Delaware Amends PFML Provisions on Private Plans, Coordination of Benefits

Delaware has enacted House Bill (HB) 128, amending its paid family and medical leave (PFML) program. The changes largely affect private plans and coordination of benefits under the program, which will begin providing benefits Jan. 1, 2026. The amendments took effect upon the bill's passage on July 30, 2025.

Private Plans

The amendments allow employers with approved, self-insured private plans to begin collecting employee contributions on July 30, 2025. HB 128 also clarifies that employers with private plans are not required to provide claim documentation to the Delaware Department of Labor unless there is an appeal, complaint, audit or specific inquiry about the claim. The bill requires the department to accept private plan applications on a rolling basis, with effective dates of Jan. 1, April 1, July 1, or Oct. 1.

Under the <u>PFML law</u>, employers with fewer than 25 employees are only required to provide parental leave benefits. The amendments state that all of the law's requirements will apply to private plan employers of this size that choose to provide the additional PFML coverage.

Coordination of Benefits

The bill allows disability insurance benefits to be offset by PFML benefits according to the terms of the employer's disability insurance policy. In addition, PFML is coordinated with other paid leave benefits according to the terms of the policy or procedure governing the other benefits, with PFML as the primary payor.

Furthermore, HB 128 strikes a provision in the PFML law that allowed employers to require employees to use accrued paid leave (including vacation and sick leave) before using PFML. Under the amendments, the employer and employee may agree to use accrued paid time off to supplement PFML benefits.

Provided to you by Employco USA, Inc.

Important Dates

Jan. 1, 2025

Contributions to PFML began.

July 30, 2025

Amendments to the PFML law took effect, including those that allow private plan employers to collect employee contributions.

Jan. 1, 2026

PFML benefits become available.

Employers will not be allowed to require the use of other accrued leave before PFML.

This Legal Update is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice. © 2025 Zywave, Inc. All rights reserved.