Summary: HB 11 - Paid Family and Medical Leave Act

The state of New Mexico currently has a $3,100,000,000 budget SURPLUS. The Paid Family and Medical Leave Act proposes the largest tax increase in New Mexico's history.

This record-breaking tax increase, imposed on both employers and their employees, would cost New Mexican families and businesses approximately $370 million per year.

Who would manage Paid Family and Medical Leave?

- Paid Family and Medical Leave would be managed by the Workforce Solutions Department.

Who would pay for Paid Family and Medical Leave?

- Paid Family and Medical Leave would be paid for with record-breaking tax increases on businesses and their employees:
    - Specifically: Employers, employees, self-employed individuals who opt in, and participating tribal entities.
- Tax Increases (2027-2030):
    - **Employees**: 0.5% of wages up to a cap.
    - **Employers (5+ employees)**: 0.4% of wages up to a cap.
    - **Self-Employed**: Contributions based on designated income.
- Tax Increases (2030+):
    - Beginning in 2029, there will be additional tax increases to grow the pool of money to 140% of the previous year's payouts and administrative costs.
- Employer Waivers:
    - Employers offering equal or better benefits can apply for exemptions annually.
    - Employers with waivers must notify employees of their rights and maintain equivalency.
    - Waivers can be revoked for violations, with a 5-year waiting period for re-application.

Who gets Paid Family and Medical Leave and what are the payouts?

- To qualify:
  - Employees must contribute for 6 months in the prior 12 months.
  - Self-employed individuals must opt in and contribute for 6 months.
- Benefits:
  - Maximum of 12 weeks for family leave.
  - 9 weeks for medical/safe leave initially (may increase to 12 based on fund solvency).
  - Weekly compensation:
    - 100% of minimum-wage earnings + 67% of additional wages.
    - Capped at the state's mean annual wage divided by 52 weeks.
- Leave does not need to be taken consecutively.
- Ineligibility:
  - Duplicate benefits from unemployment, workers' compensation, or other earnings.

New Rules for Employers

- Employers must allow up to 12 weeks of leave per year.
- Employers cannot reduce other leave benefits or require exhaustion of other leave first.
- Employers must post notices about leave rights.
- Employers must maintain health coverage during leave.
- Employers must notify the state when employees return to work.
- Employers cannot retaliate against employees for requesting leave.
- Employers cannot count leave as an absence for disciplinary purposes.
- Violators must rehire employees terminated in violation of the act.
- Violators may face unspecified penalties or disciplinary actions.

New Rules for Employees

- Employees must provide notice 20 days before leave when possible.
- Employees should schedule leave to minimize disruption to the employer.
- Employees who return from leave are entitled to their previous position or an equivalent role with the same benefits and wages.
- Employees can file complaints about violations.

Who can appeal a Paid Family and Medical Leave ruling?

- Any employee or employers can appeal with the Workforce Solutions Department
- The Workforce Solutions Department can investigate, impose penalties, and mediate disputes.

What are the rules for Paid Family and Medical Leave?

- There are currently no rules defined outside of HB 11.
- The Workforce Solutions Department must establish rules for implementation by July 2026.

Who would advise the creation of a Paid Family and Medical Leave program?

- HB 11 would create a temporary advisory committee. The committee has to:
  - Guide Paid Family and Medical leave development and public outreach.
  - Consist of employer and employee representatives.
- Active from October 2025 to January 2027.

What are the other costs of Paid Family and Medical Leave?

- Starting in 2029, the fund must repay $6 million annually to the general fund for implementation costs.