

CONNECTICUT PAID LEAVE PROGRAM: A GUIDE FOR EMPLOYERS

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The Connecticut Paid Leave program (CTPL or “the program”) allows eligible Connecticut employees to maintain financial stability while taking leave to care for themselves or a family member. Employers with Connecticut employees – generally all private employers with one or more employees who work in Connecticut – play a vital role in helping employees to access CTPL program benefits by withholding employee contributions and verifying leave duration and benefits. Public employers are generally exempt from the CTPL program.

Employers that are subject to CTPL have compliance obligations regarding administration of the leave provisions, including employee notice obligations, calculation and remittance of premium payments, and tracking leave balances. This publication provides background and administrative guidance on CTPL to assist employers in their compliance efforts. For a comprehensive state-by-state overview of statutory disability and leave programs, including possible wage withholding and notice requirements as well as provisions for paid time off for qualified reasons, see the PPI publication **Quick Reference Chart: Statutory Disability and Paid Family & Medical Leave Programs**.

BACKGROUND

In June 2019, Connecticut enacted the Paid Family and Medical Leave Act (PFMLA), which established a paid family and medical leave insurance program to enhance the unpaid leave benefits available under the existing Connecticut Family and Medical Leave Act (CTFMLA). The state also established the Connecticut Paid Leave Authority (CTPL Authority) to administer the CTPL program.

Effective January 1, 2022, the CTPL program allows eligible employees to receive up to 12 weeks of paid leave in a 12-month period to attend to certain personal and family health needs. The program is funded via a 0.5% mandatory employee payroll tax (post-tax payroll deduction), up to the defined Social Security wage base. Employers were required to commence CTPL payroll deductions effective January 1, 2021, for all then-current and subsequently hired employees. While employers are not required to contribute to the program, they are required to notify employees about CTPL prior to the start of payroll deductions and to withhold and remit employee CTPL contributions to the state by no later than the last business day of the month following the end of each calendar quarter in 2021 and thereafter.

EMPLOYERS SUBJECT TO CTPL

All employers with one or more employees who work in Connecticut are required to comply with the requirements of the CTPL program. Employers are not required to cover independent contractors. Self-employed individuals and sole proprietors are eligible to opt in to the program at their discretion but must remain in the program for a minimum of three years. Employers should confer with their tax consultant as needed to determine the applicable state tax nexus for employees whose worksite of record is in Connecticut but who predominantly work remotely from another state.



Employers may apply for an exemption to the CTPL program, provided they offer the same or superior benefits to all employees through a private plan. More information on the exemption (including a list of approved private plan carriers) is available on the CTPL site. (See the link to the CTPL Program Website under the Resources section below; click on the tab for The Process/Apply for a Private Plan.) Although employers may be approved for an exemption, individual employees may not voluntarily opt out of CTPL.

CTPL FUNDING

The CTPL program is funded via employee payroll deductions that began January 1, 2021, for all then-active employees and upon date of hire for all subsequent new hires. The deduction rate is one-half of one percent (0.5%) of an employee's wages, up to the defined Social Security wage base, using the same earnings definitions as are used to calculate FICA taxes. Employers do not need to adjust payroll cycles to accommodate CTPL deductions, which can be made pursuant to the employer's regular payroll calendar(s).

Employers are permitted to cover the cost of CTPL contributions for employees at their sole discretion. However, such employer-paid coverage will constitute a taxable fringe benefit to the employee and must be processed accordingly. The administrative burdens associated with this approach are likely to make it unpopular.

EMPLOYEES ENTITLED TO CTPL

Effective January 1, 2022, and thereafter, employees are eligible for CTPL benefits if they have earned wages of at least \$2,325 in the highest quarter of the first four of the five most recently completed quarters and are currently employed or have been employed within the last 12 weeks. The wages do not have to be earned from the employee's current employer; they may have been earned under any Connecticut employer. Importantly, unionized employees of the State of Connecticut and employees of the federal government, municipalities, local or regional boards of education, or non-public elementary or secondary schools are not covered under CTPL, with some exceptions.

EMPLOYEE USE OF CTPL

Qualifying reasons for employees to take CTPL program leave include bonding with a child and caring for themselves or a family member with a serious health condition. For serious health conditions resulting in incapacitation during pregnancy, covered employees may qualify for two additional weeks of paid leave. Importantly, CTPL expands the definition of family members to include relationships that are not otherwise recognized under the federal Family and Medical Leave Act (FMLA) (specifically domestic partners, siblings, grandparents and grandchildren); or, an individual related to the employee by blood or affinity, and whose close association the employee shows to be the equivalent of those family relationships. (For information about establishing a working definition of domestic partner for the administration of CTPL, see the PPI publication **Domestic Partner Benefits: A Guide for Employers**.) Employees serving as organ or bone marrow donors may also be eligible for CTPL benefits.

Employees impacted by family violence may be eligible to receive CTPL benefits to seek medical or psychological care, to seek care from a victim services organization, to relocate, or to participate in any civil or criminal proceeding relating to family violence. Benefits for these family violence reasons are limited to 12 days. Finally, employees can use CTPL leave to care for a family member who is injured while on active duty or to address specific issues related to a family member's call to active duty or active duty in the armed forces.

CTPL BENEFITS

Beginning January 1, 2022, and thereafter, CTPL generally provides wage replacement to employees for up to 12 weeks in a 12-month period. Benefits are calculated as 95% of an employee's average weekly wages (AWW) if the wages are less than or equal to 40 times the CT minimum wage. If wages exceed the CT minimum wage multiplied by 40, the employee's CTPL wage replacement benefit is calculated as 95% of the employee's AWW up to the CT minimum wage multiplied by 40, plus 60% of the amount by which the AWW exceeds the CT minimum wage multiplied by 40. The benefit rate is capped at 60 times the CT minimum wage. The formula for calculating an employee's AWW is set forth on the CTPL Employer Fact Sheet (see below under Resources).

For reference, the CT minimum wage multiplied by 60 was equal to \$840/week effective July 1, 2022, and subsequently increased to \$900/week effective June 1, 2023.

As an example, a full-time worker who earns \$20/hour and works 40 hours/week would have base weekly earnings of \$800. Effective June 2023, this worker would be eligible to receive 95% of their first \$600 in earnings (\$570), plus 60% of their next \$200 in earnings (\$120), for a total of \$690 in weekly compensation.

COORDINATION OF CTPL WITH EMPLOYER PTO POLICIES

Employees apply to their employers for the time away from work and separately apply to the CTPL Authority for paid leave benefit payments in order to receive income replacement while they are on leave. In some situations, the employer, employee, and CTPL Authority will need to communicate among the parties in order to establish the reason for leave or to verify the duration and frequency of the leave.

Employers may require their employees (or may allow their employees to choose) to use accrued PTO concurrently with CTPL leave, so long as the total compensation received by the employee does not exceed the employee's regular rate of compensation. The CTFMLA rules also state that employers may require employees to use accrued vacation time/PTO while they are out of work on CTFMLA leave (whether or not an employee seeks CTPL income replacement benefits), provided that employers must allow employees to retain at least two weeks of vacation leave or equivalent PTO.

CTPL does not itself offer job protection or health benefits protection to employees who take CTPL leaves; however, these protections may be available under other applicable state or federal leave laws.

CTPL REGISTRATION AND EMPLOYEE NOTICE OBLIGATIONS

Employers were previously required to register with the CTPL Authority through the CTPL website and notify employees regarding CTPL deductions prior to January 1, 2021. Effective January 1, 2021, employers were required to begin withholding CTPL deductions according to the required formula. Effective no later than the last business day of the month following the end of each calendar quarter in 2021 and thereafter, employers are required to remit CTPL withholdings to the CTPL Authority.

Additionally, effective July 1, 2022, employers are required to provide written notice to each employee at the time of hire and annually thereafter regarding the following:

- The employee's entitlement to CTPL and the terms under which such leave may be used
- The employee's opportunity to file a claim for compensation under the CTPL program
- That retaliation by the employer against the employee for requesting or using such leave is prohibited
- That the employee has a right to file a complaint with the Labor Commissioner for any violation of the CTPL program

Fortunately, a model notice is available to satisfy the requirement. (See Notice of Employee Rights in the Resources section below.)

Under the related rules, employers must also notify employees of their eligibility to take CTFMLA leave no later than five business days after receiving a request to take such leave or learning that the employee is taking leave for a qualifying reason.

Employers should comply with the notice requirements and should consult with employment law counsel for further information and to ensure their leave policies reflect proper compliance procedures.

SUMMARY

Employers should review their family and medical leave policies and procedures and employment agreements (including collective bargaining agreements, as applicable) to ensure that they comply with CTPL requirements. Employers should work with payroll and HR system administrators to ensure accurate calculation and processing of CTPL premiums and tracking of CTPL in the employer's absence management system. Employers should train HR staff, managers, and supervisors on CTPL rules so that they can identify situations where employees may be entitled to CTPL protections. Employers are encouraged to involve outside counsel as needed to develop appropriate policies and procedures or when specific questions or situations arise.

RESOURCES

[CT PFMLA Law](#)

[CTPL Program Website](#)

[CTPL Employer Toolkit](#)

[Employee Fact Sheet](#)

[Employer Fact Sheet](#)

[Employer Landing Page](#)

[FAQs](#)

[Infocard](#)

[Notice of Employee Rights](#)

[Paycheck Insert/Pamphlet](#)

[Poster](#)