Regulatory Flexibility Analysis for Small Businesses and Local Governments:

1. Effect of rule: The proposal helps implement A9466/S8795 by updating the regulations to provide clarity and conform to the new eligibility standard created for certain construction employees.

2. Compliance Requirements: The same compliance requirements apply to small businesses and local governments as to large businesses. Covered employers are required to have statutory disability and Paid Family Leave (PFL) coverage for their covered employees, and carriers must process and pay or deny requests for PFL in accordance with the law and regulations, including the new eligibility standard taking effect January 1, 2027.
3. Professional Services: It is believed that no professional services will be needed by small businesses or local governments to comply with the proposed regulation – this bill adds a new eligibility standard for certain employees, but the proposal is conforming to the law which lays out that eligibility standard.
4. Compliance Costs: Compliance with the proposed regulations should generally not impose increased compliance costs on small businesses or local governments. The new eligibility standard is for certain PFL construction employees who are in the employment of a covered employer – employers who already have to abide by the PFL law.

5. Economic and technological feasibility: Compliance with the proposal is economically and technologically feasible for small businesses and local governments. Though the bill (and therefore this regulatory proposal) will result in updated forms, the request forms will be available on the Workers' Compensation Board's (Board) website the same way

the current request forms are available. If carriers choose not to use the forms available on the Board's website but instead brand their own forms in accordance with the regulations, they will need to update their systems with the updated form(s).

6. Minimizing adverse impact: The proposed regulations are not anticipated to have an adverse impact on small businesses and local governments.

7. Small business and local government participation: The Board does not have a small employer or municipality database but has sent an electronic communication describing the proposal to all insurer, self-insured employer, third party administrators, workers, and employers/businesses subscribers for Board updates. The Board will also duly consider all public comments received from small businesses or local governments during the public comment period.