

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-222

AN ACT CONCERNING CHANGES TO THE PAID FAMILY AND MEDICAL LEAVE STATUTES.

As Amended by Senate "A" (LCO 3944)

House Calendar No.: 402

Senate Calendar No.: 75

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Paid Family and Medical Leave Insurance Authority	PLCTF - Potential Cost	See Below	See Below
Paid Family and Medical Leave Insurance Authority	PLCTF - Potential Revenue Gain	See Below	See Below
Judicial Dept.	CICF - Potential Savings	See Below	See Below

Note: PLCTF=CT Paid Leave Contribution Trust Fund; CICF=Criminal Injuries Compensation Fund

Municipal Impact: None

Explanation

The bill, which makes several technical and operational changes to the Paid Family and Medical Leave statutes, has a fiscal impact on the Paid Leave Contribution Trust Fund (PLCTF) as outlined below.

Sections 1 and 6, which allow any federally recognized tribe in the state to opt into the program after executing a memorandum of understanding with the Governor, does not result in a fiscal impact on the PLCTF to the extent that this potential expansion would mirror the expenditure and revenue trends of the existing program.

Section 2, which explicitly requires employers to register with and submit reports to the Authority and subjects them to penalties due to noncompliance, does not result in a fiscal impact as the Authority

Primary Analyst: CR
Contributing Analyst(s): CW
Reviewer: MM

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already imposes penalties for noncompliance.

Section 2 also allows claimants covered under Paid Family and Medical Leave Insurance (PFMLI) to receive compensation from the Office of Victim Services (OVS) concurrently, which results in a potential savings to the Criminal Injuries Compensation Fund (CICF). Total payments to claimants are limited to their normal wages; PFMLI is the primary payor which reduces the compensation for lost wages that OVS may issue to a claimant from the CICF.¹ This also results in a potential minimal cost to PLCTF to the extent these benefits are paid.

Section 3, which requires the Authority to develop or approve an informational poster for display in health care sites, does not result in a fiscal impact as this can be accomplished using current resources.

Section 4, which subjects anyone who fails to make required repayments to a 1% per month interest rate on the amount owed, results in a potential revenue gain to the trust fund to the extent this increases individual repayments or results in interest payments being made. To date, the Authority has identified approximately \$5.8 million in overpaid benefits, of which 81% was recovered.

Senate "A" removes provisions in the original bill that would have allowed the authority to (1) impose penalties for attempted fraud and (2) recover benefit overpayments and penalties through a wage execution. This reduces the potential revenue gain identified in the underlying fiscal note.

The Out Years

The annualized ongoing fiscal impacts identified above would continue into the future subject to inflation.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is

¹ In FY 23, there were approximately 1.5 million individuals covered by PFMLI. OVS paid an average of \$257,200 annually in lost wages from FY 18 - FY 23.

consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.