

# PAID FAMILY AND MEDICAL LEAVE

An Essential Investment in  
Pennsylvania Business and their  
Employees



# EVERY YEAR MORE STATES MAKE SURE EMPLOYEES HAVE ACCESS TO PAID LEAVE

14 existing paid leave programs (13 states & DC)

# PA'S TALENT ATTRACTION CHALLENGE

Four of six neighboring states offer robust paid leave programs



# WHAT DOES PAID FAMILY AND LEAVE PROGRAM PROVIDE

## **Provides**

- 1. Employees a portion of their weekly earnings**
- 2. For a limited period of time of leave**
- 3. To bond with a new born, recover from a serious illness or care for a seriously ill loved one**
- 4. In accordance with FMLA**

# VAST MAJORITY OF EMPLOYEES IN PA CANNOT TAKE PAID LEAVE



**66% of all PA employees, 3.5  
million, w/o access to paid leave**

# PAID LEAVE BOOSTS PRODUCTIVITY

- California
- New Jersey
- Rhode Island

Businesses in these states saw significant increases in productivity compared to neighboring states without paid leave laws



# PAID LEAVE IMPROVES RETENTION AND REDUCES COSTLY TURNOVER

Boston Consulting Group (BCG) found “*talent retention is one of the primary reasons cited by employers to provide paid family leave*”—including that “paid leave . . . makes it more likely that women will return to work for the same employer.”

# PAID LEAVE HELPS BUSINESSES RECRUIT THE BEST EMPLOYEES



Small business owners offering paid leave found: *Paid leave is business imperative necessary to attracting quality employees.*

Small business owners not offering paid leave found: *It harder to hire.*



# BUSINESS SATISFACTION IS STRONG

## New York

“No evidence of adverse effects on attendance, commitment, cooperation, productivity, or teamwork.” Survey results of employers after first year.

## New Jersey

“Regardless of business size, businesses have had little trouble adjusting to requirements .” Business and Industry Council reported .

# BUSINESS SATISFACTION IS STRONG

## California

“No negative effects from the state’s paid family leave law, with small businesses were even less likely to report negative effects –survey of employers

## Rhode Island,

61% of employers, including most surveyed smaller employers, reported supporting the law – survey after first year of enacting state’s paid family leave.

# SMALL BUSINESSES ARE FAR LESS LIKELY TO OFFER PAID LEAVE BENEFITS

**71% of all private companies in PA are not offering any paid family and medical leave benefits**

✓ 50% of employers with 5,000 plus employees are likely to offer some benefit

✓ 24% of employers with less than 500 employees are likely to offer some benefit

# THE BENEFITS ARE PAID FOR BY A PREMIUM ON TAXABLE WAGES

State program premiums on taxable earnings range from .45% of taxable earnings to 1.10%

In most states costs are shared 50/50

Some states have employees cover the full cost

Others, employers cover the cost

# PAID LEAVE PROGRAMS GIVE EMPLOYERS FLEXIBILITY

12 states permit employers to choose to rely on the  
state or private insurance/employee benefit options

# PAID LEAVE KEEPS EMPLOYERS IN THE DRIVER SEAT

- ✓ Employers can select from commercial insurance carriers (all certified by the state) to find competitive pricing, convenience, or flexibility that is best for their business.
- ✓ Employers can self-insure, which may appeal to larger employers that would prefer to maintain more control.
- ✓ Employers can choose the state fund.
- ✓ Employers who want to can always decide to offer more generous benefits to keep their competitive edge.

# STATE PAID LEAVE PROGRAMS EXPAND THE INSURANCE SECTOR

**A universal paid leave program with a private plan component is a unique opportunity for insurers, potentially creating an overnight expansion in interest and demand for both new and existing products**

# PAID LEAVE ENJOYS BIPARTISAN SUPPORT IN HARRISBURG

## PA House Lead (HB181)

Rep. Dan Miller (D)-Allegheny

Rep. KC Tomlinson (R)-Bucks

## PA Senate Lead (SB580)

Sen. Devlin Robinson (R)-Allegheny

Sen. Maria Collett (D)-Montgomery





# HB181 VS SB580

## HB181

Cost is split 50/50 between employees and employers (Annual actuarial process will determine percentage of income not to exceed 1%)

***Small business exemption:*** Employers with fewer than 15 employees are not required to pay their portion, but employees are still responsible to pay for 50% and eligible to receive benefits

## SB580

100 percent of contribution is employee paid (Annual actuarial process will determine percentage of income not to exceed 1%)

# THE FAMILY CARE ACT SCOPE OF LEAVE

## The Family Care Act allows:

- New parents to be there for the critical period following the birth or adoption of a child
- Family members to provide critical care and rehab services to elderly loved ones at home
- Parents the ability to care for their child who is recovering from a serious illness
- Employees to care for themselves following a major surgery
- Safe leave for domestic violence victims
- Individuals to tend to a family matter related to military deployment



# THE FAMILY CARE ACT DETAILS

## **Benefit Period:**

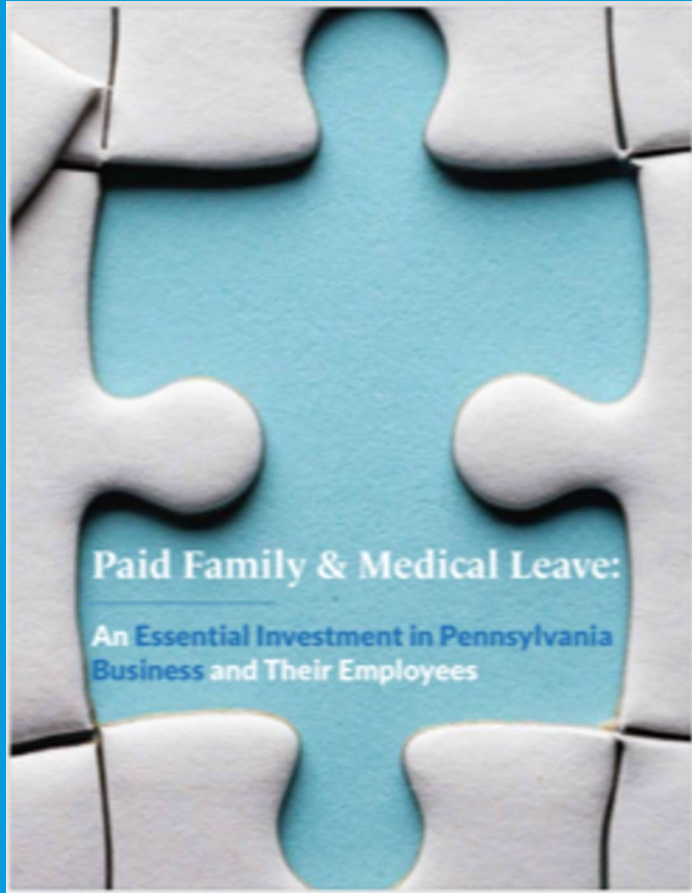
- 20 weeks: maternity, bonding, and treating an own serious health condition
- 12 weeks: family care and military exigencies
- Combined limit of 20 weeks

## **Work Requirements:**

- Worked at least 18 weeks during the 12-month period prior to submitting a claim.
- Earned at least \$2,718 in income during the 12-month period prior to submitting a claim.

# A WIN FOR EMPLOYERS, EMPLOYEES AND THE COMMONWEALTH

**Without paid leave,  
Pennsylvania employers are losing  
great talent ... and  
Pennsylvania's economy is weaker  
as a result.**



For more information, visit  
[childrenfirstpa.org](http://childrenfirstpa.org)

