Legal Update

Colorado

Colorado PFML Contribution Rate to Decrease in 2027

Colorado has announced the contribution rate for its paid family and medical leave program, known as FAMLI, for 2027. The new rate takes effect Jan. 1 and lasts the entire calendar year.

New Contribution Rate

The 2027 FAMLI contribution rate will be 0.86% of employee wages, up to the Social Security limit. This represents a decrease from the 2026 rate of 0.88% and the second reduction since contributions began in 2023.

By law, the FAMLI Division director is required to recalculate the contribution rate every year. Current Colorado law caps the premium at 1.2%.

Contributions fund the FAMLI program and are split evenly between employers and employees, although employers with fewer than **10** employees nationwide are **exempt** from contributing.

Employers submit both their share (if required) and their employees' share of the premium to the FAMLI Division at the end of each quarter. All businesses with at least one qualifying employee are required to register with the FAMLI Division and submit quarterly wage data and premiums on behalf of that employee. Self-employed individuals and sole proprietors with no employees are not required to register.

FAMLI Benefits

The FAMLI program provides eligible employees with partial wage compensation for family and medical leave taken for qualifying purposes. Most employers and employees are covered by the program.

Eligible workers may take up to 12 weeks of FAMLI leave per year, or 16 weeks for a serious condition related to pregnancy or childbirth complications. Parents of a child being treated in a neonatal intensive care unit may take an additional 12 weeks of FAMLI leave. The leave is job-protected for employees who have worked for their employer for at least 180 days.

The FAMLI benefit maximum was set at **$1,448.02 per week** in July 2026.

Next Steps for Employers

Colorado employers are advised to update their payroll systems for the 2027 change. Employers may also want to review any employee-facing materials to ensure they correctly reflect the 2027 rate.

Highlights

- Colorado recently announced the FAMLI contribution rate for 2027.
- The new rate is 0.86% of employee wages, a decrease from the 2026 rate of 0.9%.
- Contributions to the FAMLI program are split evenly between employees and employers with at least 10 employees.

The new rate takes effect Jan. 1.

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