

## Publications

### *Labor and Employment Alert: D.C. Introduces Nation's Most Generous Paid Leave Law*

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On October 6, 2015, the District of Columbia Council introduced the "Universal Paid Leave Act of 2015," which would require up to 16 weeks of paid family leave and 16 weeks of paid medical leave per year. Although just introduced, the legislation currently has the support of a majority of the D.C. Council. If enacted, it will affect the budget and operations of D.C. employers.

The Universal Paid Leave Act offers the richest benefits of any paid family and medical leave law in the nation. As currently envisioned, the bill creates a system comparable to unemployment compensation in which D.C. employers would pay a percentage of employees' annual pay into a D.C.-administered fund. The fund then administers and pays out benefits for eligible paid leave claims that are submitted to it. The bill prohibits employers from diminishing an employee's statutory paid family and medical leave benefits.

Employees would be eligible for the benefits if they have been employed for at least 6 months and have worked at least 500 hours during the 12-month period preceding the request for paid leave. The bill would also amend D.C.'s family and medical leave law to incorporate this shorter eligibility period for standard FMLA leave and to permit leave for serious health conditions involving pregnancy and post-partum recovery. After a five-day waiting period, benefits would be paid out equal to 100% of the employee's average weekly wages, up to a maximum weekly benefit of \$3000. An employee would be entitled to paid family and medical leave even if eligible for short-term disability insurance.

An employer who violates the Universal Paid Leave Act would be liable for the greater of two times the employee's the lost wages, salary, employment benefits or other compensation, plus interest, or three times the employee's lost wages, salary, employment benefits or other compensation denied due to the violation, plus any medical expenses not covered by the employee's health insurance – plus attorney's fees. The bill provides for a three-year statute of limitations.

The Universal Paid Leave Act would also require that employers provide the prescribed written notices to their employees upon hire, annually, and when the employer is aware that leave is needed. Employers who fail to do so would be subject to a \$100 penalty per employee for each employee who does not receive the notice and a \$100 per day fine for each day the notice is not conspicuously posted.

Because the benefits fund does not yet exist, claims for benefits would not be administered until one year after the law becomes effective or until D.C.'s chief financial officer certifies that the fund can begin paying out claims while remaining solvent.

There are other provisions in the legislation, but these are most pertinent for D.C. employers for long-term planning purposes. We will continue to monitor this legislation. In the interim, contact your Vorys lawyer if you have questions about D.C.'s proposed Universal Paid Leave Act, the FMLA, or other employment laws.