

Private PFML Plans May Best Fit Your Clients' Needs

Employers have two options to comply with state paid leave laws — offering a state Paid Family and Medical Leave (PFML) program or opting out of the state program and using a private plan. Their choice largely depends on their priorities and workforce needs.

Let's take a closer look at the specifics of state and private PFML plans.

State PFML Plan	Private PFML Plan
Key Differences	Key Differences
Mandated and administered by state-run agencies.	Employer-provided or privately purchased plans through an approved insurance carrier that meet or exceed state PFML requirements.
Administration	Administration
The state government is responsible for managing and disbursing benefits.	The employer or their insurance provider is responsible for leave administration and benefit payments.
Benefit Coordination	Benefit Coordination
There's no coordination with an employer's full suite of benefits.	Claim filing for multiple coverages (e.g., short-term disability and PFML plans) is administered by the benefits provider with coordination occurring between all types of leave.
Funding	Funding
Funded through payroll taxes (often split between the employer and employee) as required by the state.	May be underwritten based on the specific demographics of the company.
Employer Involvement	Employer Involvement
Employers typically have no control over the state's program and its operational aspects.	Employers have more control over the benefits and plan features.
Flexibility	Flexibility
State programs are standardized, with limited options for customization. Employers are required to comply with the state's prescribed rules and eligibility requirements.	Private plans often offer a higher level of flexibility and customization. This allows employers to design a program that best suits their workforce's needs, as long as the benefits are equal to or better than the state program.
Customer Service Support	Customer Service Support
Many states use a centralized contact center or general inbox to support questions, leaving employers without a direct contact when issues arise.	Mutual of Omaha provides every client with dedicated support, ensuring they have a trusted point of contact for guidance and assistance. Our specialized claim consultant role is a distinctive offering within the industry.

Choosing a PFML Plan: Mutual of Omaha Can Help

Employers should consider the needs of their workforce, the costs associated with each option and compliance with state regulations when making their decision. Both options have their pros and cons, however offering a private plan may be more beneficial for employers looking to provide enhanced benefits to their employees, while maintaining control over the structure and administration of the program.

Contact your sales representative for more information about Mutual of Omaha's PFML plans.

