



Paid Family & Medical Leave Act

- Expands economic growth
- Supports small businesses
- Strengthens families

Small NM businesses are at a disadvantage without a state PFMLA:

Many small businesses cannot afford to offer their own PFMLA program and are at a disadvantage competing for employees against large corporations and government entities, which offer PFMLA (NM state and federal jobs, Facebook, Netflix, and NBC Universal). The 2023 PFMLA Legislation includes business recommendations to:

- Exempt 66% of NM Employers from paying into the PFMLA (5 or less employees)
- Delay employee benefits until 2026, provide a year long rule-making process and a 6 month period for employer technical support and assistance and public education
- Require employees to have worked for 90 days before job protection is guaranteed
- Require a four hour minimum leave to reduce employer administrative burdens
- Allow self-employed individuals to opt into the PFMLA or not participate

PFMLA Expands economic resiliency and growth

- States with PFMLA during Covid retained a more stable workforce
- Less than half of NM women are participating in the workforce.
- PFMLA increases workforce participation for unpaid family caregivers, mothers, and individuals with chronic health conditions.
- PFMLA can address NM's ongoing labor shortages by bringing individuals off the sidelines and back into the workplace.
- PFMLA has been proven to improve employee performance and engagement
- Studies show that employees who take paid leave are less likely to take sick leave when they return, more likely to be employed by the same business two years later, and more likely to report high morale and workplace satisfaction.
- PFMLA reduces turnover costs for employers



PFMLA supports our families

Eleven states and the District of Columbia have implemented PFML programs, which has resulted in:

- reduced infant mortality, child abuse injuries, & nursing home usage
- improved parental physical and mental well-being
- continued job stability (People who take leave to address a serious health condition early in the disease are less likely to leave the workforce permanently due to disability)



How PFMLA works:

- During an employee's leave period, employers use the wages to cover the temporary costs of covering the employee's work (overtime wages, temp employee)
- PFMLA implementation timeline:
 - July 2023 to July 2024: Rulemaking and IT system build.
 - July 2024 to January 2025: Employer support and technical assistance
 - January 2025 to December 2025: Employers and employees pay into the fund
 - January 2026: AFTER paying into the fund for at least six months and submitting an application to NMDWS, employees may receive a percentage of average weekly wages for up to 12 weeks.
- 2031: The fund pays back the state's investment from 2023 (\$36m)

What it costs.

	Annual salary	Yearly Contributions	
		Employee	Employer >5 (per employee)
Minimum wage*	\$24,960	\$124.80	\$99.84
State avg. wage**	\$51,860	\$259.30	\$207.44

What it provides.

	Annual salary	Weekly wage	Replacement (%)	Weekly replacement
Minimum wage*	\$24,960	\$480	100%	\$480
Max wage**	\$51,860	\$997	67%	\$827

**State minimum wage beginning January 1, 2023

**State Ave. Wage based on Bureau of Labor Statistics Occupational Employment Survey Annual Mean May 2021

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