

Healthy Delaware Families Act

— SENATE SUBSTITUTE 1 FOR SENATE BILL 1 —

What does this bill do?

The Healthy Delaware Families Act will provide access to paid parental leave and medical and family caregiving leave benefits for eligible Delaware workers.

This legislation will support Delaware families when they need that support most.

PARENTAL LEAVE:

Workers at employers with 10 or more employees will be eligible for up to 12 weeks of paid leave in the first year after the birth, adoption, or placement through foster care of a child.

MEDICAL AND FAMILY CAREGIVING LEAVE:

Workers at employers with 25 or more employees will be eligible for up to 6 weeks of paid leave to care for a documented serious health condition of the worker, a parent, spouse, or child or for certain qualifying exigencies related to military service of a family member (all as defined by the federal Family and Medical Leave Act [FMLA]).

Workers can access a maximum of 12 weeks of paid leave total per year, with workers being able to take no more than 12 weeks of paid Parental Leave a year and no more than 6 weeks of paid Medical and Family Caregiving Leave every two years.

Employees accessing paid leave will be eligible for 80% of their wages, up to a \$900/week maximum benefit indexed to inflation beginning in 2027.

Employers meeting training and other eligibility requirements set by the Delaware Department of Labor with under 25 employees will have the ability to opt-into the Medical and Family Caregiving Leave Program. Those with under 10 employees will have the ability to opt-into the Parental Leave Program. The opt-in periods will be for no less than 3 years.

Who is eligible?

EMPLOYEE ELIGIBILITY- Consistent with the federal FMLA, workers must qualify for paid leave by working for 1 year and at least 1,250 hours with their employer.

How is this funded?

TAX / CONTRIBUTION RATE: Benefits will be paid for through a payroll contribution of 0.8% of wages (up to the federal FICA cap) to be divided evenly between employers and eligible workers. Employers and employees will only pay the contribution amount for the parts of the state program under which they are covered. The contribution rate will be adjusted upward or downward annually based on actual claims experience and administrative costs. This Substitute caps the aggregate payroll tax at 1.0% and requires the Department of Labor to reduce benefit levels if contributions and fund balances will be insufficient to cover claims.

TIMELINE

2025 – Employers and workers begin contributing to the program.

2026 - Workers become eligible to claim benefits

What are other important details about this program?

OPT-OUT PROVISIONS: Both public and private employers may opt-out of the State maintained plan by offering a comparable plan as a benefit to eligible Delaware employees. For Employees, the Substitute provides that part-time and certain seasonal workers will have the option to file for a waiver of benefits and contributions where their work schedules make them unlikely to reach the eligibility threshold with their current employer. The waiver will be revoked automatically if their work schedule changes.

LEAVE DETERMINATION AND APPEALS: The Substitute maintains the current role and right of employers in determining whether an employee is entitled to take leave, now within the parameters of the new program. Employees may request review of any such determination from the Delaware Department of Labor. Any determination by the Department may be appealed to a newly created Family and Medical Leave Insurance Appeal Board.