

dc paid family leave



Employer Frequently Asked Questions (FAQ)

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 taxes for its employees, will be required to pay paid family leave taxes. This also includes non-profit organizations and household employers that pay unemployment insurance tax, as well as self-employed individuals who have opted into the paid family leave 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, in a similar fashion to unemployment insurance tax.

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

- The first collection of paid family leave contributions begins July 1, 2019.
- For self-employed individuals who opt-in to the paid family leave 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.

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

- Contributions to the paid family leave program are based on gross or total wages paid to covered employees.

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

- Employers are required to submit quarterly wage reports in a similar fashion to the UC30 wage report that is submitted for unemployment insurance taxes. There will be a separate wage report form for paid family leave that will be provided by the Office of Paid Family Leave.

6. How are benefit payments issued to my employees?

- Benefit payments are issued to eligible individuals directly from the Department of Employment Services.

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

- The size of a business has no bearing on whether or not an employer has to contribute to the paid family leave program, as there is no minimum employee threshold.

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

- The Paid Leave Act does not provide any exemptions for employers with their own sponsored paid leave benefits, and such employers are still required to contribute to the paid family leave program. Employers have the ability to determine whether or not their sponsored paid leave benefits run concurrently with their employees' use of the District's paid family leave program, but an eligible individual's right to the District's paid family leave benefits shall not be diminished by an employer's paid leave policy.

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

- Paid family leave contributions and unemployment insurance contributions are separate. Employers report wages to both programs individually and pay taxes based on the associated rates for each program respectively.

10. 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, and beginning July 1, 2019, employers will be responsible for posting and maintaining this notice in a conspicuous place at their worksites.

11. 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.

12. What constitutes commencement of business in the District of Columbia?

- A business has commenced in the District of Columbia once it has been issued a Business License from the Department of Consumer and Regulatory Affairs or been otherwise licensed (Occupational or Professional License).