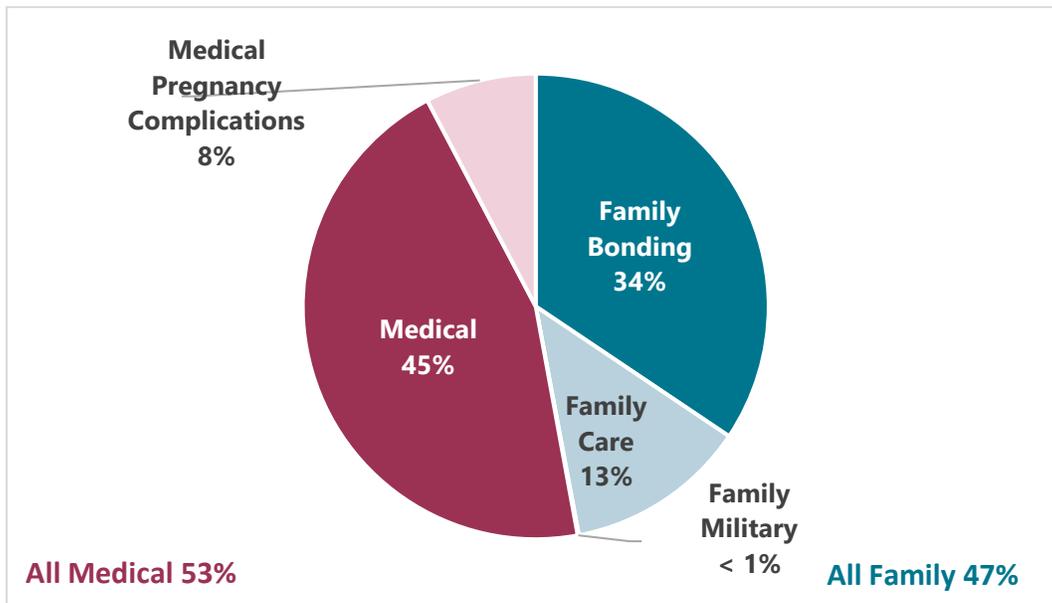
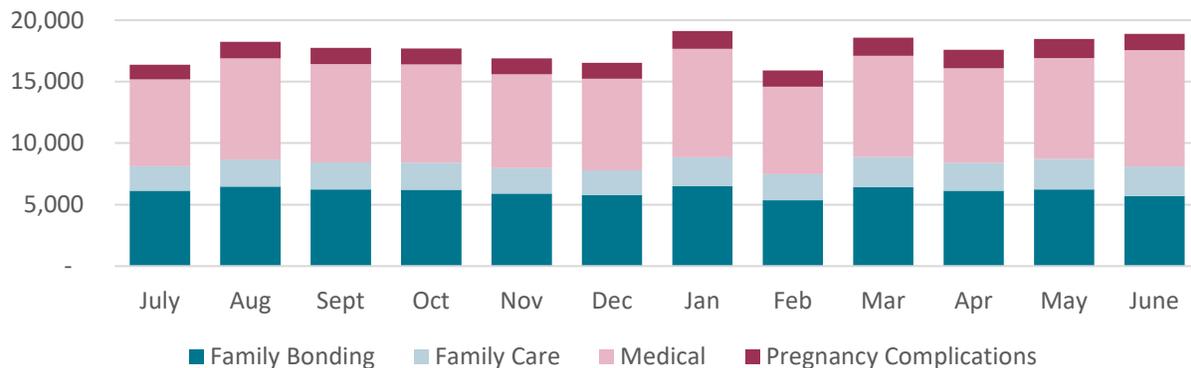


Table 1.B. Claim applications submitted by type & month, July 2021-June 2022

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Bonding	6,124	6,462	6,226	6,212	5,898	5,757	6,511	5,360	6,415	6,142	6,232	5,683
Care	1,997	2,209	2,206	2,189	2,079	2,037	2,341	2,116	2,452	2,256	2,472	2,414
Military	20	17	15	12	11	12	16	14	13	12	16	15
Medical	7,055	8,228	8,003	7,995	7,618	7,448	8,821	7,105	8,225	7,681	8,204	9,470
Pregnancy Complications	1,195	1,342	1,303	1,302	1,306	1,276	1,455	1,318	1,480	1,508	1,552	1,311
Total	16,391	18,258	17,753	17,710	16,912	16,530	19,144	15,913	18,585	17,599	18,476	18,893

Figure 1.C. Claim applications submitted by type & month, July 2021 – June 2022¹⁶



Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

¹⁶ Family military applications made up less than one percent of claim applications submitted each month and were therefore excluded from this graph.

Benefit application approval rates and denial reasons

Table 2.A. Claim applications submitted and approval rates by type, July 2021 – June 2022

	Benefit applications submitted	Application approval rate
Bonding	73,022	90%
Care	26,768	80%
Military	173	57%
Medical	95,853	81%
Pregnancy	16,348	81%
Total	212,164	84%

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Table 2.A above 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 military leave have the lowest approval rate.¹⁷

The program implemented system improvements in March 2022 to allow for better data collection of claim denial reasons. A benefit application may be denied for up to five different reasons, except for when an application is denied for insufficient documentation of identity or hours worked. Then the application will only have the one denial reason listed. Table 2.B shows the most common denial reasons for a sample of claims that were denied following the system changes in March.¹⁸ Most (98%) claims in the sample were denied for one reason only. The two most common reasons why a benefit application may be denied are:

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

Roughly 2% of claims in the sample were denied for two or more reasons. Most commonly, a benefit application is denied for a combination of two or more reasons that include applying before the qualifying event has occurred and not providing sufficient documentation of that event.

¹⁷ The most common denial reasons for military claims are the customer does not meet the hours worked requirement, has not provided sufficient exigency documentation, or the qualifying event does not meet the exigency definition. 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 don't necessarily qualify under exigency, such as field training or change of duty stations.

¹⁸ These were claims that were submitted during the most recently completed fiscal year (between 7/1/2021-6/30/2022), denied, and that use only denial reasons active in our system after the changes were implemented in March 2022 (n=11,784). The most common denial reasons did not change significantly before and after these changes were made, but rather the data collection system changed.

Table 2.B Most common benefit application denial reasons

Denial Reason	Percent
Hours Worked Under 820 in the Qualifying Period	38%
Missing/Insufficient Documentation – Medical Certification	25%
Qualifying Event Timing (Medical) – the event has not occurred	8%
Exhausted Leave – Medical Leave	4%
Missing/Insufficient Documentation – Proof of Identity	3%
Qualifying Event Timing (Bonding) – the event has not occurred	2%
Exhausted Leave – Family Leave	2%
Untimely Application ¹⁹	2%
Qualifying Event Timing – Claim Year Expired	2%
Missing/Insufficient Documentation – Birth or Placement	1%
Exhausted Leave – Family & Medical	1%
Non-qualifying Event – the medical event does not qualify for leave	1%
Missing/Insufficient Documentation – Non-Qualified Healthcare Provider	1%
Withdrawn ²⁰	9%
Other	3%

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

¹⁹An untimely application is when the employee applied for leave for a date that is too far in the past but was unable to establish a good cause to backdate it.

²⁰ 9% of benefit applications were withdrawn, which can happen for a few different reasons. Many customers will submit another application when they meant to update their existing application or apply for an extension. Another common reason for a withdrawal is that the customer has applied too soon. These applications are not included in this chart because they were not technically denied.

Elective coverage participation

Those who are self-employed or working as independent contractors may choose to opt-in to the 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. 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 and they have met the eligibility criteria of having worked 820 hours in the previous year.

At the end of June 2022, we had 3,157 active elective coverage accounts, representing 2,907 individuals opting in.²¹ In the last year, the number of new elective coverage accounts has increased by 59%. Of the individuals who have opted into elective coverage, 37% have filed claims and 80% of these claims were approved.²²

Table 3.A. shows the number of unique accounts and individuals grouped by the year that their elective coverage started. Table 3.B. shows the premium contributions by elective coverage participants as of the second quarter of 2022.

Table 3.A. New elective coverage participation by coverage start date

	Elective Coverage Start				Total as of 6/30/22
	2019	2020	2021	2022	
Accounts	588	953	984	632	3,157
Individuals	572	909	927	602	2,907

Table 3.B. Elective coverage premiums by reporting year

Reporting Year	Amount
2019	\$38,374
2020	\$59,112
2021	\$106,809
2022	\$117,656

Source: WA Paid Leave Administrative Data, as of 6/30/2022

²¹ People who own or work as more than one business entity have more than one elective coverage account.

²² Compared to overall rate of 84% of applications approved during the time period.

Voluntary plan participation²³

In addition to WA Paid Leave, employers may opt to offer their own leave program to their employees. An employer will only be approved, and thus exempt from remitting premiums, if their proposed plan meets or exceeds state plan requirements, such as the amounts of leave offered and employee eligibility thresholds. However, voluntary plan employers are still required to submit quarterly wage records.

As of the last time this data was pulled in fiscal year 2022, there were 287 active employers with approved voluntary plans. About 90 percent of these employers offer both a family and medical leave plan, with the remaining 10 percent offering medical only plans. Employers offering just a family leave plan account for less than one percent of all approved voluntary plans.

Table 4.A. Voluntary plan employers by plan type offer & employer size

	Family and Medical Plan	Medical Only Plan	Family Only Plan	All Plan Types
Known Employer Size	200	27	2	229
Small Employers (<50 Employees)	115	13	2	130
Large Employers (50+ Employees)	85	14	0	99
Unknown Employer Size ²⁴	57	1	0	58
All Voluntary Plan Employers	257	28	2	287

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Small employers make up the larger share, accounting for 45 percent of employers with approved voluntary plans. Large employers make up 34 percent of approved voluntary plan employers. The remaining 20 percent of approved voluntary plan employers were employers that had not submitted quarterly wage records in fiscal year 2022. This could be for a variety of reasons; for example, the business has since closed or there is still uncertainty about submitting wage records despite administering their own plan.

Shown in Table 4.B is average employment and total wages for the 229 voluntary plan employers with submitted wage records during the fiscal year. In total, voluntary plan employers reported an average of 127,771 employees (or about three percent of statewide employment) and about \$26.8 billion in gross wages (or about 10 percent of statewide wages). While small employers make up a larger share of those with voluntary plans, they only account for about one percent of all voluntary plan employment and gross wages and less than 1 percent of employment and wages for small employers statewide. Large employers

²³ These estimates on voluntary plans vary slightly from what was published in a report to the Legislature on voluntary plan cost and fees earlier in 2022. This is because the data associated with that report was focusing on voluntary plans that were active and approved as of January 1, 2022, whereas this report includes voluntary plans that are active and approved as of June 1, 2022. A few more plans have been approved since January. Additionally, because that report was focused on understanding the underlying data of voluntary plan employers, wage and employment estimates were used when missing data was present. This report only considers wage and employment records for quarters falling within fiscal year 2022. Therefore, there is some estimating methodology used in that report that isn't present here. What is observed in Tables 4.A and 4.B are strictly known values in Leave and Care's administrative data on quarterly wage and employment reports for fiscal year 2022.

²⁴ Employer sizing only becomes available through employer quarterly reporting. The voluntary plan audit team is working to ensure accurate reporting on behalf of voluntary plan employers.

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with approved voluntary plans consisted of 99 percent of both employment and wages for voluntary plan employers, five percent of employment, and 13 percent of gross wages for large employers statewide.

Table 4.B. Employment & gross wages of voluntary plan employers by size

	Employment	Share of Statewide Employment	Total Gross Wages	Share of Statewide Gross Wages
Small Employers (<i><50 Employees</i>)	1,487	0.1%	\$176,362,492	0.3%
Large Employers (<i>50+ Employees</i>)	126,284	5%	\$26,654,908,532	13%
All Voluntary Plan Employers	127,771	3%	\$26,831,271,024	10%

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Premium rates

Premiums are assessed quarterly and remitted to ESD in conjunction with employer reporting in each month following the end of a quarter. Reporting months are 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. Small businesses (employers with 49 or fewer employees) are exempt from paying the employer portion of the premium. However, when a small business receives a small business 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.

To better understand how the premium rate can adequately address solvency issues, SB 5649²⁵ established several additional measures. Included in this is the development of an office of actuaries in ESD, the contracting of a study to analyze rate structures of other state paid leave programs, and the establishment of a legislative task force. Members of the Senate and House of Representatives, voting members of the Paid Family and Medical Leave Advisory Committee, and two governor-appointed members (one from ESD and one representing the governor’s office) make up the task force. In addition, this bill mandates several reports providing status updates on the state of the account.

Premium rate calculation

As prescribed by law, in October 2022, we calculated the Paid Family and Medical Leave premium rate for 2023. The rate for each year is based on the account balance ratio as of September 30 of the prior year.²⁶ The balance ratio is calculated by dividing the balance of the Paid Leave insurance account by total gross covered wages for the prior fiscal year. That ratio determines the premium rate. The base premium rate can fall anywhere between 0.1 percent and 0.6 percent. However, if needed, a solvency surcharge will be added to the base premium rate for a higher total premium rate.

$$\text{Account Balance Ratio} = \frac{\text{Account balance as of Sep 30}}{\text{Prior fiscal year total wages}}$$

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%

Solvency surcharge

Section 7 of RCW 50A.10.030 outlines the requirements associated with enacting a solvency surcharge. It states that when the account balance ratio falls below 0.05 percent, the ESD commissioner must assess a solvency surcharge at the lowest rate necessary to provide revenue to keep the account solvent in the coming calendar year. It must be at least 0.1 percent, cannot be in excess of 0.6 percent, and is simply added as a component of the total premium rate. This allows for a total maximum premium rate of 1.2 percent (maximum base rate of 0.6 percent plus the maximum solvency rate of 0.6 percent).

²⁵ Full text of [SB 5649](#).

²⁶ As described in [RCW.50A.10.030](#).

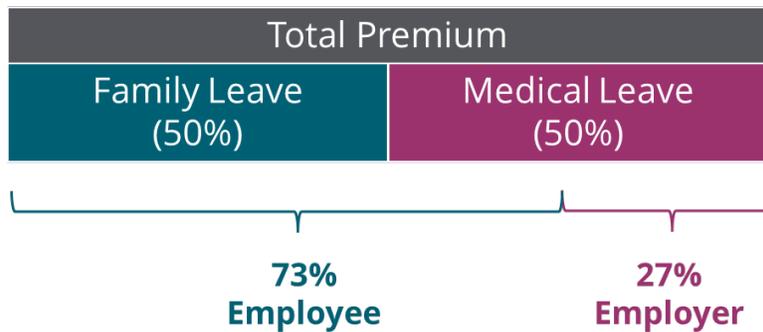
Premium rate for 2023

The Paid Family and Medical Leave insurance account balance, as of September 30, 2022, was \$16,767,907, with the prior year’s wages totaling \$275,289,463,508. This resulted in an account balance ratio of 0.01 percent. This sets the base premium rate at 0.6 percent and is below the solvency surcharge threshold. The ESD commissioner has set the solvency surcharge at 0.2 percent. Under baseline weekly projections, this level will cover operating and benefits costs for calendar year 2023, with short-term deficits expected to occur through the year. The [legislative task force on Paid Leave premiums](#) is developing recommendations for consideration during the coming legislative session to ensure long-term program solvency and account stability.

Thus, the total premium rate taking effect January 1, 2023, will be 0.8 percent, up from 0.6 percent in 2022.

Family-medical split

As of January 1, 2022, the split of total premium into family leave premium and medical leave premium became variable based on the number of paid claims in the prior fiscal year.²⁷ For 2022, the family premium was set at 51.31 percent and the medical premium was set at 48.69 percent of the total premium. This means employees contributed 73.22 percent and employers contributed 26.78 percent towards the total premium for 2022.



According to this calculation, the 2023 shares will be very similar. The family premium will be 50.48 percent and the medical premium will be 49.52 percent of the total premium in 2023. This translates to employees contributing 72.76 percent and employers contributing 27.24 percent towards the premium in 2023.

²⁷ Claims paid include leave claims 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 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. Between July 1, 2021, and June 30, 2022, the program covered about 45 million hours of leave and paid approximately \$1 billion in benefits to over 154,000 Washingtonians. On average, approved customers took 33 hours of leave and received \$783 each week.²⁸

Table 5.A. Benefit claims & approved payments by month, July 2021 – June 2022

	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	28,069	29,065	\$78.4	3.32
Aug	30,177	31,374	\$91.6	3.88
Sept	28,513	29,459	\$77.4	3.28
Oct	30,489	31,556	\$89.7	3.81
Nov	30,394	31,418	\$90.2	3.83
Dec	29,837	30,749	\$85.4	3.63
Jan	30,633	31,658	\$91.4	3.85
Feb	27,425	28,197	\$78.6	3.27
Mar	31,728	32,928	\$96.7	3.96
Apr	32,058	33,273	\$90.0	3.67
May	34,466	36,022	\$105.1	4.25
June	34,408	35,704	\$94.5	3.78
July - June²⁹	154,535	188,504	\$1,069	45

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

²⁸ Washington workers taking Paid Leave may do so intermittently and some start or end mid-week, which results in proration of the weekly benefit.

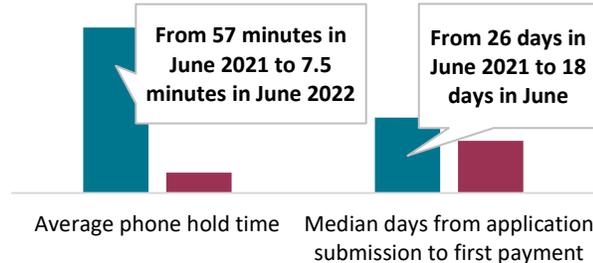
²⁹ Figures are deduplicated totals for the year and are not equal to the sum of the columns.

Operating & implementation costs

In the first two years of providing benefits, we continued to streamline the program and make changes to our technology. We've invested in efficiencies and improvements to customer service delivery. This includes process improvements, increasing customer self-service, and addressing issues that impede our customers' ability to access their benefits. We have built continuous improvement into our operations, while investing in maintaining exceptional organizational health, resulting in minimal staff turnover.

In September 2021, as required by Engrossed Substitute Senate Bill 5092 (Section 225 (3)), ESD submitted a report to the Office of Financial Management which included an assessment of our ongoing staffing model and detailed the additional resources needed to support the Paid Family and Medical Leave program.³⁰ A related decision package was also submitted. Our request was fully funded.

In our third year of operations, our focus was on improving our customer response systems. We hired more than 100 positions, which filled 18 Customer Care Teams. From these hires, we now have a dedicated dual-language team supporting Spanish speaking customers, three Customer Response Teams, and supporting positions necessary for program operations. These changes have led to a major decrease in phone hold times and substantial improvements in decreasing the median time from application submission to first payment.



In addition to staffing changes, we've made numerous process and product improvements to further increase usability and self-service for customers. This included updating the weekly claim questionnaire to address customer confusion and decrease processing times, making weekly claim benefit payment history available to those taking leave through their online accounts, and implementing secure messaging for benefit-related questions. We've also continued to build in automation where we can, such as an automatic notification when a customer submits a request for review or when their application status changes. On the employer side, we've updated wage reporting for better clarity, automated importing payment files and simplified the process of importing underpayments within our financial system.

Table 6.A. Operating & implementation costs, fiscal years 2019 through 2023³¹

	FY19	FY20	FY21	FY22	FY23
Paid Family and Medical Leave implementation & operating costs (out of 22F Fund)	\$40,696,000	\$50,720,500	\$43,379,744	\$48,339,500	\$74,000,000

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

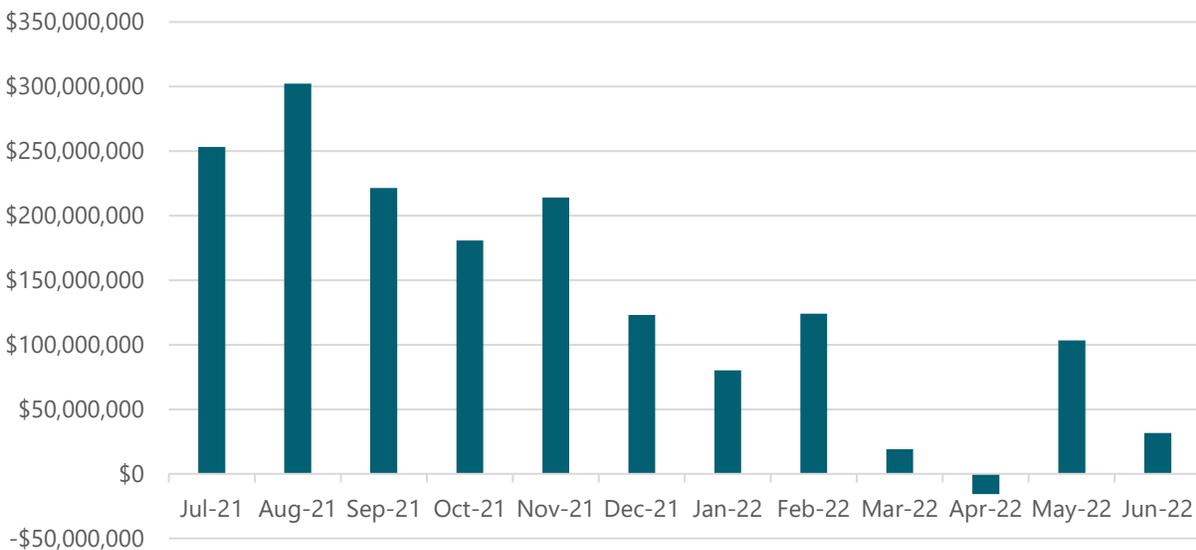
³⁰ The [2021 report](#) and [2022 report](#) are available on [ESD.wa.gov](https://www.esd.wa.gov).

³¹ FY19-FY22 are historical amounts, FY23 is expenditure authority for the current year.

Insurance account balance

Depicted in the graph, and shown below in table 7.A, is the fund balance for all months within fiscal year 22.³² The account balance has a distinct quarterly seasonality to the data where it is typically highest in the month following the end of a quarter. This is a result of a large influx of premium payments following the reporting period. The data shows that roughly 80% of the premiums we invoice for in a quarter are remitted within the following month, with the remaining portion coming in the second (about 15% of invoiced premiums) and third (about 5% of the invoiced premiums) months after the reporting period. Included on the table are benefits paid, premiums paid, and operating expenses to illustrate the ebb and flow of the major inputs and outputs impacting the account balance.

Figure & Table 7.A. Paid Family and Medical Leave Account Balance and Inputs/Outputs



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Approved Benefits	\$78.4	\$91.6	\$77.4	\$89.7	\$90.2	\$85.4	\$91.4	\$78.6	\$96.6	\$89.9	\$105.1	\$94.4
Premiums Paid	\$143.6	\$45.0	\$2.5	\$118.0	\$52.7	\$1.4	\$147.1	\$20.0	\$3.3	\$198.6	\$79.4	\$39.2
Operating Expenses	\$2.8	\$2.9	\$3.3	\$3.5	\$2.8	\$3.9	\$4.6	\$4.1	\$5.2	\$4.9	\$5.2	\$4.5
Account Balance	\$253.2	\$302.4	\$221.5	\$180.8	\$214.0	\$123.0	\$80.1	\$124.1	\$19.1	\$15.7	\$103.4	\$31.6

As shown on the graph and table, the first account deficit occurred in April 2022. During this time the account balance ran negative for a total of 26 days, from April 7, 2022, through May 1, 2022, with a maximum negative balance of \$24,034,105 occurring on April 20, 2022. However, the Office of Financial

³² Account balance taken on the last day of each month.

Management granted ESD spending authority to continue to make benefit payments in the event of a negative cash balance. Therefore, no benefit payments were missed during this period. Although ESSB 5693³³ provided the division with up to \$350 million in coverage for an account deficit at the end of the biennium, premium collections in May were large enough to offset the account deficit so the division has yet to draw on those funds.

Understanding periods of cash deficits has been a top priority of ESD. We have developed models to help predict future cash deficits and are monitoring those weekly and daily as we near periods of negative balances. While April is the only period within fiscal year 2022 that this occurred, we are projecting that this will continue each month following the end of a quarter moving through the next biennium as claim volumes continue to grow while the program matures.

³³ Funding appropriations can be found in section 723 of [ESSB 5693](#).

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 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. 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.

The small business assistance grant program launched in December 2020, with grants provided retroactively to cover costs related to employees taking leave in 2020. Grants were not available at the outset of the program due to the workload of launching benefit payments, managing the high volume of benefit applications and subsequent workload caused by the COVID-19 pandemic. Pandemic leave assistance grants were also available to small businesses to help offset costs related to employees on leave who are receiving pandemic leave assistance, enacted by ESSHB 1073 in the 2021 legislative session.

A total of 132 small business assistance grant applications³⁴ were submitted during the fiscal year, 66 percent of which were approved. Tables 8.A. and 8.B. on the next page detail what types of grants were approved and the distribution of size of the businesses who received those grants. Approximately \$213,358 in grants went out to 51 small businesses. Associated with these small business assistance grants are 85 employees and 119 approved leave claims. Approximately 3 percent of approved claims were for employees on leave in 2020, 61 percent were for employees on leave in 2021, and 36 percent were for employees on leave in 2022.

Table 8.A. Approved grants by type

Grant Type	Count	Percent
Grants to cover wage-related costs associated with an employee’s use of Paid Leave	23	26%
Grants to hire a temporary worker to replace an employee on Paid Leave	64	74%
Total Approved Grants	87	

Table 8.B. Approved grants by business size

Employer Size	Count	Percent
49 or fewer employees	44	51%
50-150 employees	43	49%
Total Approved Grants	87	

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

³⁴ This includes pandemic leave assistance grants, of which there were only two during the fiscal year.

Communications & outreach

Our communication strategies aim to increase accessibility and help customers quickly and easily get the benefits they have earned.

In our work leading up to and around Paid Leave's launch, we emphasized education. We led webinars and in-person events and sent mass email updates with links to our website and Benefit Guide. We also used awareness surveys and feedback to anticipate customer needs as we continued to develop resources. Then, shortly after benefits became available, the COVID-19 pandemic started. Our communication work went completely virtual and focused on ways to improve the user experience for those interacting with our systems. For example, we expanded the lists of frequently asked questions in the website Help Center, created additional translated materials and launched an informational Employer Newsletter.

As the program evolves and we implement new legislation to meet changing needs, our communication efforts have pivoted. We can now build on our efforts to increase awareness and accessibility, specifically within demographics we have identified as underutilizing the program. We can also iterate on strategies and messaging from previous years and make improvements. In addition to informing customers about updates that affect their user experience, we have also made concerted efforts to further engage with employers, stakeholders, community partners and healthcare providers. This includes developing the vision and resource planning for what Paid Leave outreach and technical assistance looks like long-term, work which is continuing in the current year. Ongoing communication with these audiences expands our network of trusted messengers and improves their participation in the program, both of which help Paid Leave be a valid and valuable option when people need it most.

Website

Paid Leave's comprehensive website, paidleave.wa.gov, is still our main resource for sharing information with the public. The robust [Help Center documents and FAQs](#) help customers find the information they need. We also collaborate with community partners to revise content so that it reflects changes to the program, processes and customer feedback, as well as changing legislative requirements and technology improvements.

Help Center

The Help Center of paidleave.wa.gov has downloadable resources and a list of answers to frequently asked questions so that users can self-serve as much as possible. We have added to and updated these resources to clarify, correct or communicate information that impacts customers and employers. Examples include premium rate changes, details about expanded eligibility requirements and new versions of forms.

Additional resources for families

Through collaboration with Help Me Grow, an organization that connects new parents (particularly low-income and those from marginalized populations) with essential services, and the Department of Children, Youth and Families, we have helped connect people who use Paid Leave with other essential resources. We completed a training for Help Me Grow staff on the basics of the Paid Leave program, and they have included information about Paid Leave on their website, so it is easy to find. Likewise, we have included

information about them on a new paidleave.wa.gov webpage called "[Additional resources for families.](#)" This page has a series of questions and answers about this organization's services.

We plan to use this same [resources page](#) to highlight other organizations and agencies as we continue to collaborate with community partners.

Legislation, technology and annual calculation changes

We made numerous updates to the website as a result of technology and legislative changes. We now maintain a [list of employers with active voluntary plans](#) and added FAQs about topics like [Transportation Network Companies](#), the [postnatal period](#) and [leave for the loss of a child](#).

To direct the public to this updated content that appears across the website, we also created a [landing page](#) (paidleave.wa.gov/updates) that we can link to from our homepage banner. This same simple URL will be used for future updates.

Mass email communications

We continue to use mass communication to inform our audiences about updates, technology improvements and ongoing rulemaking. We also have implemented recurring direct messages to share specific next steps, details and information with targeted audiences. These messages allow us to confidentially follow up with audiences and provide an efficient and effective way to support our operations team.

Messaging to our employer audience

Outreach to our employer audience is a priority for a variety of reasons. Employers need accurate information from us so they can collect and remit the correct premium amounts at the right time. And in turn, ESD relies on accurate reporting and timely payments from employers to process benefit applications and pay workers. They are also important messengers to their employees who may need the program. Ensuring employers have timely and useful information helps both their business and those they employ.

Employer newsletter: Our primary means of communication with employers is our cross-program monthly employer newsletter. In each bulletin we share relevant updates from three of ESD's largest programs: Paid Leave, Unemployment Insurance and WA Cares Fund. We have used this newsletter to share tips on checking Paid Leave employer account balances, completing quarterly reports, changes to the premium rate, legislative updates, new versions of downloadable resources and more.

There are approximately 226,000 recipients of the employer newsletter, and most bulletins have an open rate of around 40% or higher. The industry standard for mass email open rates is around 20%.

Targeted messaging: We use targeted messaging to send emails to employers who need to finalize reports or who haven't reported. These emails typically have an open rate of around 50 percent. This often results in those employers logging in to finish reports or contacting our Customer Care Team so that specialists can help them.

Messaging to our worker audience

Our Operations team has the most direct contact with our customer audience via phone calls and secure messages sent through a user's account. Still, we use mass communication strategies to follow up with portions of those audiences using or inquiring about Paid Leave who need to receive similar messages.

Recurring key messages: We send messages weekly to lists of benefit applicants who need to upload additional documentation to finish their application or select a payment type to receive their benefits. The messaging stays the same each week, but the specific email addresses change every time we send this message.

Targeted messaging: Earlier this year when we reformatted the weekly claim questionnaire and implemented multi-factor authentication, we used direct messaging with current customers. We frequently create one-time notifications to share alerts, program updates and resources with applicants.

Messaging to healthcare providers

Healthcare providers are another key audience for our outreach efforts. When someone applies for paid medical leave benefits, they also need to submit paperwork filled out by their healthcare provider. This creates an opportunity for us to engage healthcare professionals as messengers so they know how to assist patients who may be eligible for leave.

Coming soon: In part due to the success of the Employer Newsletter, we are currently researching newsletter strategies for healthcare stakeholders. In the coming year, we'll be acting on our research to implement communication strategies for this audience that we anticipate will yield similar positive outcomes: more people may hear about the program during their medical visit, and more applications may be submitted with the complete information we need to process without delays.

Awareness survey

In May 2022, we partnered with a research firm to conduct a follow-up awareness survey of Washington workers to gauge awareness and understanding of the program, compared to 2019 (before the program launched). Through a combination of phone and online interviews conducted in English and Spanish, we surveyed a total of 1,315 workers. Highlights include:

- **Awareness of Washington Paid Leave has risen considerably in the last three years.** A total of 65 percent of those surveyed were familiar with the program, compared to 57 percent in 2019. Awareness is greater among workers in their thirties and forties, parents, and those who work full-time. Awareness is lower among younger and older workers (ages 18-29 and 75+), Black workers, lower income workers, and among those who don't have children. It is also lower among those who work in service and sales-related occupations.
- **Partial wage replacement is the highest barrier to workers taking Paid Leave.** Respondents said the biggest challenges they saw in using Paid Leave was not receiving 100% of their wages. Misconceptions about aspects of the program were also barriers to usage. For example, 37 percent believed they needed their employer's permission to utilize the program. This was particularly true with lower-income workers. Approximately one-third of workers surveyed worry about job loss, retaliation, and other negative consequences at work.

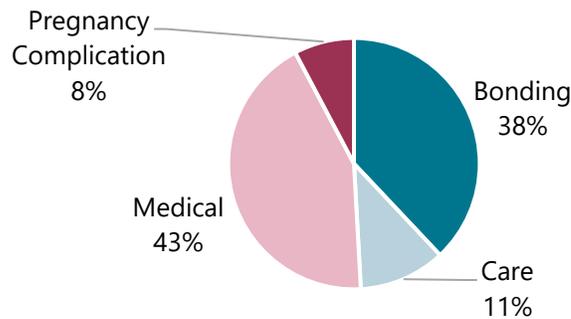
- **Awareness among Spanish speakers was equivalent to awareness amongst English speakers.**
However, barriers to using the program still exist for Spanish speakers. Half of Spanish speakers said that they had experienced discrimination as a result of their language in the past, which was a challenge for them in utilizing the program.

Overall, the survey found that while familiarity has grown over time, there are still some misconceptions about the program and opportunities to increase awareness. In the coming year, we will use these results to inform our messaging and outreach efforts as we engage with workers and employers in various demographics, as well as with our stakeholders and partners. However, we recognize that increasing awareness is just one aspect of ensuring equitable access to Paid Family and Medical Leave. In addition, the data helps us to identify areas for further research and opportunities to address barriers to access.

Program participant claims data and leave-taking behaviors

The following analysis focuses on 161,365 claims that ended during the fiscal year and that were associated with at least one payment. 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.A 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 [Paid Family and Medical Leave Claims Dashboard](#).

Figure 9.A. Approved claim sample subtype breakdown³⁵



Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Almost all benefit applications were submitted electronically – just 1% of claims in the sample were submitted via paper. Of all claims, 20% were approved for the maximum weekly benefit amount.³⁶ Approximately 22% of claims were associated with intermittent leave use.³⁷ On average, customers took about 32 hours of leave and received \$779 in benefits per week. Table 9.B shows how these figures differ by leave type.

Table 9.B. Select summary statistics on leave use by leave type

	Percent of claims submitted by paper	Percent of claims with intermittent leave use	Average weekly benefit amount	Average weekly payment amount	Average leave hours per week
Bonding	1%	19%	\$911	\$789	33
Care	2%	35%	\$866	\$688	30
Military	-	12%	\$881	\$768	31
Medical	1%	23%	\$865	\$780	32
Pregnancy Complication	1%	16%	\$877	\$834	34

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

³⁵ Approximately .1% (less than 100) of claims in the sample were for military-related leave. They were not included in this pie chart.

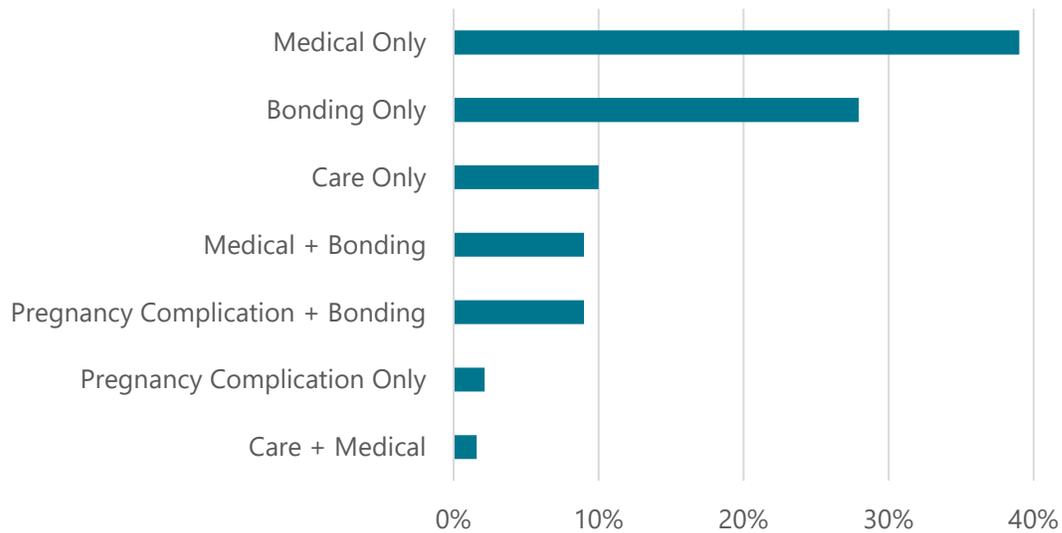
³⁶ The maximum weekly benefit amount was \$1,000 in 2020, \$1,206 in 2021, and \$1,327 in 2022.

³⁷ 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 particular data point, we only considered those customers within the samples whose claims had ended during the fiscal year (n = 161,365).

Below and in the following section, we characterize leave claims by the type of leave taken, in terms of the qualifying event experienced. Once approved for leave, customers have up to one year to claim their leave benefits. 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.

Almost a third (31%) of customers in the sample had more than one claim. Figure 9.C shows the most common leave types for customers.

Figure 9.C. Most common leave types (customer level)



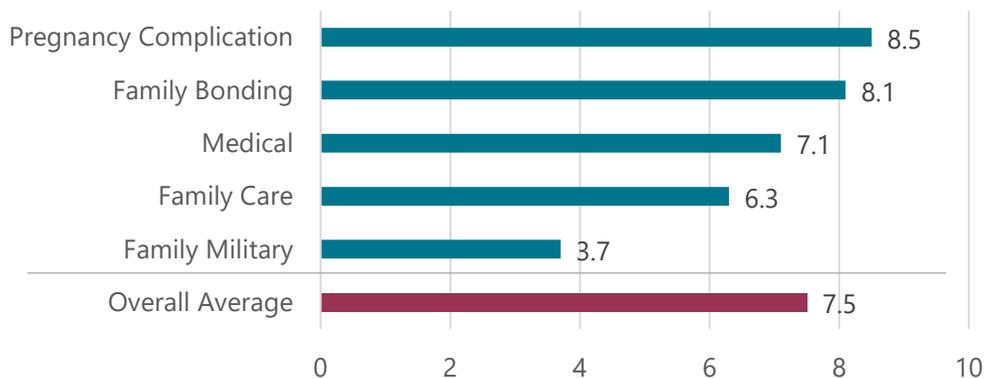
Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Lengths of leave

We 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 department 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 at a minimum of eight consecutive hours to receive benefits. Customers may use leave intermittently; 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.³⁸ The result was averaged across all claims within the sample. If a customer had more than one claim, each of their claims were included in this sample. Figure 9.D shows the average length of leave at the claim level for each subtype, compared to the overall average length of 7.5 weeks.³⁹ Those who took family care and family military leave had the shortest lengths of leave, while those who took medical, pregnancy complication and family bonding leave had longer lengths.

Figure 9.D. Average length of leave by claim subtype (claim level, weeks)



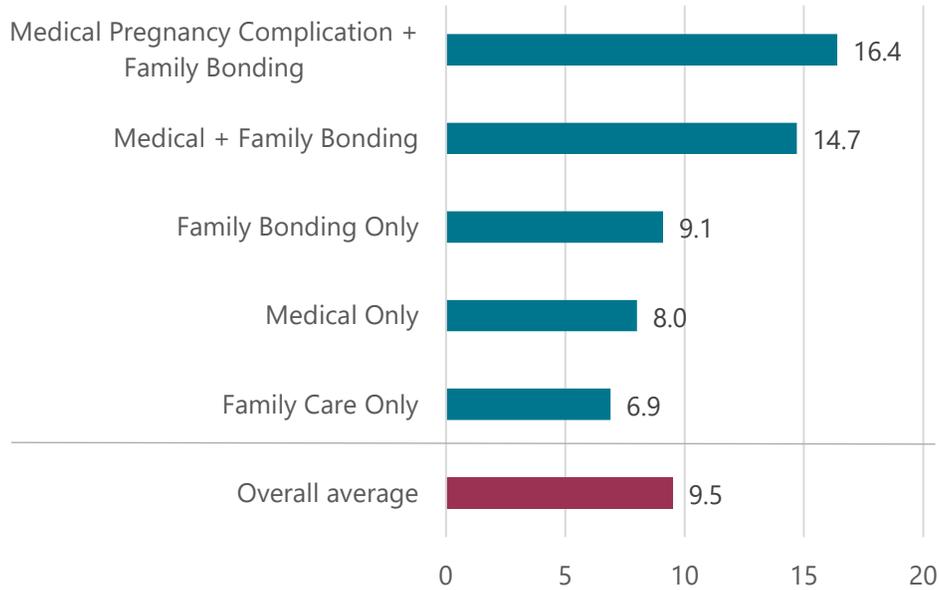
Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

³⁸ Only claims that had effective end dates between July 1, 2021, through June 30, 2022, and had at least one payment were included in this calculation.

³⁹The median was 7.5 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.⁴⁰ The result was averaged across customers in the sample. The average length of leave was 9.5 weeks, with customers using a median of approximately 11 weeks. Figure 9.E shows the average lengths of leave of the most common leave type combinations, compared to the overall average for customers within the sample.

Figure 9.E Average length of leave (customer level, weeks)

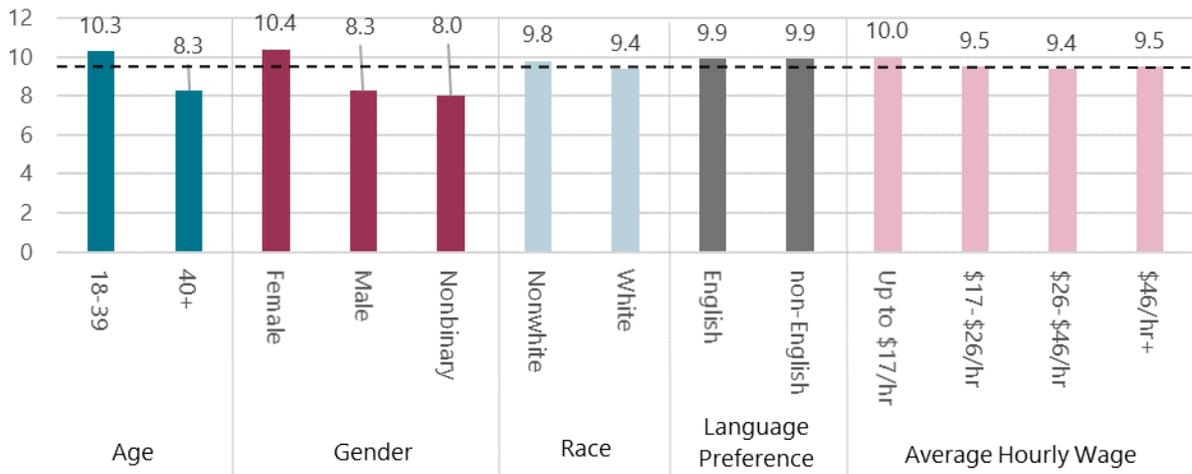


Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

⁴⁰ Only customers whose claim years ended between July 1, 2021, through June 30, 2022, and who received at least one payment were included in this calculation. A customer’s claim year starts when they submit their first application for leave and ends approximately one year later. Those that are 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 9.F illustrates the average length of leave across various subgroups, compared to the average overall length of 9.5 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 who indicated English was their preferred language on their application, compared to those who preferred a language other than English.

Figure 9.F Average length of leave across subgroups (customer level, weeks)



Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Program participant demographics

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

The following section focuses on the characteristics of approximately 137,379 customers who submitted benefit applications between July 2021 through June 2022 and were approved with at least one payment. To understand participation patterns, we have included a comparison using census data estimates of Washington workers who meet Paid Leave work history eligibility requirements.⁴¹

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

The key takeaways are:

- **Age continues to be the most significant driver behind program participation.** Customers ages 30-39 made up the majority of the customer base and appeared to have much higher participation rates, while all other ages appeared to have lower participation. We expect this is because of the high number of claims related to childbirth, placement, and bonding.
- **Those who identified as female had the highest participation rates, compared to those who identified as male, nonbinary, or who preferred not to disclose their gender.** These participation patterns are also likely in part related to claims for pregnancy/childbirth and are likely shaped by broader gendered patterns of care work.
- **When looking at racial-ethnic identity alone, it appeared that certain groups had relatively high participation rates relative to their share of the eligible worker population. However, when gender and age were considered together with racial-ethnic identity, this changed.** See [here](#) for a more detailed look at subgroup participation rates.
- New this year, we are now able to provide data on the preferred languages of our customers. **A total of 4 percent of customers in the sample indicated they preferred a language other than English on their benefit application.** The most common languages preferred by customers are Spanish, Vietnamese, Amharic, Russian, and Tagalog.
- The five counties with the most claims submitted per 1,000 residents are: Franklin, Yakima, Benton, Pierce, and Snohomish. The five counties with the fewest claims submitted per 1,000 residents are: Ferry, Skamania, Whitman, Pend Oreille, and Klickitat.

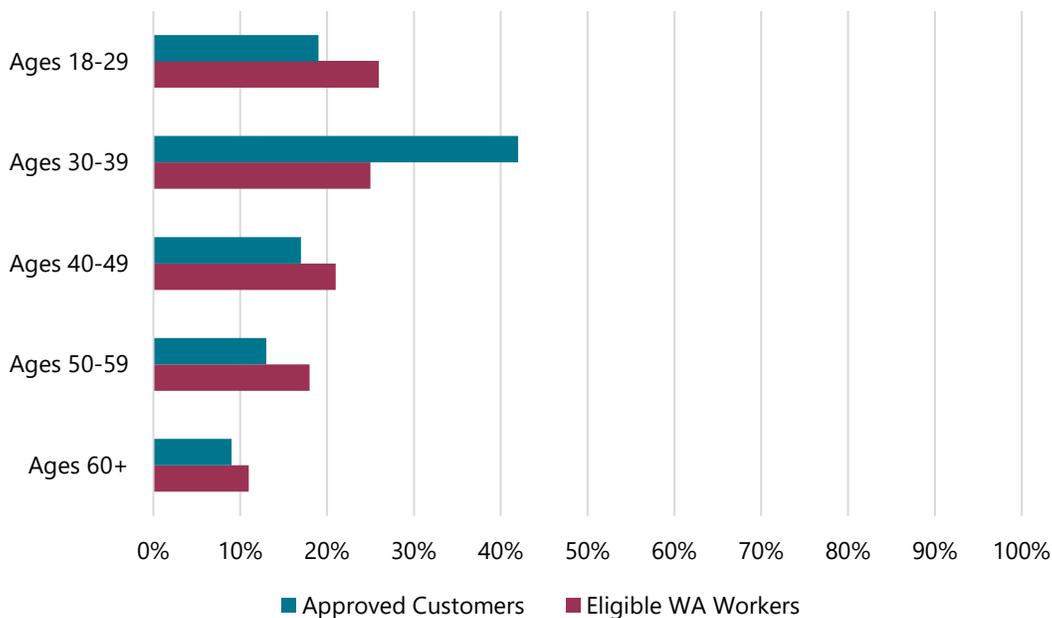
⁴¹Source: ACS 1-Year Estimates-Public Use Microdata Sample 2019. Eligible Washington workers includes adults ages 18 and over who were employed by a private company, non-profit, local or state government and who met an approximation of the Washington Paid Leave eligibility requirement of working at least 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.

Age

Table and Figure 10.A. shows the percentage breakdown of approved customers and the corresponding estimate of eligible Washington workers. This information and additional comparisons are displayed on the [Paid Family and Medical Leave Demographics Dashboard](#). Customers ages 30 to 39 made up the majority of the customer base and appeared to have much higher participation rates. Workers ages 18 to 29 appeared to have the lowest participation rates, followed by workers ages 50 to 59, workers ages 40 to 49, and workers ages 60 or older. Although the medical event information saved in the administrative database does not allow us to distinguish between medical claims for childbirth/pregnancy without complications and other medical events, it is likely that the high number of claims related to childbirth and bonding contributed to this pattern⁴².

Table & Figure 10.A. WA Paid Leave customer comparison to eligible WA workers by age

	Approved Customers	Eligible WA Workers
18-29	19%	26%
30-39	42%	25%
40-49	17%	21%
50-59	13%	18%
60+	9%	11%
Not available	<1%	-



Source: ACS 1-Year Estimates Public Use Microdata Sample 2019 & WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

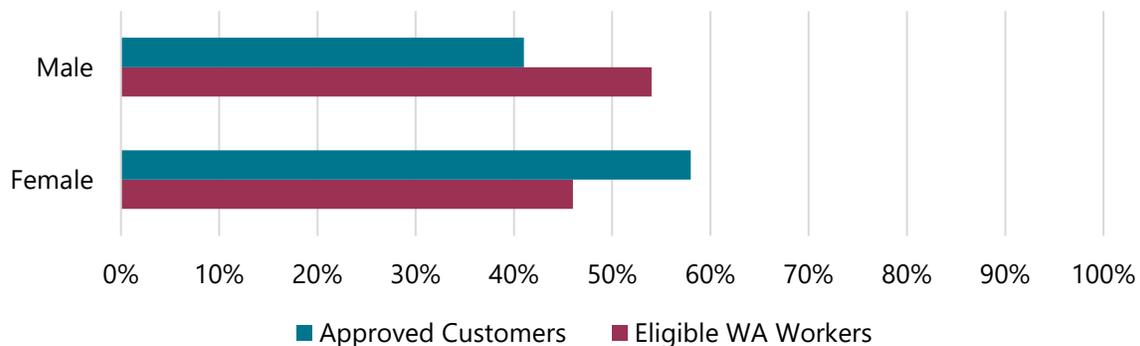
⁴² As of June 9, 2022, system changes were implemented that enable the distinction between medical leave for one's own serious health condition that is non-pregnancy related and pregnancy-related medical leave taken prenatally and postnatally. At the time of this report, we did not yet have a full month of data. As such we do not report on it here, but more information will be included in next year's report.

Gender

Table and Figure 11.A. shows the percentage breakdown of the customer populations by gender, compared to the corresponding estimate of eligible workers in Washington. This information and additional comparisons are displayed on the [Paid Family and Medical Leave Demographics Dashboard](#). Those who identified as female had the highest participation rates, compared to those who identified as male, nonbinary or who preferred not to disclose their gender.⁴³ Relative to their respective shares of the worker population, female participation was higher while male participation was lower. As was addressed previously, the high numbers of claims related to childbirth and pregnancy likely contributed to the high participation rates of female customers, along with broader societal gendered patterns in care work.

Table & Figure 11.A. WA Paid Leave customer comparison to eligible WA workers by gender

	Approved Customers	Eligible WA Workers
Male	41.0%	54.0%
Female	58.0%	46.0%
Nonbinary	0.4%	NA
Prefer not to say	0.3%	NA



Source: ACS 1-Year Estimates Public Use Microdata Sample 2019 & WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

⁴³ We were unable to include a comparison of approved customers who identified as nonbinary to Washington workers because the ACS does not report on gender outside of the binary structure.

Racial-ethnic identity

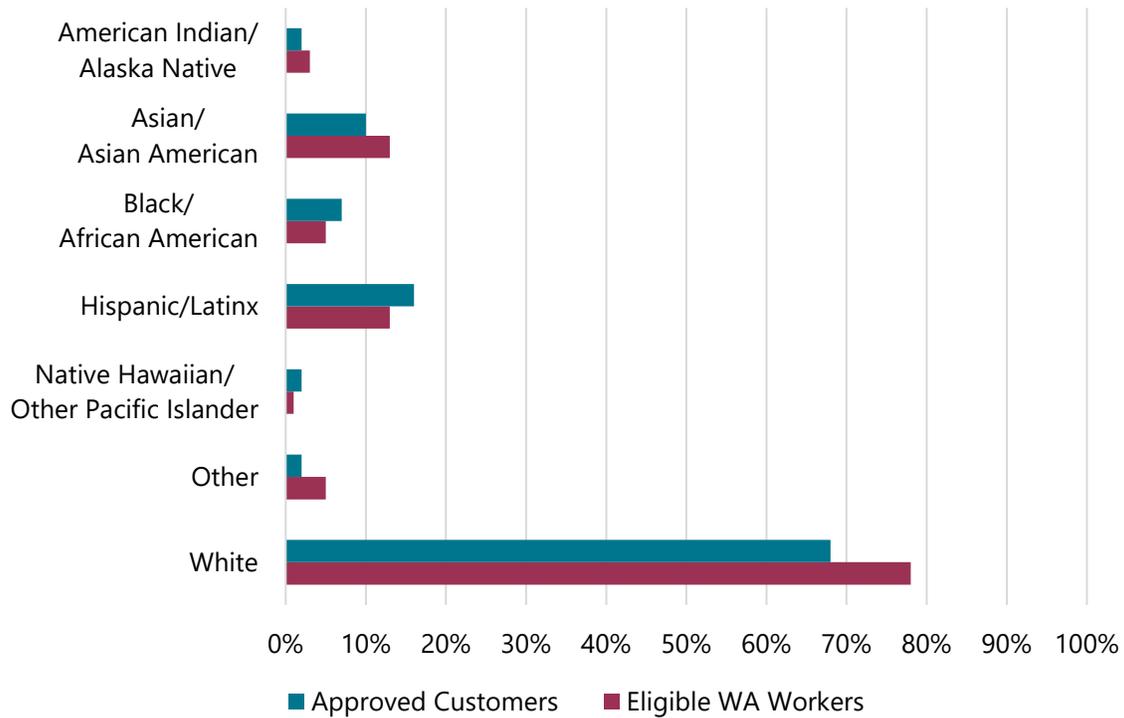
Table and Figure 12.A. shows the percentage breakdown of customers by racial-ethnic identity, compared to the corresponding estimate of eligible workers in Washington.⁴⁴ This information and additional comparisons are displayed on the [Paid Family and Medical Leave Demographics Dashboard](#). Those who identified as American Indian/Alaska Native, Asian/Asian American, some other racial-ethnic identity and white appeared to have lower participation rates relative to the eligible worker population. Those who identified as Black/African American, Hispanic/Latinx and Native Hawaiian/Pacific Islander appeared to have higher participation rates.

These differences vary in magnitude for each group relative to their share of the eligible worker population. For example, while the data showed that Native Hawaiian/Other Pacific Islander customers have higher participation relative to the worker population, their participation constituted only two percent of customers and one percent of the eligible workers in Washington.

⁴⁴ Customers and workers in this comparison may be represented more than once if they selected more than one race.

Table & Figure 12.A. WA Paid Leave customer comparison to eligible WA workers by racial-ethnic identity

	Approved Customers	Eligible WA Workers
American Indian/Alaska Native	2%	3%
Asian/Asian American	10%	13%
Black/African American	7%	5%
Hispanic/Latinx	16%	13%
Native Hawaiian/Other Pacific Islander	2%	1%
Other	2%	5%
Prefer not to say	4%	NA
White	68%	78%



Source: ACS 1-Year Estimates Public Use Microdata Sample 2019 & WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

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 population size. 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, and both male and female customers ages 18-39 appear to have higher participation. Figure 13.A shows the comparison of approved female customers to the estimate of eligible workers in Washington by age and racial identity, and Figure 13.B shows the same comparison for male customers.

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Figure 13.A. WA Paid Leave female customer comparison to eligible WA workers by race and age

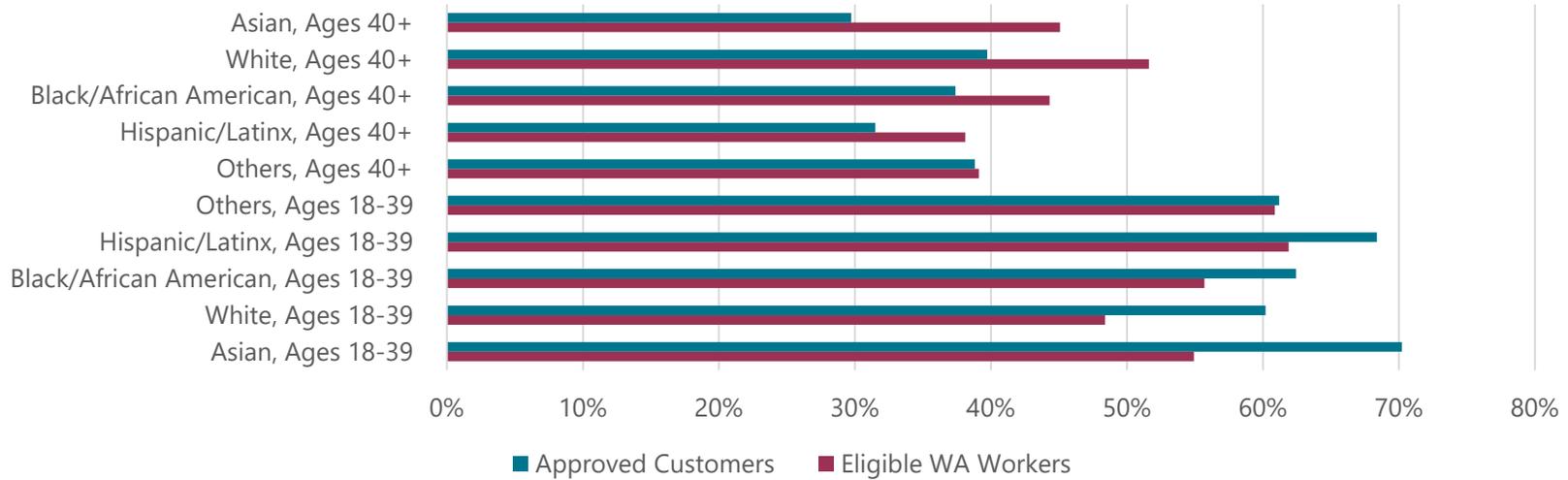


Figure 13.B. WA Paid Leave male customer comparison to eligible WA workers by race and age



Source: ACS 1-Year Estimates Public Use Microdata Sample 2019 & WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

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 4 percent of customers in the sample indicated they preferred a language other than English on their benefit application. Table 14.A shows the percentage breakdown of approved customers by language preference. This table is included on the [Paid Family and Medical Leave Demographics Dashboard](#).

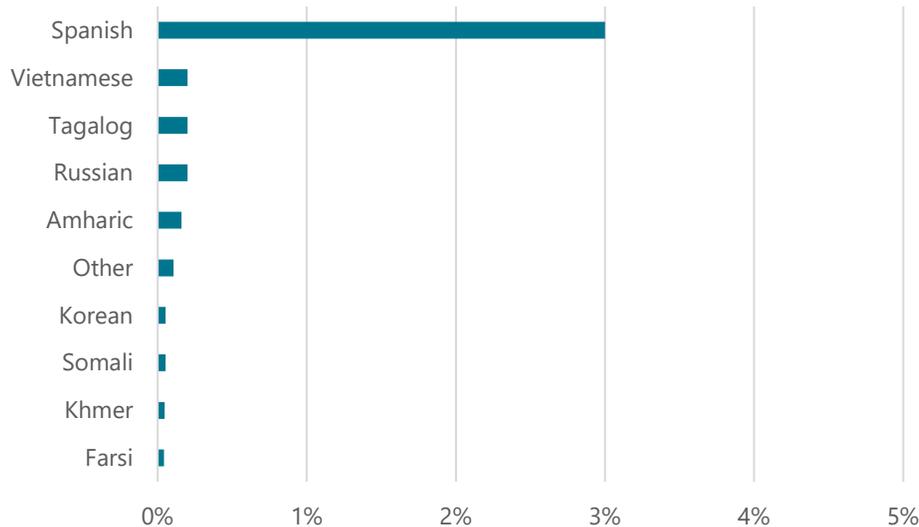
Table 14.A. WA Paid Leave customer language preference

Preferred Language	Approved Customers
Spanish	3%
Vietnamese	0.2%
Amharic	0.2%
Russian	0.2%
Tagalog	0.2%
Other	0.1%
Somali	0.1%
Korean	0.1%
Khmer	0.05%
Punjabi	0.04%
Ukrainian	0.04%
Farsi	0.04%
Arabic	0.03%
French	0.03%
Japanese	0.02%
Oromo	0.02%
Lao	0.01%
Nepali	0.01%
Tigrinya	0.01%
Burmese	0.01%
Swahili	0.01%
Hindi	0.01%
Marshallese	0.01%
Bosnian	0.002%
Chinese	0.0001%

Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Figure 14.B shows the top 10 languages preferred by our customers. We did not include a comparison to eligible Washington workers here because to our knowledge there is not a data source that offers an appropriate equivalent comparison of the preferred language of Washington workers.⁴⁵

Figure 14.B. Top ten languages preferred by WA Paid Leave customers



Source: WA Paid Leave Administrative Data 7/1/2021 - 6/30/2022

Instead we include a list of the top ten languages spoken at home by Washington workers⁴⁶:

- | | |
|------------|----------|
| Spanish | Chinese |
| Vietnamese | Russian |
| Tagalog | Hindi |
| Korean | Mandarin |
| French | Japanese |

There is some variation in the languages represented, which could suggest that those customers whose preferred languages appear more often in our data (Amharic, Somali, Punjabi, Khmer) may have lower rates of English proficiency and may require additional assistance navigating the program and accessing benefits. Customers whose preferred language is not English did have slightly higher rates of benefit application denial (19%) compared to customers whose preferred language is English (16%); however, the reasons for denial were similar. We have drafted a Language Access Plan to ensure we are providing quality language access services that remove barriers and ensure access to our program and services for those with limited English proficiency.

⁴⁵ 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.

⁴⁶ Source: ACS 1-Year Estimates Public Use Microdata Sample 2019

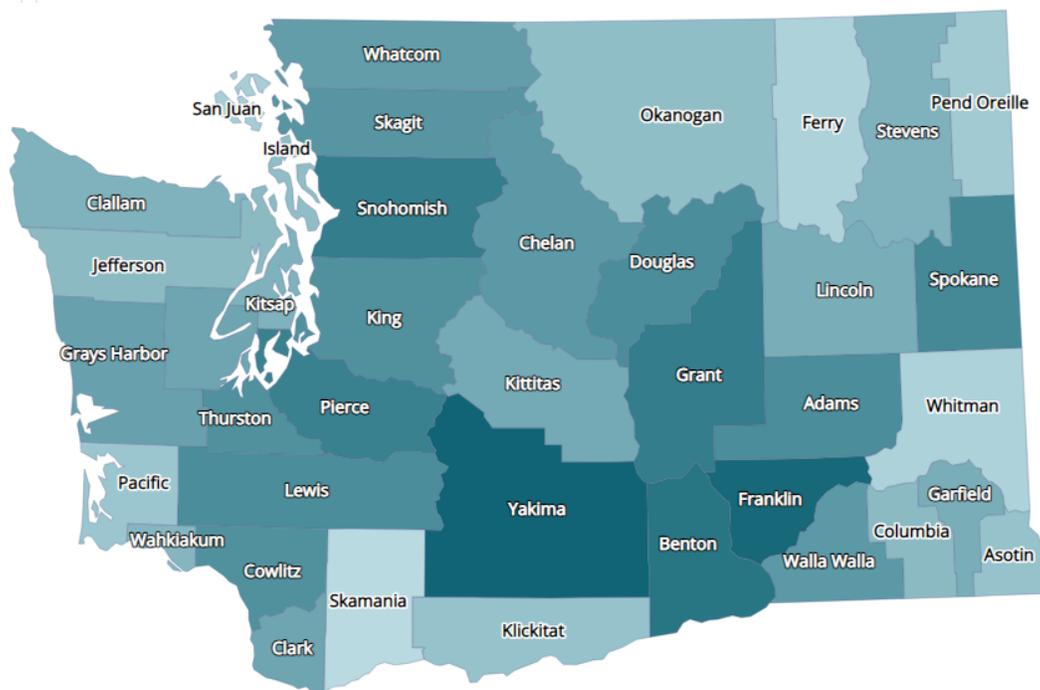
Geography

Figure 15.A. shows claims submitted by county.⁴⁷ 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, Franklin, Benton, Snohomish, and Grant. The five counties with the fewest claims submitted per 1,000 residents are: Skamania, Ferry, Whitman, San Juan, and Pend Oreille.

More information on claims submitted, claims approved, approval rate, claims with a payment, weekly claims submitted, weekly claims approved, and average weekly payment is displayed on the [Paid Family and Medical Leave Dashboard](#).

In addition to the number of claims reflected by the map, 4,282 applications (2%) were submitted with an out-of-state mailing address.⁴⁸ 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.

Figure 15.A. Claims submitted by county



WA Paid Leave Administrative Data, 7/1/2021-6/30/2022 & State of Washington Office of Financial Management
 County Population Data, 2022

⁴⁷ 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.

⁴⁸ There is no residency requirement under RCW 50A.

Program participant employment characteristics

During the application and eligibility verification process, we link claims to the customer's wage records. This allows us to determine the amount of leave available to them and their weekly benefit amount. We used information (quarterly wages, quarterly hours worked, average employee count and employer count) from the employer wage reports to estimate average hourly wage, business size, and employer industry for each customer and to construct a comparison sample of eligible Washington workers. An average hourly wage was calculated by taking the average of quarterly wages over hours worked for each customer in each quarter that reports were available and linked to a claim. Like the gender, racial-ethnic identity and age comparisons, we compare approved customers with an estimate of eligible workers and all workers in Washington.

The key takeaways are:

- Customers in the lowest wage group, making up to \$17 an hour, and highest wage group, making more than \$46 an hour, appeared to have the lowest participation rates.
- Likewise, customers that worked for small employers appeared to have lower participation than those who worked for large employers.
- It appeared that workers in Accommodation & Food Services, Information, Education and Professional & Technical Services were among some of the industries with the lowest participation relative to the eligible worker population. Those working in Healthcare & Social Assistance had the highest participation.
- Closer examination of participation by employer size and average hourly wage revealed that lower participation rates persisted for the lowest and highest wage groups across both small and large employers.

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Average hourly wage

Table and Figure 16.A. shows the percentage breakdown of the approved customers to the estimate of eligible workers in Washington by average hourly wage range. This information and additional comparisons are in the [Paid Family and Medical Leave Demographics Dashboard](#). It appeared that those who made up to \$17 an hour and \$46 or more per hour had lower participation, while those in the middle wage groups, between \$17-\$46, had higher participation relative to the eligible worker population.

Table & Figure 16.A. WA Paid Leave customer comparison to eligible WA workers by average hourly wage

	Approved Customers	Eligible WA Workers
Up to \$17	13%	15%
Between \$17 and \$26	31%	27%
Between \$26 and \$46	32%	28%
More than \$46	24%	30%



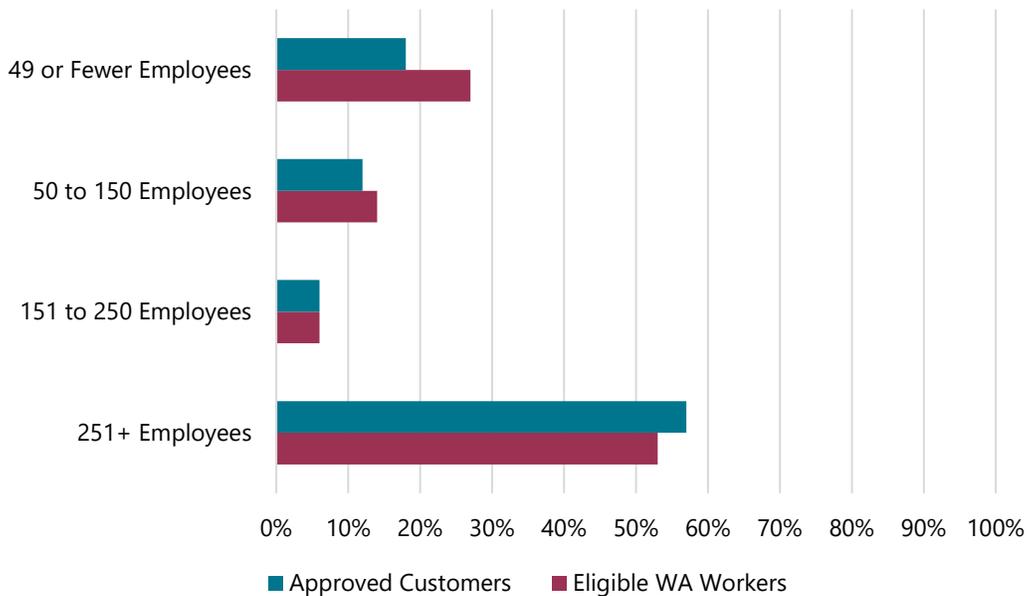
Source: WA Paid Leave Wage Reports & Administrative Data 7/1/2021 - 6/30/2022

Employer size

Table and Figure 17.A. shows the percent breakdown of customers compared to the estimate of eligible workers in Washington by employer size. This information and additional comparisons are on the [Paid Family and Medical Leave Demographics Dashboard](#). It appears that customers that worked for employers with fewer than 150 employees had low participation relative to the eligible worker population. Those who worked for employers with 151 to 250 employees had approximately the same participation relative to the eligible worker population, while those who worked for employers with 250 or more employees had slightly higher participation. We were unable to determine employer size for approximately 7% of approved customers, which may account for some of the gap in participation for customers that work for employers with fewer than 150 employees.

Table and Figure 17.A. WA Paid Leave customer comparison to eligible WA workers by employer size

	Approved Customers	Eligible WA Workers
49 or Fewer Employees	18%	27%
50 to 150 Employees	12%	14%
151 to 250 Employees	6%	6%
251+ Employees	57%	53%
Unavailable	7%	-

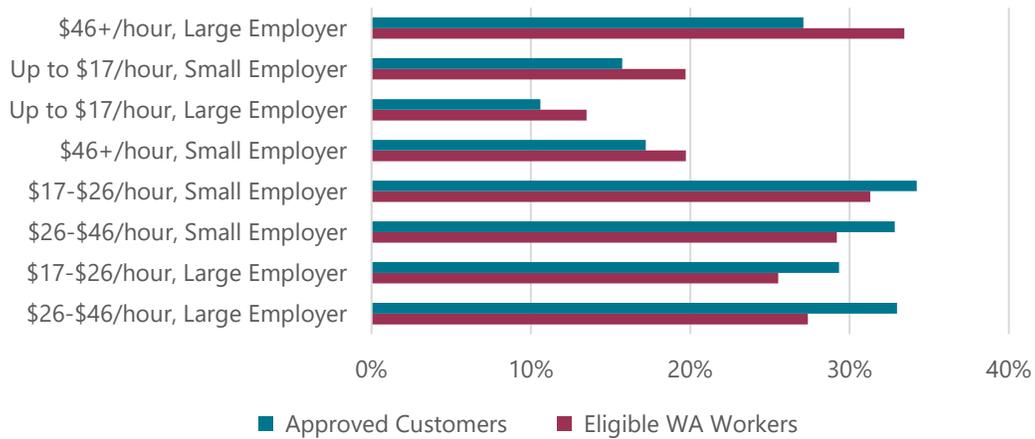


Source: WA Paid Leave Wage Reports & Administrative Data 7/1/2021 - 6/30/2022

Average hourly wage & employer size

Figure 18.A shows the comparison of approved customers to eligible workers in Washington by wage and employer size. Closer examination of participation by employer size and average hourly wage revealed that lower participation rates persisted for the lowest and highest wage groups across both small and large employers. Those making between \$17-\$46/hour also have slightly higher participation relative to the eligible worker population across both small and large employers.

Figure 18.A. WA Paid Leave customer comparison to eligible WA workers by wage & employer size



Source: WA Paid Leave Wage Reports & Administrative Data 7/1/2021 - 6/30/2022

Industry

Table 19.A shows the percentage breakdown of customers and eligible workers in Washington by employer industry. This information and additional comparisons are on the [Paid Family and Medical Leave Demographics Dashboard](#). It appeared that workers in Accommodation & Food Services, Information, Education, Professional & Technical Services, Construction, Wholesale Trade, Agriculture, Real Estate, Utilities, and Retail Trade industries were among some of the industries with the lowest participation relative to the eligible worker population. Those working in Healthcare & Social Assistance had the highest participation by far. Given their responsibility to tell workers about the benefit and the likelihood that they are in contact with employees closest to their time of need, awareness in this sector is likely to be high.

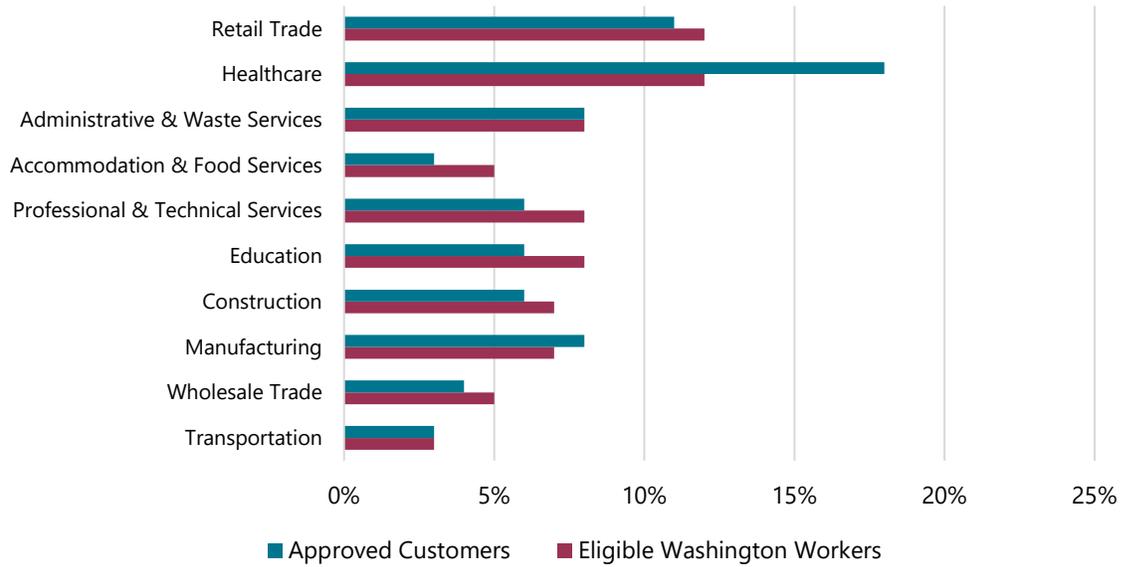
Table 19.A. WA Paid Leave customer comparison to eligible WA workers by employment industry

Employer Industry	Approved Customers	Eligible Washington Workers
Accommodation & Food Services	3%	6%
Administrative & Waste Services	8%	8%
Agriculture	1%	2%
Arts, Entertainment & Recreation	1%	1%
Construction	6%	7%
Education	6%	8%
Finance	3%	3%
Healthcare	18%	12%
Information	1%	4%
Management	0%	0%
Manufacturing	8%	7%
Mining	0%	0%
Other Services	2%	3%
Professional & Technical Services	6%	8%
Public Administration	5%	4%
Real Estate	1%	2%
Retail Trade	11%	12%
Transportation	3%	3%
Utilities	1%	2%
Wholesale Trade	4%	5%
Unavailable	10%	4%

Source: WA Paid Leave Wage Reports & Administrative Data 7/1/2021 - 6/30/2022

Figure 19.B shows the comparison of customers to the estimate of eligible workers in Washington by the top ten employment industries.

Figure 19.B. WA Paid Leave customer comparison to eligible WA workers by top 10 employment industries



Source: WA Paid Leave Wage Reports & Administrative Data 7/1/2021 - 6/30/2022

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