



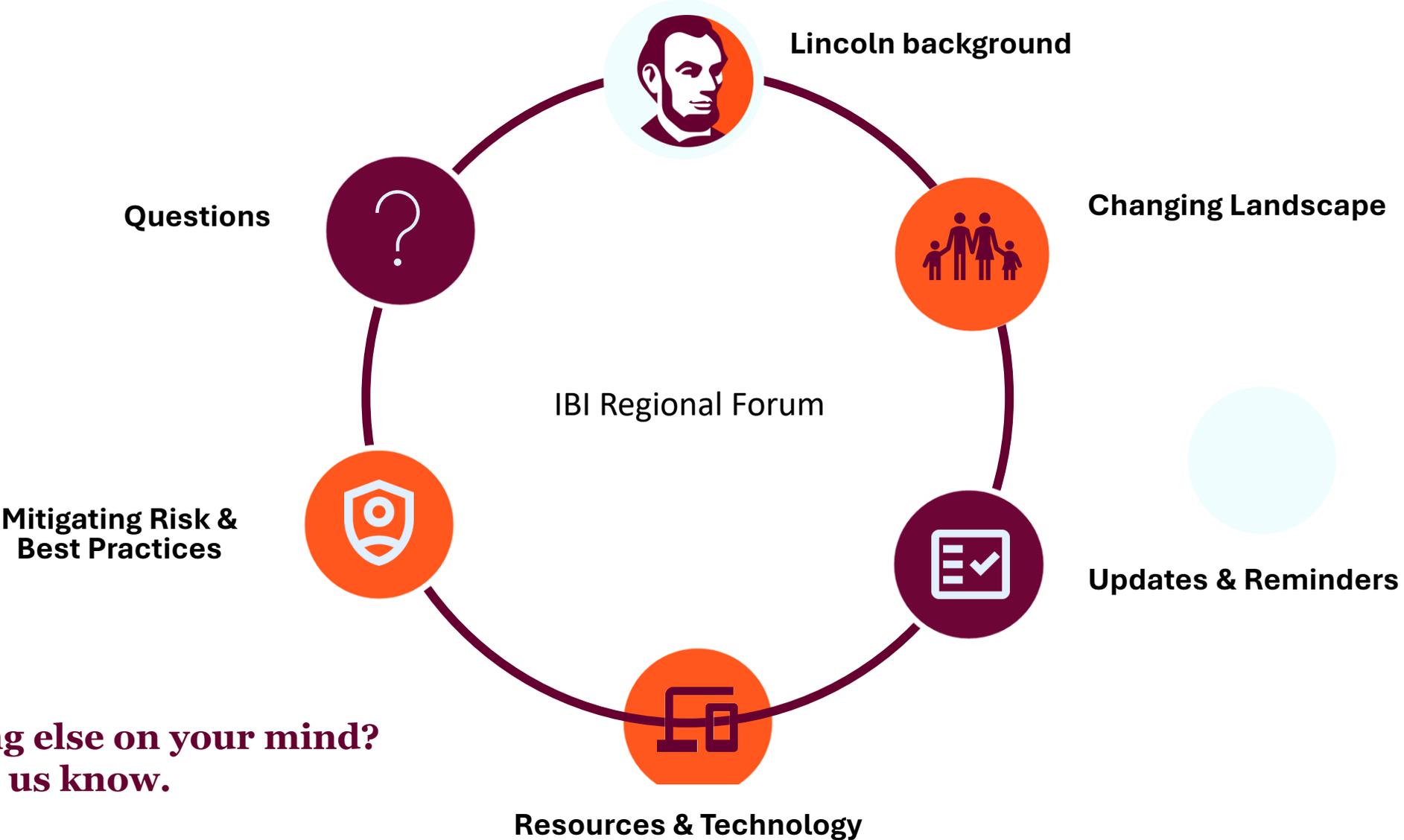
Leave Trends in a Changing Landscape

Insurance products issued by:
The Lincoln National Life Insurance Company

LCN-7950501-050825

[Audience restriction to go here...]

Agenda focused on you



**Something else on your mind?
Please let us know.**

Lincoln background

LCN-7950501-050825



Workplace Solutions: Making benefits more beneficial

Bringing retirement and group protection benefits together



Serving

~50K

employers

~13M

employees

300+

common clients

Group Benefits

26,300

in-force employer customers¹

12.8M+

employees covered¹

#1

fastest-growing carrier by total supplemental health premium²

123K+

dental network with more than 123,000 providers³

Retirement Plan Services

1.8M+

retirement plan participants⁴

22,900+

unique plans⁴

\$114B

assets under management⁴

98%

satisfaction with Lincoln Financial⁵

¹ Lincoln, internal data, December 31, 2024. ² LIMRA, year-end results, 2023. ³ Counts reflect the number of unique providers and access points based on Zelis' July 2024 Network360® data. Zelis makes no warranty regarding the performance of the data and the results that will be obtained by using the data. ⁴ Lincoln, book of business, December 31, 2024. ⁵ Lincoln, Client Satisfaction Survey, 2023.

Expertise in Leave Management

Our customers make up

21%

of the Fortune 500¹

38%

of the Silicon Valley Employers Forum (SVEF)²

Leave management

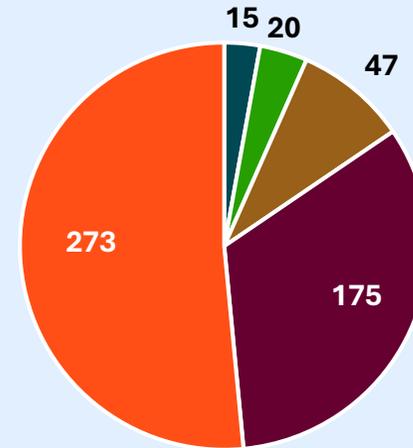
25+

years of leave management experience

3.66M

covered lives for leave management³

Number of groups by size⁴



■ 100K+ ■ 50-100K ■ 25-50K
■ 10-25K ■ 5-10K

National accounts

530

Lincoln customers with 5k+ lives, totaling \$2.5B in revenue⁴

50%+

use Lincoln's leave services⁴

93%+

persistence average since 2020⁴

¹ Lincoln Financial data, January 2024. ² Based on the list of Silicon Valley Employers Forum, March 2024. ³ Lincoln Financial Internal Data, March 2024. ⁴ Lincoln Financial internal data, March 2023.

Changing Landscape

LCN-7950501-050825



Leave landscape in a post-COVID-19 era

The pandemic accelerated change in the leave landscape which will have a lasting impact on the workplace

Since 2020

Increased legislative activity at all levels of government impacting employer policies as are employer learnings from the pandemic



Employer policies

Significant increase in paid leave legislation

- In 2023 alone, 44 states introduced more than 300 measures related to paid leave*
- Increase in paid sick leave laws
- Most PFML passage in history
- NCOIL Model Law
- Most progress in Federal activity yet

Passage of Federal PWFA & PUMP Act and state-level accommodation laws



Pregnancy and accommodations



Leave laws

There is also an increased focus on workers':

- Mental Health
- Caregiving responsibilities
- Financial wellness
- Parental leave needs

*Source: <https://www.lexisnexis.com/community/amp-insights/112/paid-leave-continues-to-be-big-issue-for-state-lawmakers-post-pandemic>

The leave landscape is complex and continually evolving

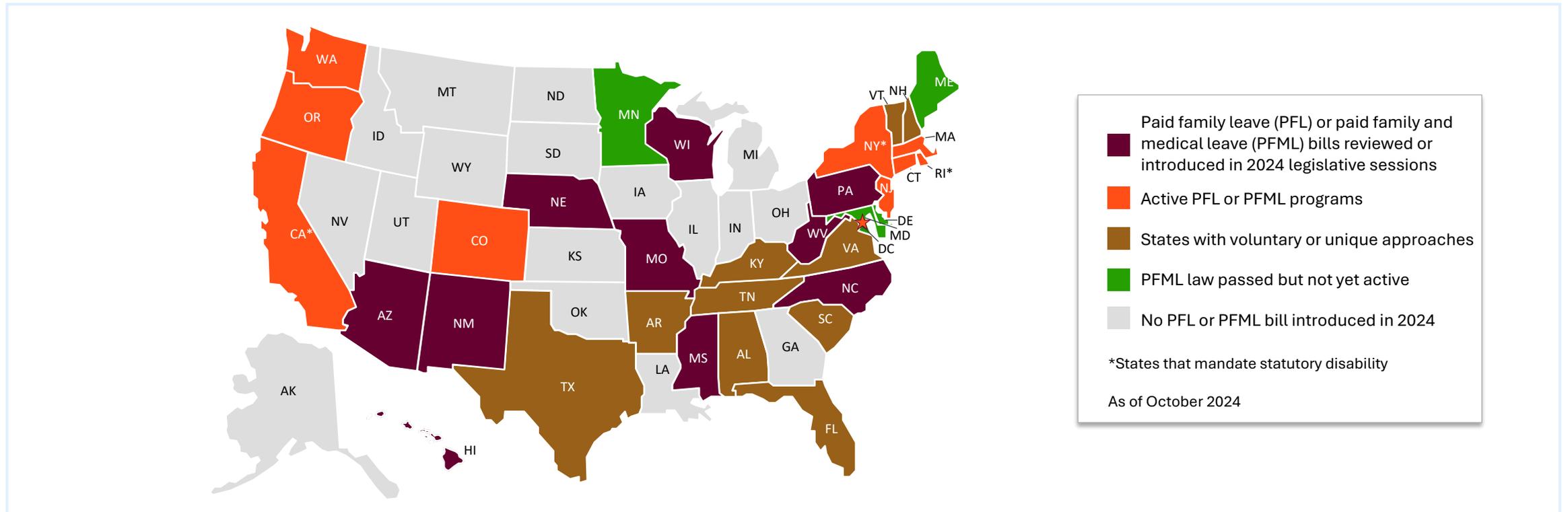
Emerging regulatory and compliance risks

Family and Medical Leave Act (FMLA) rules, criteria, and legal requirements

Varying absence schedules such as intermittent, reduced, and continuous

Usage and notice, timing, and eligibility requirements

Additional options including state leave, company leave, and short- and long-term disability



Complexity in Benefit Coordination

Benefit coordination often looks like this:

Job-protected benefits



Income replacement benefits

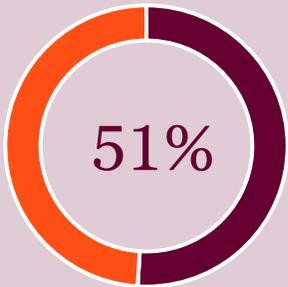


Note: The maternity/bonding example is for an employee working in San Francisco, California.

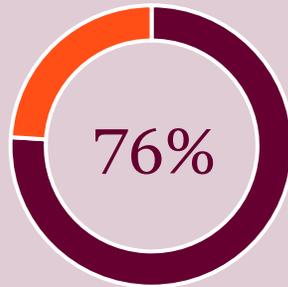
Providing comprehensive company-paid leave solutions

Each company's paid leave policies speak to the needs of their particular workforce

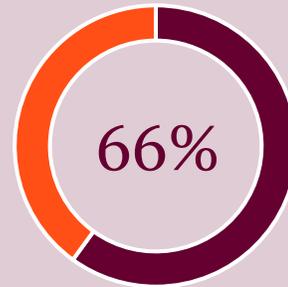
The positives of paid leave



of employers offer both family and parental leave



expanded benefits since 2020



have seen an increase in attraction/retention as a result of implementing

Employees are more likely to:

- Return to their jobs after having a child
- Have higher morale

Employers are more likely to:

- Experience a positive effect on workplace productivity
- Improve their employee retention, which reduces costs



2026 PFML updates, developments & reminders



2026 PFML updates

Maine Paid Family and Medical Leave (eff. 5/1/2026)

- Maine adopted final PFML rules in December 2024
- Private plan applications may be accepted starting April 1, 2025
- Contributions begin January 1, 2025

Maryland Paid Family and Medical Leave

- Proposal was introduced to delay program until 1/1/28
- Under new Contributions begin July 1, 2027

Minnesota Paid Family and Medical Leave (eff. 1/1/2026)

- Quarterly wage detail reports to the Paid Leave Division started on October 31, 2024, based on wages paid between July 1, 2024 through September 30, 2024.
- Contributions begin when the program launches on January 1, 2026
- Private plan applications are expected to start in July of 2025
- Final regulations are expected in Summer or Fall of 2025



Download our
[2025 statutory and paid leave guide](#) for
program overviews, including 2025 benefit
and contribution rate updates.

Leave: Developments and reminders

NY DBL and PFL

- DBL and PFL special handling for COVID is ending as of July 31, 2025
- No update on legislation proposed earlier in 2024 to increase NY DBL
 - Bill may be reintroduced in 2025, but there is no indication currently of whether it will pass

Oregon

- Starting Jan. 1, 2025, as part of Senate Bill 1515 (2024), Paid Leave Oregon covers “pre-placement leave.” Eligible employees who are planning to adopt or foster a child can take this type of leave. This new leave allows employees to take time off before an adoption or foster care placement for activities such as counseling sessions, court appearances, legal consultations, physical examinations, home studies, related travel to another state or country, other tasks essential to completing the legal process of an adoption or foster placement.

Colorado

- Amendments for CO PFML regulations were released at the end of 2024
 - The amendments were lengthy and covered employee notification requirements, supplementing PFML benefits with ER paid leave, providing reporting back to the state, and updated rules for modification of private plans, to name a few.



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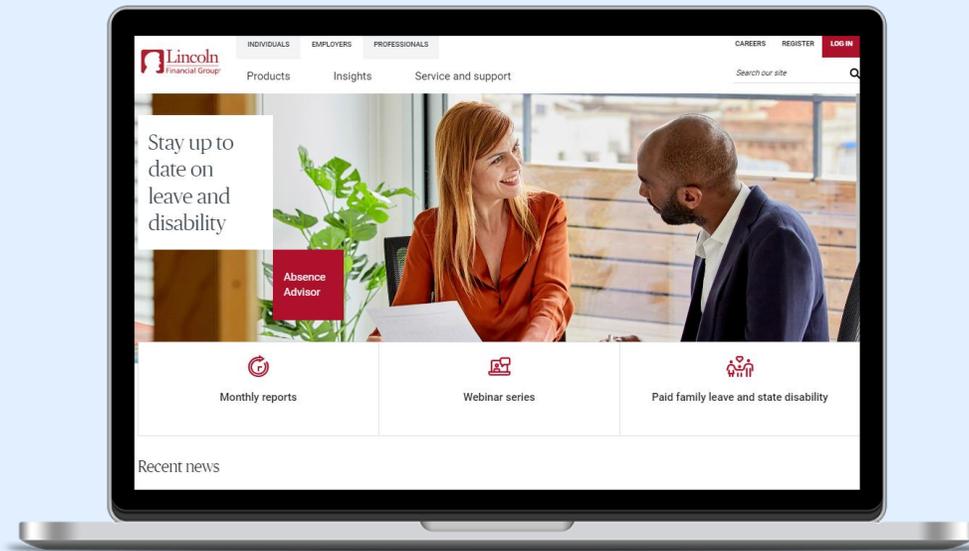
¹ The Maine program effective date is January 1, 2026, and claims for benefits are scheduled to begin processing May 1, 2026.

Resources & Tools



Stay informed through Lincoln Absence Advisor

Learn more about the latest developments in leave and disability, all in one hub.



Monthly report series



Webinar series



Statutory and paid family leave FAQs and resources



How Lincoln helps address employer concerns

Compliance and communication



- Provides employers with assistance in supervisor trainings, research, and insights
- Access to ADA/RTW support line for general support

Response to request



- Provides options from tenured and ADA-certified vocational and clinical resources
- Ensures successful outcomes through reminders and check-ins

Documentation and tracking



- Proprietary system-provided program reporting
- Tracking and trend analysis

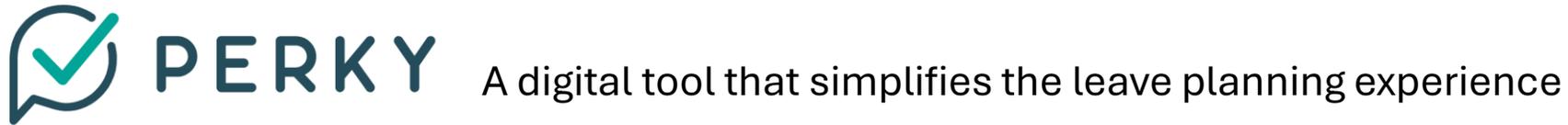
Resources



- Resource toolkit with helpful educational resources
- Employee materials on key needs
- Library of form templates

Helping employers and employees plan and manage parental and bonding leaves

Together, PERKY and Lincoln provide comprehensive leave decision support.



Employees can:

- Understand their available leave options
- Use an interactive calendar to model their optimal leave
- Save and revise plans

Employers can:

- Use an interactive calendar to consolidate leave benefit information
- Gather and distribute information more easily and quickly
- Inform employees with details specific to their customized parental leave programs
- Provide actionable steps to help employees fulfill their leave responsibilities



[PERKY demo](#)

Accommodation services toolkit

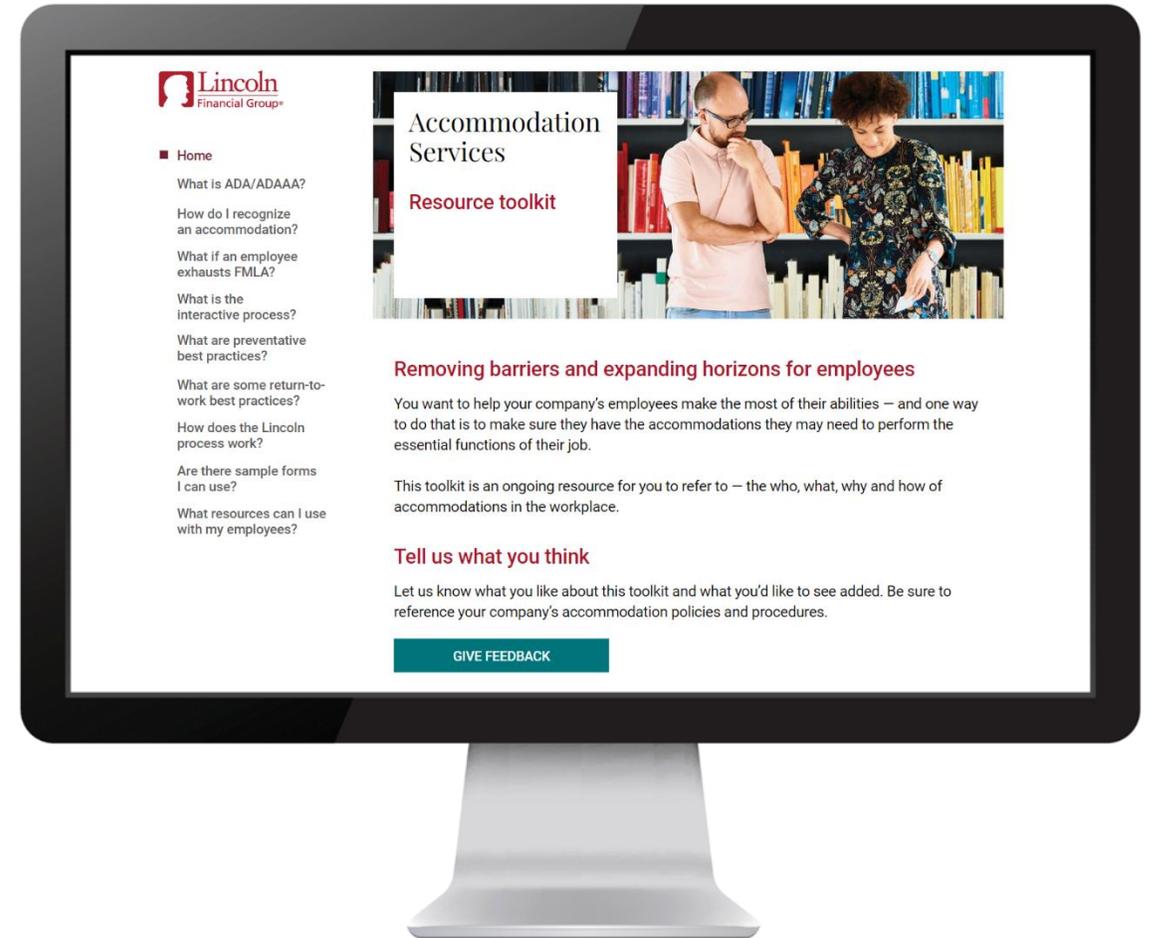
Our interactive online toolkit offers education and support resources to help you stay compliant, educate staff, retain talent, and optimize productivity.

Resources include:

- Step-by-step guides
- Handy checklists
- Brief videos about all things accommodations
- Overview information on ADA/ADAAA
- Process documentation and where Lincoln's support fits in

Included in the toolkit's employer guide are:

- A training deck
- Suggested intranet copy
- A templated email to ensure understanding and adoption by supervisors and managers



Mitigating risk & best practices



Why are Leave services beneficial?



Mitigating compliance risk:

There's increased regulatory oversight that makes accommodations hard to monitor. 88,531 complaints were filed with the EEOC in 2024, a 9.2 increase from the previous year with total monetary benefits paid of \$700 million.¹



Educating Human Resources (HR) and managers:

Recognizing the needs for an accommodation under the ADA is among the biggest challenges. Only 24% of employers say they're providing training and education on ADA accommodations and return to work (RTW).²



Employee experience:

A strong accommodation process can assure trained employees return to or stay at work safely and quickly. Putting accommodations in place allowed 89% employers to retain an employee, and 70% said it increased the employee's productivity.³

¹ "Americans with Disabilities Act of 1990 (ADA) Charges (Charges filed with EEOC) (includes concurrent charges with Title VII, ADEA, EPA, and GINA) FY 1997- FY 2021," U.S. Equal Employment Opportunity Commission (EEOC), <https://www.eeoc.gov/statistics/americans-disabilities-act-1990-ada-charges-charges-filed-eeoc-includes-concurrent>.

² "2019 DMEC Employer Leave Management Survey Whitepaper," DMEC and Spring Consulting Group, 2020.

³ "Accommodation and Compliance Series: Workplace accommodations: Low Cost, High Impact, 2019," JAN.

Department of Labor (DOL) rulings

Companies that violate employee rights not only have to pay damages but they also risk harm to their reputation.

In 2024, the DOL:

- Closed 349 compliance actions with violations
- Recovered \$1,482,398 in back wages from employers for 344 employees

Category	Number (2024)
Denial of leave	115
Discrimination (disciplinary action, etc.)	112
Termination	109
Failure to reinstate to same or equivalent position, benefits, etc.	40
Failure to maintain health benefits	8



DOL ruling: Cobb & Douglass Public Health

The DOL ruled Cobb & Douglass Public Health violated a worker's right to leave under the federal FMLA. It recovered \$200,000 and found that the employer failed to:

- Inform the worker that they may have been eligible for FMLA leave within five business days of learning that their leave may be FMLA-qualifying
- Provide a notice of rights and responsibilities in writing to the employee at the time it was required or within five business days of learning of their leave
- Allow the employee to exercise their rights under FMLA and instead terminated the worker a day after they requested FMLA paperwork
- Reinstate the worker at the same or an equivalent position and instead illegally terminated the worker

Recent litigation: DaPrato v. Massachusetts Water Resources Authority (MWRA)

Abuse of FMLA?

- An MWRA employee without disciplinary history, DaPrato, received approved leave for four to six weeks for surgery to remove a tumor on his foot.
- The Human Resources director terminated him after she discovered that he took a family vacation at the end of his leave.
- DaPrato sued for violations and retaliation under the FMLA and the ADA.

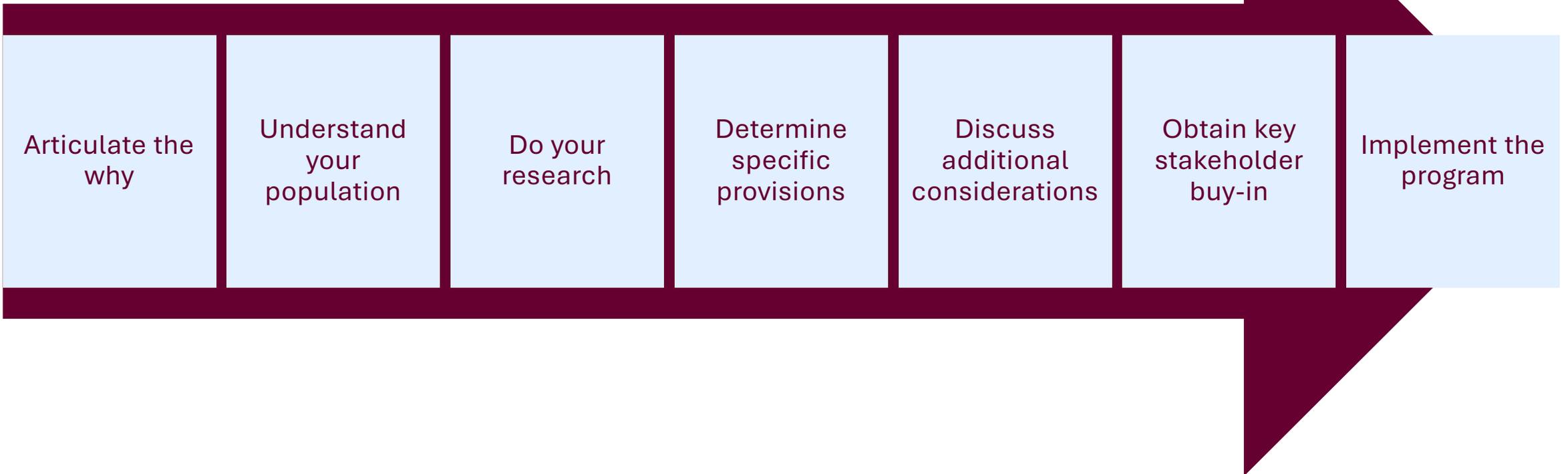
With one of the largest employee damage awards, \$1.3 million (excluding attorney's and other fees), the court ruled:

- Permissible: An employee recuperates by the sea with their leg raised (DaPrato's behavior was consistent with the limitations described in the FMLA forms completed by his surgeon.)
- Impermissible: An employee climbs Macho Picchu



Best practices

Through our experience with complex paid and unpaid leave programs, we can share best practices and market trends and offer consultative review to help you build a best-in-class program. We review current company policies and work with you as you consider your business goals and mission, and we shape a leave solution that works best for you. Here's how to get started:





THANK YOU



Your tomorrow.
Our priority.™

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