First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House SENATE BILL 23-046

LLS NO. 23-0215.01 Yelana Love x2295

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A BILL FOR AN ACT

- 101 CONCERNING THE CALCULATION OF A COVERED INDIVIDUAL'S 102 AVERAGE WEEKLY WAGE FOR PAID FAMILY AND MEDICAL
- 103 LEAVE BENEFITS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov</u>.)

Current law specifies that a covered individual's weekly paid family and medical leave benefit is determined based on the individual's average weekly wage earned during the covered individual's base period or alternative base period from the job or jobs from which the covered individual is taking paid family and medical leave, which excludes from









the calculation recent wages from previous jobs. The bill eliminates the limit on calculating the benefit based on the average weekly wage earned only from the job or jobs from which the individual is taking paid family and medical leave.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1. Legislative declaration.** (1) The general assembly 3 finds and declares that: 4 (a) Paid family and medical leave benefits will be fairer and more 5 equitable if the benefits fully reflect a covered individual's recent earnings 6 history and mirror the wages upon which the paid family and medical 7 leave premiums are calculated; 8 In Colorado's changing economy, more workers find (b) 9 themselves relying on insecure jobs, piecing together multiple types of 10 jobs to make ends meet, or changing jobs; 11 (c) Under current law, if a worker was working at a job within the 12 base period or alternative base period but is no longer working at that job 13 at the time the worker takes family and medical leave, the worker's wages 14 from the previous job are not included in the calculation of the worker's 15 family and medical leave benefit amount, which is likely to result in a lower benefit amount for the worker than would result from a benefit 16 17 based on wages from all recent employment; (d) This act clarifies that a covered individual's weekly benefit 18 19 amount is based on total earnings during the individual's base period or 20 alternative base period, rather than earnings from only the individual's 21 current job at the time of taking leave; 22 (e) The clarification regarding the weekly benefit amount:

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(I) Will promote job mobility and entrepreneurship by ensuring

that paid family and medical leave wage replacement benefits are calculated based on recent earnings history, rather than being tied to earnings from specific employment at the time of taking leave; and

4 (II) May encourage covered individuals to change jobs or start a 5 new business when their weekly benefit amount is not tied to one specific 6 position but instead reflects cumulative earnings in their base period or 7 alternative base period;

8 (f) This clarification will also ensure that the weekly benefit 9 amount reflects the covered individual's true earnings and the wages on 10 which the covered individual's premium liability is determined; and

(g) This act clarifies the intent of voters who approved the paid family and medical leave insurance program and creates greater alignment between the method of calculating benefits under the paid family and medical leave insurance program and the method of calculating benefits under the "Colorado Employment Security Act", articles 70 to 82 of title 8, Colorado Revised Statutes.

SECTION 2. In Colorado Revised Statutes, 8-13.3-506, amend
(2) as follows:

19 8-13.3-506. Amount of benefits - portability. (2) The division 20 shall calculate a covered individual's weekly benefit amount based on the 21 covered individual's average weekly wage, earned from the job or jobs 22 from which the covered individual is taking paid family and medical 23 leave, up to the maximum total benefit established in section 8-13.3-506 24 (1)(b). If a covered individual taking paid family and medical leave from 25 a job continues working at an additional job or jobs during this time, the 26 division shall not consider the covered individual's average weekly wage 27 earned from the additional job or jobs when calculating the covered

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- 1 individual's weekly benefit amount. A covered individual with multiple
- 2 jobs may elect whether to take leave from one job or multiple jobs.
- 3 SECTION 3. Safety clause. The general assembly hereby finds,
 4 determines, and declares that this act is necessary for the immediate
 5 preservation of the public peace, health, or safety.