

# PAID FAMILY LEAVE WORKING GROUP

## INTERSTATE PAID LEAVE ACTION NETWORK (I-PLAN) ACT OF 2025

### *Section-by-Section Summary*

#### **Section 1. Short title.**

The bill is titled the “Interstate Paid Leave Action Network Act of 2024” or “I-PLAN Act of 2025”.

#### **Section 2201. Table of contents.**

#### **Section 2022. Definitions.**

Defines applicable terms used in this Act, including:

- Employer-provided paid family and medical leave plan (or employer plan);
- I-PLAN Agreement;
- National intermediary;
- Paid leave;
- Qualifying reason;
- State focal; and
- State paid family and medical leave program (or State program).

#### **Section 2203. Interstate Paid Leave Action Network.**

*Subsection (a).* Establishes the I-PLAN, composed of the State focal (i.e., State designated participant) of each state that meets the requirements to receive a Conforming Grant. The I-PLAN must meet at least three times each calendar year and develop procedures determining how they work together in addition to with the Department of Labor.

*Subsection (b).* Specifies that the duty of the I-PLAN is for State paid family and medical leave programs to produce and update an interstate agreement (i.e., the I-PLAN Agreement) to accomplish each of the following three requirements:<sup>1</sup>

##### *Paragraph (1). Policy standard.*

The first requirement is for states to aim to create a single policy standard or standards to facilitate easier compliance with and understanding of paid leave programs across states including definitions for terms such as base period, intermittent leave, family members, and employee eligibility and coverage.

##### *Paragraph (2). Administrative standard.*

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<sup>1</sup> This means that the I-PLAN Agreement would grow over time to achieve all the parts in each of these three requirements. It is not expected that every single part of these requirements would be achieved in the initial I-PLAN agreement.

The second requirement is to aim to create a single administrative standard to facilitate easier compliance with and understanding of paid leave programs across states, including:

- The process by which employers respond to requests from States for eligibility determinations, notice requirements (from employers and employees), collecting payroll contributions, coordinating with other types of paid time off and leaves of absence.
- The process by which employers may opt out of the state program, including the development of an equivalency standard to determine whether the maximum monetary value of an employer plan is greater than or equal to the maximum monetary value of a State program. This utilizes the average weekly wage of workers in the State to capture that comparison (so that it is not an administratively burdensome individualized calculation). It specifies that this must take into account how:
  - Programmatic elements interact in a quantitative manner (i.e., benefit duration, wage replacement, absence of a weekly benefit cap, etc.); and
  - An individual taking paid leave for a qualifying reason affects the ability of such individual to take paid leave for another qualifying reason.

*Paragraph (3). Coordination of benefits across State paid leave programs.*

The third requirement is to create a single process for State programs to process claims for eligible individuals who have work history across multiple I-PLAN member states such that they will receive benefits from one state program.

**Section 2204. National intermediary to support the Interstate Paid Leave Action Network.**

*Subsection (a).* Requires the Secretary of Labor (acting through the Employment and Training Administration) to award a grant to one national intermediary to facilitate the activities of the I-PLAN.

*Subsection (b).* Specifies that this national intermediary must use that grant for the following costs:

*Paragraph (1). Meetings.*

- Convening the State focals, including covering travel and transportation expenses;
- Making publicly available information on the agendas and outcomes of such meetings; and
- Developing a publicly available roadmap and implementation plan within 12 months (and updating it twice a year), including goals for achieving the objectives of the I-PLAN and metrics for success.

*Paragraph (2). Annual report.*

- Producing and making publicly available an annual report that compares State programs, including information on benefit eligibility, duration, wage replacement rate, maximum weekly benefit amount, program financing, whether and how employers may opt out of the State programs, etc.

*Paragraph (3). Outreach and coordination.*

- Engaging with external stakeholders, including State legislatures, Governors, employers of various sizes, employees, policy experts, and other organizations.

*Paragraph (4). Standardized and interoperable technology system for wages.*

Creating a system for State programs to share claimant wage history data with one another to process interstate claims and strengthen program integrity:

- The system must adopt or leverage modular technology (with additional requirements);
- There must be State reporting on key trends including the number of benefit claims, average duration of benefits, etc.; and
- The system must, if practicable, incorporate Federal and military wages, so States have wage information for claimants who were recently Federal employees or ex-servicemembers.

*Paragraph (5). Additional uses.*

- Additional activities, including hiring and compensating staff, creating or leveraging technology essential for the I-PLAN, and providing States with guidance and training.
- Oversight of

*Subsection (c).* The period during which payments are made to the national intermediary is five years.

- The Secretary shall evaluate whether the intermediary is in compliance and if not the Department of Labor can withhold funds until remedied.

*Subsection (d).* The Secretary shall provide oversight of the intermediary to ensure compliance

**Section 2205. Grants to eligible States.**

*Subsection (a).* Requires the Secretary of Labor (acting through the Employment and Training Admin.) to award a **Conforming Grant** on an annual basis to each eligible State.

*Paragraph (1). In general.*

- Sets minimum (\$1.5 million) and maximum (\$8 million) annual grant amounts;
- Sets formula for the grant amounts to be awarded – based on the eligible State’s relative share of employment in all eligible States; and
- Ratably increases or decreases these grant award amounts subject to the availability of appropriated funds.

*Paragraph (2). Eligible States.*

- A State must have a State focal and participate in the I-PLAN in **good faith**;
- Provides the Secretary, in consultation with the national intermediary, the discretion to determine that a State is not participating in the I-PLAN in good faith, in which case the Secretary must provide warning and feedback to the State and may elect to withhold some or all the Conforming Grant amount (with the ability to provide may that amount if the Secretary later determines the State is participating in good faith).

*Subsection (b).* Requires the Secretary of Labor (acting through the Employment and Training Admin.) to award an **Implementation Grant** on an annual basis to each eligible State.

*Paragraph (1). In general.*

- Sets minimum (\$1.5 million) and maximum (\$8 million) annual grant amounts;

- Sets formula for the grant amounts to be awarded – based on the eligible State’s relative share of employment in all eligible States; and
- Ratably increases or decreases these grant award amounts subject to the availability of appropriated funds.

*Paragraph (2). Eligible States.*

- A State must meet the requirements to receive a Conforming Grant; and
- A State must have entered into the I-PLAN Agreement.
- **Sets a limitation at four years for receiving an Implementation Grant if the State is unable to meet the requirements of the I-PLAN Agreement.**

*Subsection (c).* Sets how a State must use funds from a Conforming Grant and an Implementation Grant.

- To help pay administrative costs, including those related to customer service, staffing and training, technology, data sharing, identity validation, and program awareness; and
- To help small businesses afford employer payroll contributions or access other forms of technical and operational assistance related to State paid family and medical leave.

**Section 2206. Authorization of appropriations.**

Authorizes three types of grants for each of fiscal years 2026 through 2028 (and adjusts these authorizations annually for inflation):

- *Subsection (a).* National Intermediary Grant – not more than \$10 million per year;
- *Subsection (b).* Conforming Grants – not more than \$40 million per year; and
- *Subsection (c).* Implementation Grants – not more than \$40 million per year.