

# DC Universal Paid Leave Act

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Under the District of Columbia Universal Paid Leave Amendment Act of 2016 ("Paid Leave Act"), all covered employers will be required to contribute an amount equal to 0.62% of the wages of each of its covered employees to the Universal Paid Leave Implementation Fund beginning July 1, 2019. The contributions will be collected electronically by payroll tax from the Department of Employment Services (DOES), Office of Paid Family Leave (OPFL) on a quarterly basis, through an addition to the quarterly unemployment payments tax payment. Self-employed individuals who opt-in to the program during the first 90 days after July 1, 2019, will begin paying the contributions on October 1, 2019. The District will begin administering paid leave benefits on July 1, 2020.

The law provides for up to eight weeks of parental leave to bond with a new child, six weeks of family leave to care for an ill family member with a serious health condition, and two weeks of medical leave to care for one's own serious health condition. The weekly benefit amount is based on the average weekly wage earned during the highest 4 out of 5 quarters immediately preceding a qualifying event, divided by 52, with a maximum of \$1,000. No official determination has yet been made as to the taxability of benefits received.

Note that the law does not provide any exemptions from the tax for employers with their own sponsored paid leave benefits – they are still required to contribute to the program. An eligible individual's right to benefits shall not be diminished by an employer's paid leave policy. Once an employer is issued a Business License from the Department of Consumer and Regulatory Affairs or has otherwise obtained an Occupational or Professional License, they will be considered to have commenced business in the District and will be subject to the tax.

## Covered Employee

A covered employee is any worker of a covered employer who spends more than 50% of his or her work time for that



employer working in the District of Columbia; or whose employment for the covered employer is based in the District and who regularly spends a substantial amount of his or her work time for that covered employer in the District and not more than 50% of his or her work time for that covered employer in another jurisdiction.

## Covered Employer

A covered employer is any individual, partnership, general contractor, subcontractor, association, corporation, business trust, or any group of persons who directly or indirectly or through an agent or any other person, including through the services of a temporary services or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of an employee and is required to pay unemployment insurance on behalf of its employee. This includes non-profit organizations and household employers. A covered employer is also a self-employed individual who has opted into the paid-leave program established pursuant to the Paid Leave Act.

Please contact us with any questions or concerns you may have regarding this Act. We can be reached at 866.464.2839 or by email at [info@calibrecpa.com](mailto:info@calibrecpa.com).