

Employment & Labor Alert



Oklahoma Paid Family & Medical Leave Proposal: SB 277 – What Employers Need to Know

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Oklahoma legislators are considering SB 277, a proposal that would create a state-run paid family and medical leave insurance program known as the Oklahoma State Paid Family and Medical Leave Insurance Act. If enacted, SB 277 would require employer payroll contributions to a new state fund and would create job protection and benefit-continuation obligations similar in several respects to the federal Family and Medical Leave Act (FMLA), while also adding new state-specific rules.

Pending legislation: [SB 277 Bill Information \(Oklahoma Legislature\)](#)

Committee Substitute text: [SB 277 CS \(PDF\)](#)

Official bill summary: [SB 277 CS Bill Summary \(PDF\)](#)

Other employer-related bill categories pending this session

- [Payroll and wage-withholding administration \(e.g., wage garnishments\)](#)
- [Earned wage access / on-demand pay regulation](#)
- [Employer health plan transparency and contracting restrictions](#)
- [Unemployment insurance eligibility and appeals process changes](#)

Spotlight on SB 277 (as currently drafted)

1. Covered Employers

SB 277 defines "Employer" broadly to include essentially any individual or business employing any person in Oklahoma. The Committee Substitute text does not describe a minimum employee-count threshold in the employer definition.

2. Covered Individuals (employees and certain self-employed persons)

- A "covered individual" includes a person who earns a threshold amount determined annually by the Oklahoma Workforce Commission during the base period or alternative base period.
- Self-employed persons may elect coverage and participate if they meet statutory requirements.
- "Family member" includes child, parent/guardian (including in loco parentis relationships), spouse, grandparent, grandchild, and sibling (including biological, foster, adoptive, and step relationships).

3. Qualifying Reasons for Paid Leave

- Caring for a new child (birth, adoption, foster placement) and certain pre-placement needs.
- Caring for a family member with a serious health condition.
- The employee's own serious health condition (including pregnancy or pregnancy loss).
- Qualifying exigency leave, safe leave, and other reasons referenced in the FMLA framework (as incorporated in SB 277).

4. Duration of Leave and Wage Replacement

- Leave is capped at 12 weeks for the categories described in the Committee Substitute in an application year.
- Wage replacement uses a two-tier formula based on the covered individual's average weekly wage: 90% up to 50% of the statewide average weekly wage; 50% above that threshold.
- Benefits are not payable until the individual accumulates at least 4 hours of family and medical leave.
- Employees with multiple jobs may elect leave from one or both jobs; intermittent or reduced schedule leave is permitted.

5. What Employers Would Be Required to Do

- Payroll contributions: remit contributions to a new Family and Medical Leave Insurance Fund for each employee, in the form/manner set by the Oklahoma Workforce Commission.
- Withholding option: employers may deduct a portion of required contributions from employee wages (as determined by the Commission) but must remit 100% of required contributions.
- Job restoration: restore employees returning from leave to the same or equivalent position with equivalent seniority, status, pay, and benefits.

- Benefit continuation: maintain health care benefits during leave as if the employee had continued working, with premium-sharing continuing as before.
- Anti-interference/anti-retaliation: do not interfere with or retaliate against employees for requesting or using leave; do not count SB 277 leave as an attendance occurrence under absence-control policies.
- Notice requirements: provide written notice of rights and key program information; violations are subject to statutory fines (as described in the Committee Substitute and bill summary).

6. Coordination with FMLA, PTO, and Disability Programs

SB 277 provides that leave taken with SB 277 benefits that also qualify as FMLA leave generally runs concurrently with FMLA leave. The bill also addresses coordination with short-term disability and separate employer leave banks, and limits when employers can require employees to exhaust accrued PTO.

Recommended Steps for Employers

1. Identify internal owners (HR, payroll, benefits, legal) and map current leave workflows (FMLA/STD/PTO).
2. Ask payroll providers what configuration changes are needed for a state-run leave contribution program.
3. Draft an employee notice template aligned to SB 277's notice topics.
4. Audit attendance and discipline policies to ensure protected leave would not be counted as an occurrence.
5. Plan staffing coverage for intermittent leave and extended absences.

For questions regarding SB 277, or any other employment and labor questions, please contact your GableGotwals attorney or a member of our [Employment & Labor Group](#).



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