Legal Update

Brought to you by: Employco USA, Inc.



The premium contribution rate for Colorado's paid family and medical leave insurance program, known as FAMLI, <u>will remain at 0.9%</u> of employee wages for calendar year 2025, according to the Colorado Department of Labor and Employment.

FAMLI Program

The FAMLI program provides eligible employees with partial wage compensation for family and medical leave taken for qualifying purposes. Most employers and employees are covered by the program.

Eligible workers may take up to 12 weeks of FAMLI leave per year or 16 weeks for a serious condition related to pregnancy or childbirth complications. The leave is job-protected for employees who have worked for their employer for at least 180 days.

FAMLI Premiums

Funding for the FAMLI program is split evenly between employers and employees, although employers with fewer than **10 employees** nationwide **are exempt** from contributing.

Employers submit both their share (if required) and their employees' share of the premium to the Colorado Department of Labor and Employment through an online system at the end of each quarter.

The law establishing the FAMLI program set the premium rate for the 2023 and 2024 calendar years at 0.9% of employee wages. The FAMLI division director is required to recalculate the premium rate every year beginning in 2024 to determine if adjustments to the premium rate need to be made for the following year. The premium rate can go up to 1.2% of each employee's wages, subject to social security tax.

In 2025, employers and Colorado workers will continue to contribute the same premium rate they are currently paying: 0.9% of employee wages.

CORPORATE RISK MANAGEMENT, INC.

Highlights

- The FAMLI premium will stay the same for calendar year 2025.
- The premium rate was set by statute through 2024. Thereafter, the FAMLI division director is required by law to set the rate for the following year.
- Workers and employers with at least 10 employees contribute equally to the FAMLI premium.

Employers with fewer than 10 employees are not required to contribute to FAMLI premiums.

Provided to you by Employco USA, Inc.

This Legal Update is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice. © 2024 Zywave, Inc. All rights reserved.