



NYSAC
NEW YORK STATE
ASSOCIATION OF COUNTIES

PAID FAMILY LEAVE + FMLA ADMINISTRATION



ABSOLVE
ABSENCE SOLUTIONS

INTEGRATED ABSENCE & DISABILITY SOLUTIONS for PUBLIC EMPLOYERS

- Introduction
- Leave of Absence (LOA) Trends and Statistics for the Public Sector
- The Big Idea – Free LOA Administration for NYSAC Members
- Next Steps – Putting the Big Idea into Action
- Q & A



Shep Sepaniak, Managing Partner

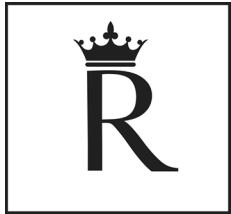
Born and raised in Mendham, New Jersey, Shep has been working in employee benefits industry since 1999. After holding various business development roles for national carriers and benefits brokers, Shep founded AbSolve in 2010 to better serve the absence management needs of his large, complex clients in the Northeast. Since that time, Shep has increasingly focused on administrative solutions for employee absence – disability, paid family leave, FMLA and statutory equivalents – that streamline processes, improve the user experience and reduce cost. Shep attended the University of North Carolina – Chapel Hill and lives with his wife and 3 children in Brooklyn, NY.



AbSolve is a third-party administrator of employee benefits focused on the first 180 days of employee absence. Whether employees’ time away from work is protected and/or paid, continuous or intermittent, for care of self or another, AbSolve offers a centralized, single-source leave of absence outsourcing platform for employers, employees and their vendors that complies with all federal, state, and local laws in addition to any employer policies. Benefits administered by AbSolve include but are not limited to FMLA, short-term disability, paid family leave, paid time off, statutory benefits, voluntary and/or employer-sponsored benefits.



AbSolve’s SOC 2® Types I and II attestation means our clients and partners can be confident in the integrity of our structure, systems and processes. The SOC process utilizes independent CPAs to audit and evaluate detailed information and provide assurance about the controls at a service organization relevant to security, availability, and processing integrity of the systems the service organization uses to process users’ data and the confidentiality and privacy of the information processed by these systems.



RELATED Risk (www.relatedrisk.com) is a tech-enabled managed services provider of administrative solutions to the group insurance industry and its policyholders. RELATED was created to help large employers, associations and carriers offer employee benefit programs that aren't readily available in the marketplace. RELATED leverages its proprietary structure and systems along with subject-matter expertise and agility to deploy leading edge insurance programs at scale from Day One. Our approach consistently delivers credible and compelling solutions in a fraction of the time it takes to build from scratch or modify legacy structures and systems.



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Public sector employees were most interested in:

01 Well-being programs

04 Paid sabbatical programs

02 Professional development credits

05 Unlimited paid time off

03 Phased retirement programs

06 **Family/caregiver leave**

While public sector employees would like more work-life flexibility, employers still need to make some progress on providing it.

94%

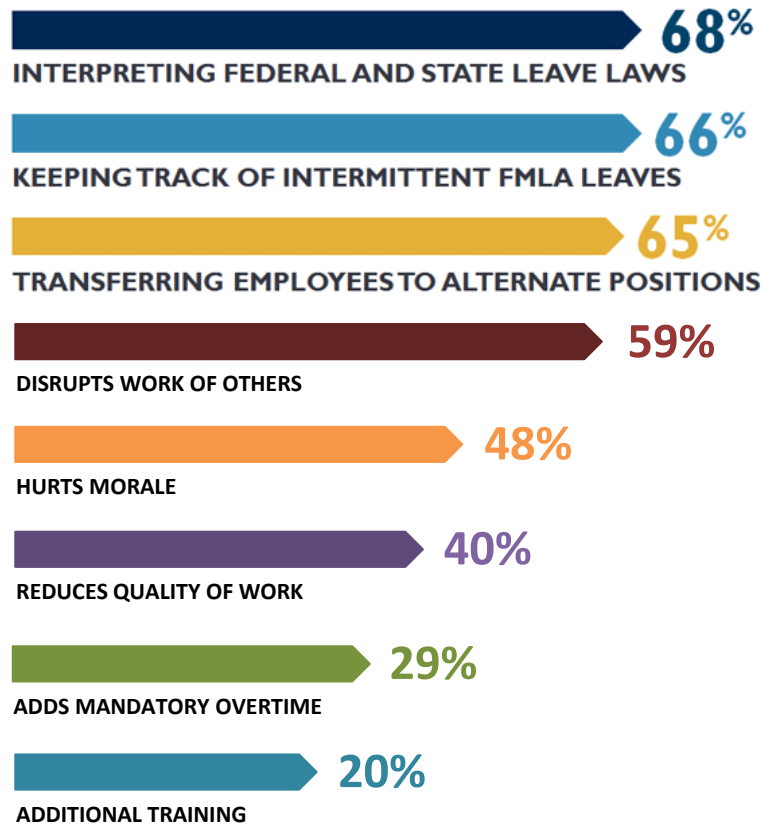
of public sector employees say that paid leave to take care of family is a must-have or nice to have benefit, only 75% of employers say the same.



Source: Methodology 19 MetLife's 18th annual U.S. Employee Benefit Trends Study (EBTS) consists of three distinct studies. The first two were conducted in August and September 2019 (Wave 1) and the third in early April 2020 – during the start of the COVID-19 pandemic (Wave 2). The 2019 employer survey consists of 2,501 interviews with benefits decision makers and influencers at companies with at least two employees. The 2019 employee survey includes 2,650 interviews with full-time employees, aged 21 and over, at companies with at least two employees. The updated 2020 employee survey (Wave 2) consists of 2,367 interviews using the same criteria (fulltime employed at time of survey completion). All studies were fielded by Rainmakers CSI – an international strategy, insight and planning consultancy. Additionally, 163 public sector employers and 259 public sector employees participated in our Wave 1 research. And, 265 public sector employees participated in our Wave 2 research.

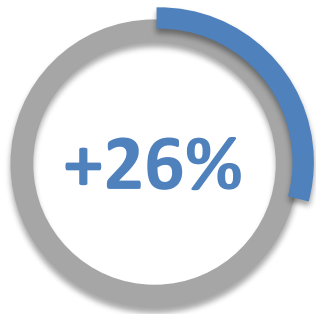
INSURER EMPLOYER ASSOCIATION CHALLENGE

TOP LEAVE ADMINISTRATION CHALLENGES REPORTED BY EMPLOYERS¹



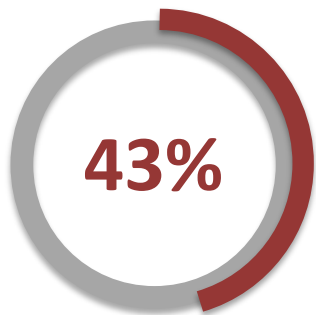
¹Total Financial Impact of Employee Absences in the U. S., SHRM/Kronos 2018

UNPRECEDENTED FMLA LAWSUITS¹



- 26.3% increase in FMLA suits filed
- \$78,000 average legal fees, win or lose
- Managers, HR can be sued directly and personally liable for damages

U. S. DOL INVESTIGATES OFTEN¹



- 43% of investigation initiated by DOL
- Average award >\$500,000 per lawsuit
- 270,000 workers awarded \$240,000,000 in back wages alone in 2014

¹US Department of Labor Wage and Hour Division, 2017 Fiscal Year Statistics

A RECENT HEALTHCARE FMLA CASE



Walters v. Mayo Clinic Health Sys. (Eau Claire Hosp., Inc.)
No. 12-CV-804-WMC, 2015 WL 1000015 (W.D. Wis. Mar. 5, 2015)

An employee brought action against her former employer for violation of FMLA and the Americans with Disabilities Act (ADA) arising from her termination for attendance issues.

FMLA JUDGMENT	EMPLOYEE AWARD
Back pay – 3 years wages plus benefits	\$259,205
Pre-judgment interest	\$12,715
Liquidated damages	\$271,920
Plaintiff's attorneys' fees and costs	\$383,514
Plaintiff's other costs	\$19,184
TOTAL	\$956,538





Direct Costs of Absence as % of Payroll

Paid time off (PTO): 8.1%

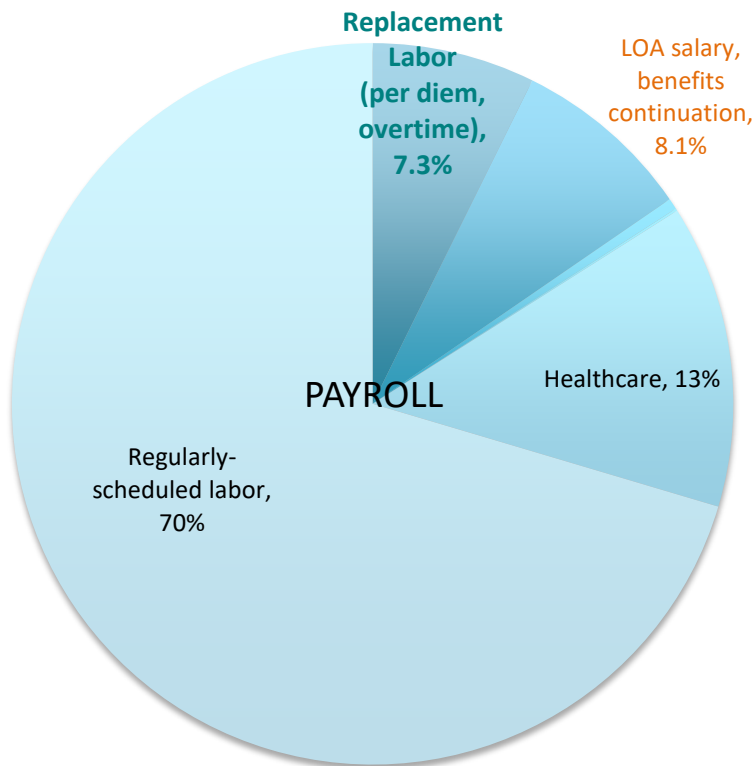
Overtime costs: 5.7%

Replacement workers: 1.6%

All Direct Costs: 15.4%

= 7.3%
of payroll each year

Unscheduled absence is regular full-time employees not reporting to work as scheduled. With more than 500 legal reasons for employees to call out, the volume and complexity of unscheduled absence represents significant compliance and administrative challenges for employers.



FIXED COST (paying this anyway – regular payroll, benefits, taxes)

VARIABLE COST (paying this as long as you have to replace above)

- **Costs employers 15.4% of payroll each year** (more than healthcare coverage, 13.6%¹)
 - 8.1% salary continuance for regularly-scheduled workers
 - 7.3% labor replacement pay (overtime)
- **Cost is even greater for large, complex employers with diverse workforces working remotely or in the field**
- Proper FMLA administration, including coordination of benefits with collectively bargained and other employer-sponsored benefits, reduces cost and liability

¹Mercer/Kronos Total Financial Impact of Employee Absence, 2018

INSURER EMPLOYER ASSOCIATION SOLUTIONS



Paid Family Leave

- **100% employee paid**
- **Fully-insured – no cost or risk to NYSAC members**
- **Multiple A-rated carriers committed to offer coverage**



**Paid Family
Leave**



FAMILY & MEDICAL LEAVE ACT

FMLA

and other leave benefits including



- **FMLA and statutory equivalents**
- **County-specific leaves (multiple LOA policies OK)**
- **Collectively-bargained leaves (multiple unions OK)**
- **Paid-time off and/or other income replacement benefits**
- **Coordination of Benefits with Workers' Compensation**



- **Notice to employees 90-days before first payroll deduction**



- **Unions admitted on rolling basis once collectively bargained**



- **Provide employee eligibility file**



- **Facilitate employee payroll deduction for NY PFL coverage**



CENSUS DATA FOR ALL ELIGIBLE EMPLOYEES:

- Date of Birth
- Gender
- Home Zip Code
- Salary
- Occupation/Job Title

TIMING & EFFECTIVE DATE

Request for
information
fulfilled



May 2021

NY PFL
Underwriting



Jun 2021

NY PFL
Coverage
Offered



Jul 2021

IMPLEMENTATION

Notice to
Employees



Oct 2021

First payroll
deduction;
**program
goes live**



Jan 2022

Q & A

THANK YOU!



About AbSolve

AbSolve is a Custom Absence Management Program solutions provider with a proprietary and distinct insurance and administration model. Recognized for applying entrepreneurial thinking, leading-edge technology, and above and beyond client service to help hospitals better manage routine and complex employee leave programs, our unique business model empowers all employees with resources to directly align the firm's strengths with the interests of our clients across four core lines of business: Advisory, Benefits Administration, Compliance and Analytics.