



MURIEL BOWSER
MAYOR

February 28, 2022

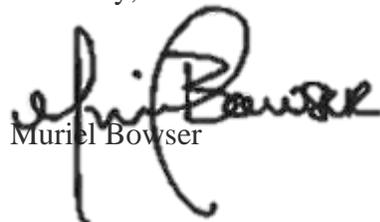
The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

I am pleased to submit to the Council of the District of Columbia the enclosed "DC Paid Family Leave Annual Financial Management Fiscal Year 2021 Report, prepared by the Department of Employment Services (DOES). Pursuant to section 203(k) of the Universal Paid Leave Amendment Act of 2016, effective April 7, 2017 (D.C. Law 21-264; D.C. Official Code §32-551.01(k)), this report provides a snapshot of the financial management, claim management, operation, and use of the Universal Paid Leave Fund for FY 2021. During this time period, the Department of Employment Services continued collecting employer PFL taxes and administering PFL benefits

I am available to discuss any questions you may have regarding this report. In order to facilitate a response to your questions, please have your staff contact Dr. Unique Morris-Hughes, Director, Department of Employment Services, at 202-671-1900.

Sincerely,


Muriel Bowser

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FINANCIAL MANAGEMENT

FISCAL YEAR 2021



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DISTRICT OF COLUMBIA
DEPARTMENT OF
EMPLOYMENT SERVICES



GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

ANNUAL FINANCIAL MANAGEMENT REPORT FISCAL YEAR 2021

Purpose: The Department of Employment Services (DOES) is submitting this Annual Paid Family Leave (PFL) Financial Management Report on behalf of the Executive, pursuant to section 203(k) of the Universal Paid Leave Amendment Act of 2016 (“Act”) (D.C. Law 21-264; D.C. Official Code § 32-551.01(k)). The report provides a snapshot of the financial management and use of the Universal Paid Leave Fund for Fiscal Year 2021 (FY21).

Use of the PFL Fund: As shown in Table 1, the PFL Fund balance was nearly \$558 million at the end of FY21.

- **Employer Contributions:** The Office of Paid Family Leave (OPFL) started collecting employer PFL taxes on July 1, 2019 and continues to receive contributions from employers on a quarterly basis. The PFL tax rate for FY21 was 0.62 percent of covered wages.
- **Benefits to Claimants:** OPFL started administering PFL benefits on July 1, 2020, for the final quarter of FY20. OPFL issued PFL benefits for the entirety of FY21, paying out a total of \$45.5 million.
- **Administrative Costs:** Up to 10 percent of revenue collected is authorized to be spent on program administration. OPFL spent \$16.5 million, or 5.4 percent of revenue collected, on administrative costs in FY21.

Table 1: Overview of the PFL Fund, FY2021

PFL FUND	FY 2021
Employer contributions collected	\$308.3 million
Interest Income	\$93,801
Benefits dispersed	\$45.5 million
Administrative Costs (including, personnel, fixed costs, supplies and office equipment, and contracts)	\$16.5 million
PFL Fund Balance (as of September 30, 2021)	\$558 million

Note: The Fund Balance includes employer contributions from FY19 and FY20.

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