

# PRIVATE PLANS: options and discussion

Paid Family and Medical Leave Insurance Authority

Board of Directors Meeting

October 8, 2020

# Context for decision

- Employers must begin remitting employee contributions as of January 1, 2021 unless they have an approved private plan.
- Because insurers need information about new DOL regulations & claims administration requirements that won't be ready in time for them to develop final policies before 1/1/21, we worked with the CID to create the Declaration of Insurance option.
- Under this option, insurers submit a Declaration to the CID for approval:
  - They commit to submitting a final policy document within 60 days of the publication of Policy Filing Guidance Notice
- Employers who apply on the basis of a Declaration commit that if they don't have an approved final policy in place before 1/1/22, they (not their employees) must by the Authority all owed contributions



# Options discussed at 9/8/20 meeting

**Option 1 ( which was set forth in the draft policy & procedures document posted for public comment)**

Declarations; Policy

2 votes – one on Declaration and one on policy

**Option 2:**

Declarations;

Single vote

**Option 3:**

Voting on full policy;

Single vote



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# Concerns raised at Sept. Meeting

- CT Paid Leave Authority must create a **viable** private plan process
  - Process must include provisions for self-insured plans, as well as fully insured plans
- Need to minimize having employees start contributing to the CT Paid Leave Program only to leave for private programs shortly thereafter
- Can a CID-approved Declaration of Insurance be considered “the private plan”?
- Requiring multiple votes is onerous
- Employees need to understand what they are voting about

# Revised Proposal



- One vote only
  - Allow vote to be based on the Declaration
- Employers must provide Plain Language Guide explaining the proposed private plan to the employees before the vote
- Employers must provide final policy to the CT Paid Leave Authority to validate that it does not materially differ from the Declaration/Plain Language Guide

# Summary of Policy Revisions

- Separated policy sections from procedures
- More clearly defines the time frame when employers can apply on the basis of the Declarations
- Imposes requirement for employers to provide a Plain Language Guide
  - Includes a template of the Plain Language Guide to ensure employees receive consistent information
- Creates parallel requirements for self-insured plans



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