

Colorado FAML I Premium Rate Decreases in 2027

Issued date: 10/22/26

Beginning January 1, 2027, Colorado employers and employees will see another reduction in FAML I premium rates. This follows a prior reduction from the original 0.90% rate established under the ballot measure.

■ Background

Colorado's Paid Family and Medical Leave Insurance (FAML I) program was approved in 2020, with premium collections beginning in 2023 and benefits becoming available in 2024. The program provides eligible employees with paid leave for reasons including their own serious health condition, caring for a family member, bonding with a new child, military family needs, and certain safety-related circumstances. Most Colorado employers are required to participate in the program and share premium costs with employees.

■ 2027 Premium

The Colorado Department of Labor and Employment (CDLE) announced that the premium rate will decrease from 0.88% of wages in 2026 to 0.86% in 2027.

■ Employer Action

- Employers should update payroll systems to reflect the new 0.86% premium rate effective January 1, 2027
- Employers should continue monitoring FAML I developments, including expanded benefits such as Colorado's neonatal care leave provisions that became effective in 2026