

SENATE BILL REPORT

SB 5420

As of February 23, 2001

Title: An act relating to family leave insurance.

Brief Description: Establishing family leave insurance.

Sponsors: Senators Patterson, Kohl-Welles, Kline, Regala, Franklin, Costa, Thibaudeau, Prentice, Fairley, McAuliffe, Brown and Jacobsen.

Brief History:

Committee Activity: Labor, Commerce & Financial Institutions: 2/26/01.

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Staff: Joanne Conrad (786-7472)

Background: In 1993, the federal government enacted the Family and Medical Leave Act. This law provided workers with the ability to take unpaid leave for birth or adoption, or serious medical condition. According to surveys by the federal Department of Labor, the act is considered to be beneficial by many workers trying to balance the demands of family and the workplace. However, since the law did not require paid leave, many workers report a reluctance or inability to make use of the leave.

In the past few years, several states have begun to explore establishing a system of paid family leave. Some of these approaches resemble the workers' compensation system, whereby employers pay premiums into a fund, and qualified workers draw from the fund. In Canada and some European countries, extensive family leave is paid for by taxation.

Summary of Bill: The Department of Labor and Industries establishes a program of paid family and medical leave insurance. Workers and employers each pay a one cent per hour premium into a fund. Workers who have sufficient hours of employment, determined by formula, and follow specific notice and application procedures, may qualify for up to five weeks of family leave insurance benefits in a year. Benefits are \$250 per week for full time workers. Benefits are prorated for part-time work and indexed for inflation.

Workers cannot be disqualified due to strikes or lockouts. Fraud, intentional injury or health conditions resulting from the worker's commission of a crime disqualifies the worker for one year.

If a worker dies before receiving payment, a priority of payment to surviving family members is established. If a worker owes child support, it is withheld from the payment.

In cases where an employer provides some form of paid family leave, individual workers decide whether to use their employer's benefits ahead of the family leave insurance benefits

or not. Paid family leave under this law may be required to be taken concurrently with unpaid leave under the federal act.

Workers who use family leave have the right to return to their jobs, and cannot lose any employment benefits, including seniority or pension rights. Employers cannot discharge, expel, or otherwise discriminate against a worker who files a claim, complaint or appeal under the family leave insurance law.

Employers are required to make reports, furnish information, pay premiums, and make records available for inspection by the department, while keeping the records otherwise confidential. Penalties, interest and department lien rights and collection remedies are the same as for industrial insurance premiums.

A grievance procedure, with administrative law judge review, is established. Various administrative matters are set forth, to guide the department in operationalizing the law.

Appropriation: Unspecified.

Fiscal Note: Available.

Effective Date: The bill applies to weeks of eligibility that begin on or after January 1, 2002.