



## *Small Business Voluntary Enrollment in the Delaware Paid Leave plan.*

### **Am I required to provide paid Family and Medical Leave (PFML) benefits to my employees?**

All Delaware employers with 10 or more employees are required to participate in Delaware Paid Leave by providing paid parental leave. All Delaware employers with 25 or more employees are required to participate in Delaware Paid Leave by providing parental, medical, and family caregiving/qualified exigency leave.

### **Which employers are exempt from the program?**

Exemptions from the mandate include:

- Employers with nine or fewer employees
- Federal government employers
- Seasonal operations that fully shut down for a month or more and do not engage in commerce during that closure (i.e., do not source, manufacture, transport, market, produce, or exchange goods or services).



### **Why would I want to provide my employees with PFML benefits if I am not required to do so?**

Offering PFML benefits will allow smaller businesses to be more competitive with larger businesses and employers in Delaware and nearby states. Having PFML will keep you ahead of employers in Pennsylvania, New Jersey, Maryland, and Washington D.C., all of whom are required to provide PFML benefits. Studies have shown that companies that offer PFML benefits have increased productivity, higher employee morale, better recruitment and retention of skilled workers, and reductions in costs associated with employee turnover.<sup>1</sup> All good reasons to offer PFML benefits to your employees!

### **If I choose to voluntarily enroll in the Delaware Paid Leave plan, can I terminate my enrollment at any time?**

Once you decide to voluntarily enroll in the Delaware Paid Leave plan, you commit to providing paid leave benefits to your employees for a minimum three-year period. You can terminate your participation at any time after the initial three-year period by providing 12 months' notice to the Division of Paid Leave ("Division") and your employees.

## Although I am not required to provide PFML benefits, I would like to offer these benefits to my employees. How do I enroll in the Delaware Paid Leave plan?

Employers who are not required to provide PFML benefits will have their first opportunity to voluntarily enroll in the Delaware Paid Leave program through LaborFirst, the new online administrative system of the Department of Labor (“DOE”), beginning September 1, 2024, and continuing through December 1, 2024. You must first register your business in LaborFirst. After doing so, you will be given the option of voluntarily enrolling in the Delaware Paid Leave plan for Family Caregiving, Medical, or Parental Leave benefits. After 2024, employers will be provided an opportunity to enroll in the Delaware Paid Leave program on an annual basis.

## How much does the Delaware Paid Leave plan cost?

For 2025 and 2026, the Contribution Rates are as follows:

- Family Caregiving: 0.08% of an employee’s average weekly wage
- Medical: 0.4% of an employee’s average weekly wage
- Parental: 0.32% of an employee’s average weekly wage

Together, all benefits cost 0.8%. The cost of the program may be shared by the employer and employee, with the employee paying up to 50% of the cost, through employer withholdings. Contributions for the Delaware Paid Leave plan begin on January 1, 2025. If an employee makes \$800 a week, for example, and you choose to offer all three lines of coverage through the Delaware Paid Leave plan, the cost of these benefits would be \$6.40 per week (or only \$3.20 per week each for the employer and employee if they share the cost).

## What benefits do my employees receive if I choose to voluntarily participate in the Delaware Paid Leave plan?

Covered individuals may take up to six weeks of paid leave every 24 months for a serious health condition, to care for a family member with a serious health condition, or to handle issues arising due to a personal or family members overseas military deployment (qualified exigency), and up to 12 weeks of paid leave every 12 months to bond with and care for a child during the first year after birth, adoption, or foster care placement of the child. The maximum amount of leave a covered individual can take in any 12-month period, however, is 12 weeks. Covered individuals will receive 80% of their average weekly wages, up to a maximum of \$900 per week, while on leave.

## Can I provide my employees PFML benefits that are less than what the Healthy Delaware Families Act requires if I am not mandated to provide PFML benefits?

If you want to provide some level of PFML coverage to your employees even though you are not required to do so, your employees will certainly appreciate it. If you want to give your employees 80% coverage up to \$900 per week, we encourage you to enroll in the Delaware Paid Leave plan. If you are not able to do so, you are always free to provide you employees with whatever level of PFML benefits you can through whatever means you choose.

<sup>1</sup> Kathleen Romig and Kathleen Bryant, “A National Paid Leave Program Would Help Workers, Families,” Center on Budget and Policy Priorities, April 27, 2021