

Employer Frequently Asked Questions

1. Is my business required to contribute to the paid family leave fund?

Any business performing services in the District of Columbia, that also pays Unemployment Insurance (UI) taxes for its employees, will be required to pay paid family leave contributions. This also includes non-profit organizations and household employers that pay UI tax, as well as self-employed individuals who have opted into the paid family leave (PFL) program.

2. How are paid family leave benefits funded?

Paid family leave benefits are funded by a quarterly employer payroll tax of 0.62% of their covered employees' total wages. These quarterly contributions are based on the immediate past quarter of wages paid, on the same reporting schedule as UI tax.

3. Which employees are considered covered employees for paid family leave?

If an employer pays UI tax on an employee for a quarter, then the employee will automatically be presumed to be a covered employee for paid family leave.

Covered employers can rebut this presumption by submitting documentation showing that the employee does not meet the PFL definition for a covered employee for that quarter. The documentation should show that the employee:

- Worked at least 50% of their work time in a single jurisdiction outside of the District, and
- Their work time in the jurisdiction was not incidental in nature, temporary or transitory in nature, or consisting of isolated transactions.

Presumption rebuttals for covered employees will be decided on a case-by-case basis.

4. How do employers register for the program?

Employers will use the same account they currently use for Unemployment Insurance via the Employer Self-Service Portal (ESSP). Prior to July 1, 2019, employers should update their ESSP accounts with any changes in contact information, including third-party administrator information.

5. When do contributions to the paid family leave fund begin?

The first collection of paid family leave contributions begins July 1, 2019 for wages paid to covered employees from April 1 through June 30.

For self-employed individuals who opt into the PFL program during the first 90 days after the Office of Paid Family Leave begins to collect contributions, the first collection of paid family leave contributions begins October 1, 2019 for income earned between July 1 through September 2019.

6. Are employer contributions based on gross or taxable wages?

Contributions are based on total gross wages paid to covered employees. Employers will report the same wages they currently report for UI. However, there is no cap on wages subject to the PFL contribution.

7. What are the reporting requirements associated with paid family leave contributions?

Employers are required to submit the same wage information for their employees that they currently submit in the UC-30. Employers will submit this information on the same reporting schedule and online portal as they currently do for UI.

8. How are benefit payments issued to my employees?

Benefit determinations and payments are issued to eligible individuals directly from the Department of Employment Services (DOES).

9. Does the size of my business factor in for paid family leave contributions?

The size of a business has no bearing on whether an employer is required to contribute to the paid family leave program. There is no minimum employee amount threshold for this program.

10. Will there be an exemption for employers that already provide paid family leave benefits?

Employers with their own paid leave benefits, including short-term disability plans, are required to participate in the program. Employers can't restrict their employees' right to access benefits under the District's PFL program. However, employers have the right to modify their plans, including requiring that employees take their leave concurrently with District-provided leave.

Employers are encouraged to consult with their short-term disability plan administrators for information about benefit coordination.

11. Will paid family leave affect my unemployment insurance tax rate?

The District's UI program and the PFL program are separate programs. Although employers may submit the same wage reports for both programs, the contributions and tax rate are calculated independently.

12. When am I required to provide the paid family leave notice to my employees?

The Office of Paid Family Leave will provide the paid leave notice to the employer community. Beginning January 1, 2020, employers will be responsible for posting and maintaining this notice in a conspicuous place at their worksites.

13. What are the record keeping requirements for paid family leave?

Employers are required to keep payroll records for a period of not less than 3 years. These payroll records must include the following information: Name and social security number (or individual taxpayer identification number), pay period dates, wages for each pay period, and dates of employment. These are the same records employers are currently required to keep for UI purposes.

In addition, employers must maintain records related to employee leave requests and information related to the employer's existing leave programs. If an employer is required to comply with the Family Medical Leave Act (FMLA), then they are already keeping these records.

14. What constitutes commencement of business in the District of Columbia for Self-employed Individuals?

A self-employed individual will be considered to have commenced their business in the District when he or she first receives income for work performed in the District that is required to be reported as self-employment income to the IRS.