

House Bill 1318

By: Representatives Carpenter of the 4<sup>th</sup>, Rice of the 139<sup>th</sup>, and McClain of the 109<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 34 of the Official Code of Georgia Annotated, relating to labor and industrial  
2 relations, so as to provide for an actuarial study on state based paid family and medical leave  
3 insurance program; to provide definitions; to provide requirements; to authorize the  
4 Department of Labor to contract with a qualified third-party actuary; to provide for contents  
5 of the actuarial study; to provide for the Department of Labor to work in conjunction with  
6 the Office of the State Treasurer; to provide for a deadline to complete the actuarial study;  
7 to provide for posting of the actuarial study on the department's website; to provide for rules  
8 and regulations; to provide for automatic repeal; to provide for related matters; to provide for  
9 legislative findings and legislative purpose; to provide for a contingent effective date; to  
10 repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 (a) The General Assembly finds:

14 (1) Thirteen states and the District of Columbia have enacted legislation for family and  
15 medical leave insurance programs, and ten states have enacted legislation to create a  
16 voluntary paid leave option;

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- 17 (2) Family and medical insurance programs that include shared employee and employer  
18 contributions, flexibility for small businesses, and opt-in opportunities for entrepreneurs  
19 will attract and retain talent and remain competitive in an increasingly mobile national  
20 workforce;
- 21 (3) This state's labor force participation rate has consistently lagged behind the national  
22 average, and multiple studies show that paid family and medical leave policies help  
23 workers connect to and remain connected to the labor force;
- 24 (4) Paid family and medical leave provides a cost-effective framework that allows workers  
25 to maintain economic security by taking essential time needed to care for a new child, tend  
26 to a family member with a serious health condition, address their own serious health  
27 condition, and cope with exigencies from family members with overseas military  
28 deployment;
- 29 (5) Most workers in this state do not have access to paid family and medical leave through  
30 their jobs, and the vast majority are not able to take family medical leave without pay,  
31 resulting in job loss, healthcare, injury, and loss of \$1.7 billion in wages annually;
- 32 (6) The fastest growing age group in this state is the 65 years of age and older population,  
33 and this state has the ninth fastest-growing population of residents 60 years of age and  
34 older, which means caregiving demands will continue to rise, forcing more workers to exit  
35 the workforce to care for their aging family members with serious medical needs;
- 36 (7) Access to paid family and medical leave supports maternal recovery and infant health  
37 by enabling timely medical care, serving as an important tool to address this state's high  
38 maternal and infant mortality rates; and
- 39 (8) This state is home to a robust community of small business owners who recognize that  
40 paid leave improves employee retention, morale, and productivity, yet lack the resources  
41 to provide this benefit on their own and require a shared solution to compete with larger  
42 businesses.

43 (b) It is the intent of the General Assembly in enacting this chapter to conduct an actuarial  
44 study to evaluate the structure and parameters for a self-sustaining, cost-effective family and  
45 medical leave insurance program with shared employer and employee contributions.

46 **SECTION 2.**

47 Title 34 of the Official Code of Georgia Annotated, relating to labor and industrial relations,  
48 is amended by revising Chapter 11, which is designated as reserved, as follows:

49 "CHAPTER 11

50 34-11-1.

51 As used in this chapter, the term:

52 (1) 'Actuarial study' means the actuarial study provided for in Code Section 34-11-2.

53 (2) 'Commissioner' means the Commissioner of Labor.

54 (3) 'Department' means the Department of Labor.

55 (4) 'Paid family and medical leave insurance program' or 'program' means a state based  
56 family and medical leave insurance program to provide wage replacement for family  
57 caregiving and personal health issues.

58 (5) 'Qualified third-party actuary' means an individual who is not employed by the state  
59 and who meets the qualification standards of the American Academy of Actuaries.

60 Reserved:

61 34-11-2.

62 (a) No later than October 1, 2026, the department shall contract for the services of a  
63 qualified third-party actuary to perform an actuarial study for a paid family and medical  
64 leave insurance program in this state, including, but not limited to, start-up costs of the  
65 program; costs for the state to administer the program; outreach and education costs; the

66 premium contributions necessary to maintain the solvency of the program for a period of  
67 five to ten years; potential trends in claim experience over time; and total annual revenues,  
68 expenditures, and reserves.

69 (b) Through the utilization of relevant data, including, but not limited to, data from other  
70 state paid family and medical leave insurance programs, short-term disability claims, and  
71 family and medical leave data from the federal government, and a review of the experience,  
72 structure, and policy design of other state paid family and medical leave insurance  
73 programs, the actuarial study shall consider the following program parameters in relation  
74 to the premiums necessary to maintain solvency of the program:

75 (1) The purposes for which paid family and medical leave can be used, including, but not  
76 limited to, bonding with a new child, caring for a child receiving care in a neonatal or  
77 pediatric intensive care unit, caring for a family member with a serious health condition,  
78 recovering from one's own serious health condition, addressing medical and nonmedical  
79 needs arising from domestic violence and sexual assault, and addressing military family  
80 and caregiving needs related to a family member's deployment;

81 (2) Coverage of all public, private, and nonprofit sector employees in this state within  
82 the scope of the paid family and medical leave insurance program's rights and protections,  
83 including a breakdown of required coverage of employees of the state and political  
84 subdivisions thereof;

85 (3) Coverage of self-employed workers, at the option of the worker, within the scope of  
86 the paid family and medical leave insurance program's rights and protections;

87 (4) Coverage of workers who have worked a minimum of 1,250 hours with an employer  
88 during the previous 12 month period or earned at least 500 times the state minimum wage  
89 from work in this state during the worker's base period or alternative base period;

90 (5) Utilization of an inclusive family definition to afford workers the right to take paid  
91 family and medical leave to care for immediate members of the family, regardless of  
92 legal or biological relation;

- 93 (6) Use of a social insurance model for the paid family and medical leave insurance  
94 program wherein workers and employers share the premium costs of the program at a  
95 contribution rate of 50 percent from the employer and 50 percent from the employee and  
96 include options to:
- 97 (A) Exempt employers with 15 or fewer employees or exempt employers with ten or  
98 fewer employees from contributing to the program while still including their employees  
99 within the scope of the program's coverage;
- 100 (B) Exempt self-employed workers who opt into the program from contributing the  
101 employer portion of premium costs to the program; and
- 102 (C) Limit premium contributions to wages not exceeding the contribution and benefit  
103 base limit established annually by the federal Social Security Administration for  
104 purposes of the federal old-age, survivors, and disability insurance program limits  
105 pursuant to 42 U.S.C. Section 430;
- 106 (7) A wage replacement rate that equals 90 percent of the worker's average weekly wage  
107 for the portion of their wages equal to or less than 50 percent of the state average weekly  
108 wage and 66 percent of the portion of the worker's average weekly wage above 50  
109 percent of the state average weekly wage;
- 110 (8) Inclusion of an equitable maximum weekly benefit rate that adjusts annually based  
111 on the state average weekly wage and ensures that workers can afford to take paid family  
112 and medical leave;
- 113 (9) A maximum leave duration not below 12 weeks of leave per year and a separate  
114 leave duration for an additional 12 weeks for a covered individual who has a child  
115 receiving inpatient care in a neonatal or pediatric intensive care unit;
- 116 (10) A right to reinstatement for all employees upon returning from a period of paid  
117 family and medical leave and its effect on program usage; and
- 118 (11) Based on available information provided by the state and in partnership with state  
119 agencies, the estimated administrative costs to the state for implementing and

120 administering the paid family and medical leave insurance program, including, but not  
121 limited to, costs associated with outreach, education, enforcement, and data collection.

122 34-11-3.

123 (a) The qualified third-party actuary shall model and compare the costs, including, but not  
124 limited to, the premium rates necessary to achieve solvency, of at least two different paid  
125 family and medical leave insurance program models based on the policy parameters  
126 detailed in Code Section 34-11-2. Beyond the initial startup years in which benefits are  
127 paid out, the reserves accounted for pursuant to Code Section 34-11-2 shall be  
128 approximately 135 percent of the benefits paid during the previous fiscal year plus an  
129 amount equal to 100 percent of the cost of administration of the payment of such benefits  
130 during the previous fiscal year, less the amount of net assets remaining with the paid family  
131 and medical leave insurance programs at the end of the previous fiscal year.

132 (b) The qualified third-party actuary shall utilize data that is relevant to this state, such as  
133 workforce and demographic data about the state population, as may be required to perform  
134 the actuarial study.

135 (c) The qualified third-party actuary shall presume that premiums shall be collected for a  
136 period of one year prior to the beginning of benefit payments.

137 (d) The actuarial study shall be completed in accordance with the relevant Actuarial  
138 Standards of Practice promulgated by the Actuarial Standards Board.

139 (e) The department and the Office of State Treasurer shall work in conjunction with other  
140 state agencies to ensure the actuarial study is effectively completed.

141 34-11-4.

142 (a) No later than January 15, 2027, the actuarial study shall be completed and shared with  
143 the Governor, President of the Senate, Speaker of the House of Representatives, the

144 Commissioner, and the chairpersons of the House Committee on Industry and Labor and  
145 the Senate Insurance and Labor Committee.

146 (b) No later than February 15, 2027, the Commissioner shall publish the actuarial study  
147 on the department's website in a prominent location.

148 34-11-5.

149 The Commissioner shall promulgate rules and regulations to effectuate the provisions of  
150 this chapter.

151 34-11-6.

152 This chapter shall stand repealed and reserved on June 30, 2027."

153 **SECTION 3.**

154 This Act shall become effective only upon the effective date of an appropriation of funds for  
155 purposes of this Act as expressed in a line item making specific reference to full funding of  
156 this Act in an appropriations Act enacted by the General Assembly.

157 **SECTION 4.**

158 All laws and parts of laws in conflict with this Act are repealed.