NO ON 118

HIGHER TAXES
More Bureaucracy

A Lavish, New Program Destined for **Bankruptcy**

No On Prop 118: Paid Family Medical Leave

- **The Cost**
  - A $1.3B tax increase split between employers and employees. Based on the number of Coloradans using the richest program in the nation, the cost will increase.

- **Funding**

  - To fund the program, employers and employees pay a tax in the form of a paycheck deduction of 0.9%. Employers and employees split the cost of the tax 50/50. That deduction will grow to 1.2% at the discretion of the **political appointee** that will head of the new Family and Medical Leave Department. (As an example, an employee making $75,000 per year would have $675 a year placed into the fund. That tax will grow to $900 per year…**Regardless of whether the benefit is used or not**.)

- **The Benefits Package**
  - The measure offers up to 12 weeks of leave to care for a person who is related by blood, marriage, domestic partnership, civil union, adoption or **any individual with whom the employee has a significant personal bond.**
  - An additional 4 weeks (for a total of 16 weeks) are covered for complications of pregnancy or childbirth
  - Leave does not have to be on consecutive days.

- **Exemptions**
  - All employees must participate whether they use the benefits or not.
  - Exemptions include local governments – cities, counties, school districts, special districts and other local government entities.
  - Exemptions include the employer portion for businesses under 10 employees.
  - Businesses that offer the **exact same benefit package** described in the initiative can apply for an exemption.

- **Administration**
  - The measure creates a new department within the Colorado Department of Labor to administer the program. **The new department is expected to grow to 200 employees** in the first few years of the program.

Impacts to Colorado Economy:

At a time when our economy has suffered an unprecedented blow in the form of COVID-19, unemployment is skyrocketing and so many Coloradans are struggling, a new tax that represents a 20% increase on income tax will be devastating to both individuals and small businesses.

Further, several studies have questioned the solvency of this new program based on the low utilization rates that were modeled. If the program becomes insolvent, **state lawmakers will be forced to fund the program from general fund dollars and that equates to cuts in education, transportation and other state needs.**

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