



ABSENCE ADVISORY

REGULATORY UPDATES FROM
AFLAC'S LIFE, ABSENCE AND
DISABILITY SOLUTIONS DIVISION



DECEMBER 2023

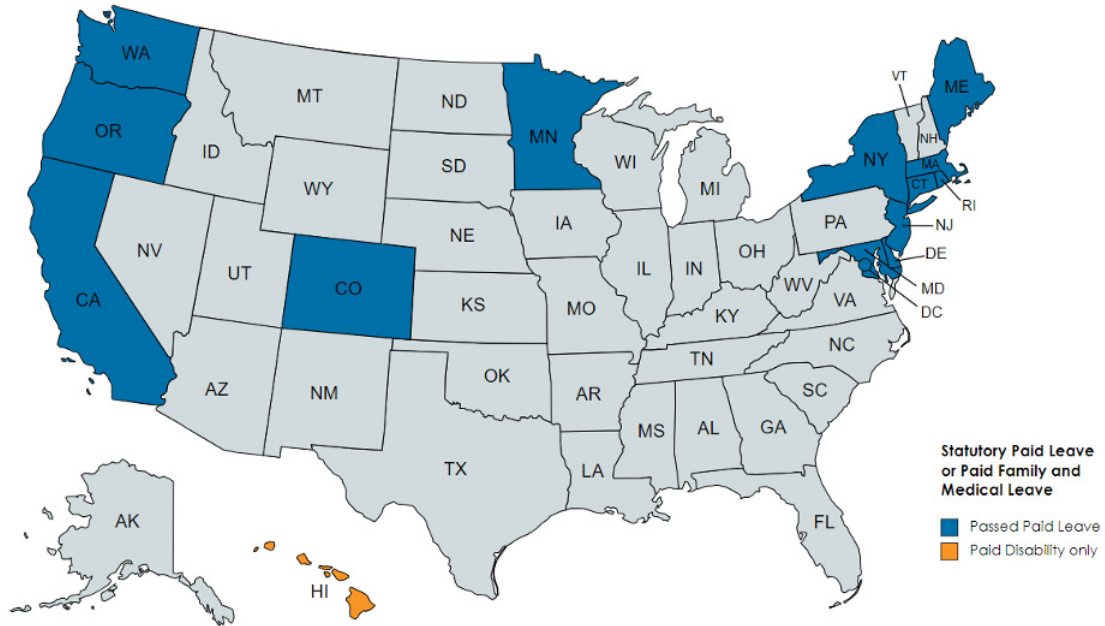
We are pleased to share the December 2023 Absence Advisory, along with information related to state and other paid leave legislation.

TOP NEWS INSIDE

- State paid leave updates:
 - [California](#).
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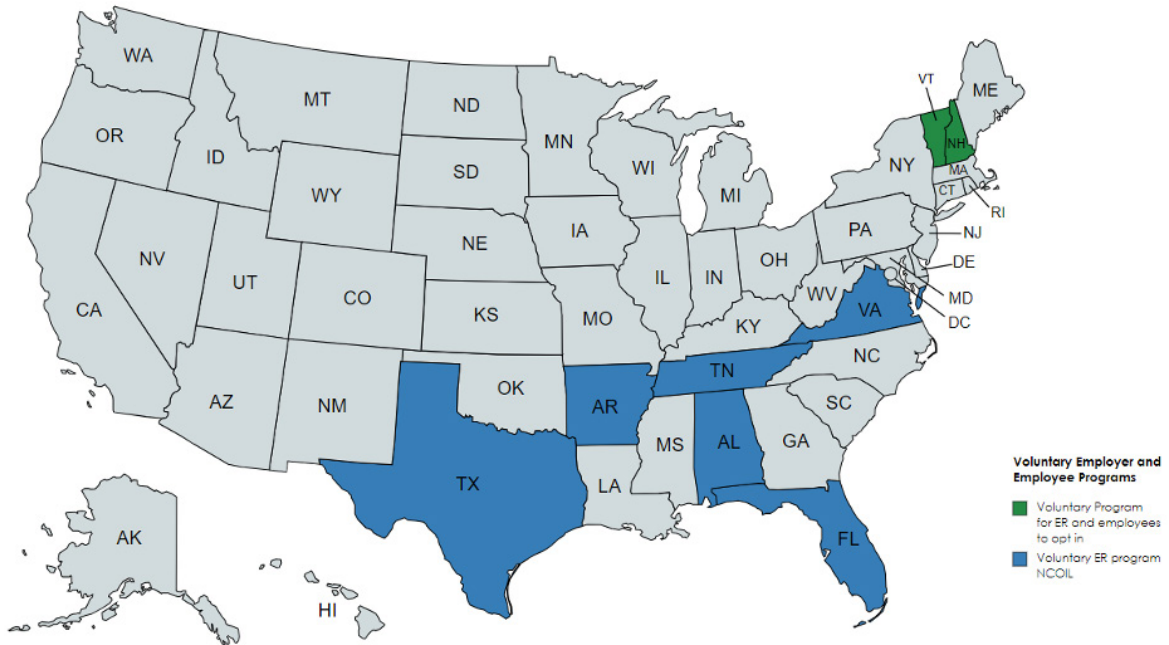
PAID LEAVE MAPS

STATUTORY DISABILITY AND PAID LEAVE MAP



VOLUNTARY PAID LEAVE EMPLOYER AND EMPLOYEE PROGRAMS MAP

*Voluntary is defined as not a state-required program.





SUMMARY OF 2024 PAID STATUTORY LEAVE CHANGES

The following is a summary of the statutory disability and paid leave changes for 2024.

The summary is not all-inclusive, but you can refer to Aflac’s Statutory Disability and Paid Family Medical Leave Guide for more information. You can locate the guide [here](#) and by clicking “download brochure.” The updated guide with all Jan. 1, 2024, changes will be available in January.

CALIFORNIA	COLORADO
<p>Maximum benefit: \$1,620 per week.</p> <p>Funding: The contribution rate for 2024 is 1.1%. Effective Jan. 1, 2024, Senate Bill 951 removes the taxable wage limit and maximum withholdings for each employee subject to SDI contributions.</p> <p>For more information, see CA SDI and CA PFL.</p>	<p>Maximum benefit: \$1,100 per week.</p> <p>Funding: Colorado Paid Family Medical Leave is funded by employee and employer contributions at a rate of 0.9% of wages. Employee contributions are capped at 0.45% up to the Social Security cap. The employer contributes the other 0.45%.</p> <p>For more information, click here.</p>

CONNECTICUT

Maximum benefit: \$941.40 per week.

Funding: Connecticut Paid Leave is funded 100% by employee contributions. Employee contributions are capped at 0.5% up to the Social Security cap of \$168,600 for 2024.

For more information, [click here](#).

HAWAII

Maximum benefit: \$798 per week.

Funding: The employer may pay for the entire cost of providing Hawaii Temporary Disability Insurance coverage, or the employer may share the cost by withholding HI TDI contributions of one-half the premium cost, but not more than 0.5% of the employee's weekly wage, with the maximum not to exceed \$6.87.

For more information, [click here](#).

MASSACHUSETTS

Maximum benefit: \$1,149.90 per week.

Funding: The combined employee and employer contribution percentage is 0.88% in 2024.

For more information, [click here](#).

NEW JERSEY

Maximum benefit: \$1,055 per week.

Funding: NJ Temporary Disability Insurance: The employee contribution rate for is 0% for 2024. NJ Family Leave Insurance: The employee contribution rate for is 0.09% for 2024.

For more information, see [NJ TDI](#) and [NJ PFL](#).

NEW YORK

Maximum benefit: \$170 per week for NY Disability Benefits Law, and \$1,151.16 per week for NY Paid Family Leave.

Funding: NY DBL: An employee's contribution is calculated at the rate of one-half of 1% of their wages, but no more than \$.60 a week.

NY PFL: The employee contribution is 0.373% of an employee's gross wages each pay period. The maximum annual contribution is \$333.25.

For more information, see [NY DBL](#) and [NY PFL](#).

OREGON

Maximum benefit: \$1,523.63 per week.

Funding: 1%, shared by employers (40%) and employees (60%).

For more information, [click here](#).

RHODE ISLAND

Maximum benefit: \$1,043 per week, which began on July 1, 2023. This does not include the dependency allowance.

Funding: 1.1% employee wage deduction.

For more information, [click here](#).

WASHINGTON

Maximum benefit: \$1,427 per week.

Funding: 0.74% total premium rate. Employers will pay 28.57% of the total premium and employees will pay 71.43%.

For more information, [click here](#).

WASHINGTON D.C.

Maximum benefit: \$1,118 per week.

Funding: 100% employer paid. 0.26% of the covered individual's wages.

For more information, [click here](#).





LEAVE

ILLINOIS

Chicago Paid Leave and Paid Sick and Safe Leave Ordinance

On Nov. 9, 2023, the Chicago City Council enacted the Chicago Paid Leave and Paid Sick and Safe Leave Ordinance. The ordinance amends the existing Chicago Paid Sick Leave Ordinance to provide eligible employees with the ability to accrue up to 40 hours of Paid Leave and an additional 40 hours of Paid Sick and Safe Leave every 12 months.

COVERED EMPLOYEES*

Employees who, in any particular two-week period, work at least two hours for an employer while physically present within the geographic boundaries of Chicago.

COVERED EMPLOYERS

Chicago employers with at least one employee.

Time worked includes time spent traveling in Chicago that is compensated, including, but not limited to the following business activities taking place while physically present in Chicago:

- Deliveries.
- Sales calls.
- Travel related to other business activities within Chicago.

Uncompensated commuting time spent in Chicago does not constitute work.

*A covered employee is also any employee of the city and its sister agencies (e.g., Chicago Public Schools, Chicago Park District, Chicago Transit Authority, City Colleges of Chicago, Chicago Housing Authority and Chicago Public Building Commission), but does not include workers who are permitted to work for other governmental agencies.

Administrative Details

Beginning Jan. 1, 2024, or upon the first day of employment, Chicago employees will be entitled to earn Paid Leave at the rate of one hour for every 35 hours worked up to the maximum in the 12-month period. The 12-month accrual period is measured from the date the employee begins to accrue leave.

Employers are also permitted to front-load the full 40 hours for both Paid Leave and the Paid Sick and Safe Leave on the first day of the employee's 12-month accrual period.

Employers are required to carry over unused time into the following year:

- Employees are allowed to carry over up to 16 hours of unused Paid Leave.
- 80 hours of unused Paid Sick and Safe Leave.

Upon termination of employment or work relocation outside the city of Chicago, unused Paid Leave must be paid out under the following requirements:

- Small-size employers (50 or fewer employees) are not required to pay out any Paid Leave.
- From Jan. 1, 2024, to Dec. 31, 2024, medium-size employers (51 to 100 employees) are required to pay out 16 hours of unused Paid Leave at separation. As of Jan. 1, 2025, medium-size employers will be required to pay out all accrued and unused Paid Leave at separation.
- Employers with unlimited PTO policies must pay the difference of the monetary equivalent of 40 hours of paid time, minus hours used in the 12 months prior to separation. If the employee used more than 40 hours of paid time in the 12 months prior to separation, the employer is not required to pay out any unused Paid Leave time.

Employer notice requirements

The ordinance provides that the employer must provide various forms of written notice. Some of the requirements include but are not limited to:

- Post a notice that explains the employee's right to take time off under the ordinance in a conspicuous place at each facility within the geographic boundaries of Chicago.
- A written notice is required to be included with the first paycheck issued to a covered employee.
- An annual written notice is required to be included with a paycheck issued within 30 days of July 1. Form notices will be provided by the city commissioner and made available to employers.
- Notice of leave accruals and usage each time the employee is paid.
- Written policy that describes the employee's rights and notification requirements, at the commencement of employment.

To review more details of Chicago Paid Leave and Paid Sick and Safe Leave, [click here](#).

Please note, Aflac does not administer this program on behalf of our clients. However, we encourage employers to review and update their systems, processes, internal policies, and provide timely and appropriate updates/training to management to implement the laws as it applies to your company.

DISABILITY

2024 SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT

As part of the historic New Deal, on Aug. 14, 1935, President Franklin D. Roosevelt signed the Social Security Act into law, birthing into existence our Social Security system.¹ Social Security is a federal program providing income to qualified people (including their spouses, children and survivors) when they retire or cannot work due to a disability.¹ In 2022, 70.6 million people received benefits from programs administered by the Social Security Administration (SSA).²

To ensure that the purchasing power of Social Security benefits and Supplemental Security Income (SSI) payments is not eroded by inflation, Congress enacted the cost-of-living adjustment (COLA) provision as part of the 1972 Social Security Amendments and updated it in 1986. Payments are adjusted annually to reflect increases in the cost of living as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). These adjustments vary from year to year.³

The SSA announced the COLA for 2024 is 3.2%,⁴ much lower than 2023's 8.7%⁵ and 2022's 5.9%;⁶ reflective of the inflation slow down.

Social Security benefits will reflect this 3.2% increase with December 2023 benefits, payable in January 2024. SSI payments will increase effective for payments made for January 2024. However, because the normal SSI payment date is the first of the month and January 1 is a holiday, the SSI payments for January will be made at the end of December 2023.⁷

In addition, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$168,600. Ensure this is updated in your payroll systems.⁸

Generally, COLA increases are not an offset from disability benefits. This is consistent with the federal government's purpose for providing the increase. When the price for goods and services (including necessities like housing, food and medicine) rise; COLAs help absorb these increased prices and our benefit administration does not negate that subsidy by additional offsets.

¹ Investopedia. "What Is Social Security?" Updated October 27, 2023. Published 2020. [Accessed 11.27.23.](#)

² SSA. "Fast Facts and Figures About Social Security, 2023." Published August 2023. [Accessed 11.27.23.](#)

³ SSA. "Cost-of-Living Adjustment" Published September 2023. [Accessed 11.27.23.](#)

⁴ SSA. "Social Security Basic Facts Sheet." Published 2023. [Accessed 11.27.23.](#)

⁵ SSA. "Social Security Changes - COLA Fact Sheet." Published 2023. [Accessed 11.27.23.](#)

⁶ SSA. "2022 Social Security Changes - COLA Fact Sheet." Published 2022. [Accessed 11.27.23.](#)

⁷ SSA. "Latest Cost-of-Living Adjustment." Published 2023. [Accessed 11.27.23.](#)

⁸ SSA. "Social Security Basic Facts Sheet." Published 2023. [Accessed 11.27.23.](#)



These are educational materials only. Employers should consult their own counsel for obligations for state-mandated leave and disability programs. Products and services are provided by Continental American Insurance Company. In New York, products and services are provided by American Family Life Assurance Company of New York. In California, coverage is offered by Continental American Life Insurance Company. Products may not be available in all states and may vary depending on state law.

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