

WHAT IS PAID FAMILY & MEDICAL LEAVE?



NEW MEXICO
PAID FAMILY &
MEDICAL LEAVE
COALITION

HB 11

What does Paid Family & Medical Leave do?

Pays an employee up to twelve weeks (depending on the cause for leave & professional health care determination) of partial wage replacement for workers who have paid into the fund for at least six of the last 12 months and who are:

- Welcoming a new child through birth or adoption
- Managing a serious medical condition
- Caring for a family member with a serious medical condition
- Recovering & seeking help from domestic or sexual violence
- Dealing with exigencies arising out of a family member being called to military active duty
- Grieving & arranging services following the loss of a child

How does this bill ensure PFML claims are legitimate?

- PFML is NOT “calling in sick.” It requires an application, verification, and a process.
- Leave-takers are required to apply to NMDWS and include a healthcare provider’s signed verification with an estimated length of leave necessary (for military circumstances, military leadership would provide verification).
- The NMDWS will have up to 20 business days to process claims.
- States with PFML laws have reported very little fraud and abuse of this program.

How is PFML paid for?

- PFML is funded through employee and employer contributions, paid quarterly through payroll deduction. Employees pay \$5 for every \$1,000 of wages per year. The 34% of employers who pay an employer contribution (5 or more employees) pay \$4 for every \$1,000 of wages per year.

How does Paid Family & Medical Leave benefit New Mexico and its economy?

- Increased workforce participation, particularly among mothers, unpaid family caregivers, and people with chronic health conditions.
- Employers report either no effect on their business or a slight positive effect due to improved recruitment, retention, morale, and workplace satisfaction.
- Employers report reduced costs associated with turnover, including hiring and decreased productivity.
- Reduced infant mortality, child abuse injuries, and nursing home usage.
- Improved parental physical & mental wellbeing.
- Job stability (People who take leave to address a serious health condition early in the disease are less likely to leave the workforce permanently).
- Decreased utilization of public benefits, including SNAP, TANF, Medicaid and SSI.

	Annual salary	Yearly Contributions	
		Employee	Employer >4 (per employee)
Minimum wage*	\$24,960	\$124.80	\$99.84
State avg. wage**	\$57,520	\$287.60	\$230.08
Max contribution	\$176,100	\$880.50	\$704.40

	Annual salary	Weekly wage	Replacement (%)	Weekly replacement
Minimum wage*	\$24,960	\$480	100%	\$480
State avg. wage**	\$57,520	\$1106	67%	\$899
Max replacement	\$73,545	\$1414	67%	\$1106

How will this benefit small businesses?

- Small businesses struggle to compete for employees because they are often unable to offer benefits comparable to larger businesses that have the profit margins to cover the expenses of paying someone while they are out on leave.
- 66% of New Mexico employers (those with fewer than 5 employees) will NOT pay anything into the fund but will still receive the benefit of their employees on leave being paid by the fund.

How does the bill protect solvency?

- By requiring NMDWS to contract with an actuarial firm to conduct an actuarial study within six months of bill passage.
- By requiring the NMDWS Secretary to conduct an annual financial analysis using a solvency adjustment formula and to report the findings to the legislature.

How do we know the PFML fund is solvent and sustainable?

It is sustainable. Milliman, the U.S. Department of Labor, and UNM Bureau of Business and Economic Research have conducted independent analyses and all determined that the fund will remain solvent based on the parameters in the current bill.

How does the bill protect employers & the Fund?

- Capping contribution increases at an annual rate of 0.1% of wages (\$1/\$1000).
- Solidifying the 45% employer to 55% employee total contribution ratio.
- Delaying implementation of the employee benefits until 2028, with a year-long rule-making process & a 6-month period for employer technical support.
- Requiring employees to work for at least 180 days before having job protection.
- Allowing self-employed individuals to opt into PFMLA or not participate.
- Clarifying that FMLA leave must be taken concurrently with PFMLA.
- Incentivizing employees to return to work by only providing 67% of wages (above minimum wage).



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- Family Values At Work
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- Cafe Castro
- Levado LLC
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- Aranda Strategies
- Body in Balance
- Sabrina At Your Cervix
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- Turquoise Skies Inc
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