Considering opting out of Oregon PFMLI? You've got options.

The Hartford began offering **Paid Family and Medical Leave Insurance (PFMLI)** in Oregon effective September 3, 2023, and later.

As a leader in Paid Family and Medical Leave, Statutory Disability and Absence Management, we have extensive knowledge and experience working with employers who choose private/equivalent plans. We recommend employers carefully review the following factors to decide whether to use the state program or an equivalent plan.

Choosing an Equivalent (Private) Plan – Employer Requirements

The Oregon Paid Family & Medical Leave Insurance (PFMLI) law allows for equivalent plans (both fully insured policies or self-funded plans). Equivalent plans must be approved by the Oregon Employment Department. If approved, re-approval is required annually for three (3) years after the initial approval or if the plan changes.

Once The Hartford is aware you're interested in pursuing a fully insured policy with us, we'll collect the necessary information we need to generate the policy by the equivalent plan application deadline.

Equivalent plans must be as good or better than the state program and include any protections and rights under the state program:

- An equivalent plan may provide cost savings and offer more flexibility than the state program.
- An equivalent plan cannot cost an employee more than the state program.

Employers withholding contributions from their employees have some additional requirements:

- Any contributions collected from employees must be kept in a separate account/trust and may only be used to cover plan expenses.
- Employers withholding contributions will have additional reporting requirements to the state on a quarterly basis.

The Hartford offers fully insured coverage and administrative services on self-insured equivalent plans. Reach out to your employee benefits representative at The Hartford for more information.

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Choosing the State Program – Employer Requirements

Employers who prefer to use the state program:

- Will always be subject to the statutory pricing for PFMLI.
- Will be subject to the state-specified contribution amount. Employers with 25 employees or more (regardless of where those employees work) will be required to contribute 40% of the total rate and may deduct no more than 60% of the rate from their Oregon employees' paycheck (up to the cap) payable to the state on a quarterly basis.
- May have access to grants that help defray costs if they are small employers with less than 25 total employees but still choose to contribute.

Participation is required for all employers with Oregon employees.

Individuals who are self-employed may opt into the state program for coverage.

The weekly maximum benefit is based on 120% of the state average weekly wage.

The state average weekly wage, contribution rate and wage cap are all subject to change on an annual basis.

Fully Insured Private Plan Considerations

A fully insured equivalent plan gives employers the opportunity to leverage the expertise of a private carrier for a streamlined, integrated approach to administration and claims. Employers can consider these potential advantages of a fully insured option:

- The ability to be more flexible with the benefits that they provide their employees.
- Administrative ease for both the employer and employee.
- Leverage expertise in compliance and statutory coverage.
- End-to-end claim experience for leaves that includes return-to-work support for employees.
- Seamless integration with STD and LTD.

Process for Opting Out of the State Program

When filing for an equivalent plan approval, employers must:

- Secure coverage/policy through a private carrier.
- Once secured, complete an equivalent plan application. This will require a copy of the insurance policy and any applicable endorsements or the self-insured employer plan document.
- Submit application with a $250 nonrefundable fee (or $150 for reapprovals) per business entity.

The Oregon Employment Department will review the application and give you approval/denial in 30 days.

Self-insured Private Plan Considerations

For some employers, the best fit for their benefit program may be to self-insure. In addition to fully insured private plans, employers should also consider the following when thinking about self-insuring:

- Depending on the size of the group and claim experience, the cost of claims and administration may be less than paying monthly premium on every covered employee.
- While insured benefits must be paid on a weekly basis, an employer self-funding the benefit is permitted to pay benefits weekly or every other week in accordance with their pay cycle.
- Self-insured plans must be bonded, insuring the financial viability of the program.

Partnering with The Hartford

The Hartford is a market leader for Statutory Disability and Leave Management, providing statutory coverage since 1950. We can help employers:

- **Simplify administration** for employers and employees.
- **Enhance the employee experience** with compassionate support and additional resources.
- **Design compliant plans and provide educational resources** for employers and employees.

Partnering with a knowledgeable, experienced claim administrator, such as The Hartford, may offer a superior employee leave experience.

For more information about The Hartford's OR PFMLI fully insured policies and self-insured equivalent plans, call your local rep from The Hartford or visit **Oregon Paid Family & Medical Leave Insurance/ OR FMLI /The Hartford**

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Statutory Paid Family and Medical Leave Form Series Includes GBD-1858 PFML (OR).

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