

# Policy Statement on Paid Family and Medical Leave

#### June 2021

### **Background**

Paid family and medical leave (paid leave) refers to longer-term paid leave from work to manage a serious personal health condition, care for a family member with a serious health condition, or bond with a new child after birth, adoption, or placement in foster care. The United States is the lone developed nation that lacks a federal policy mandating *paid* leave.<sup>1</sup> In 2019, only 19% of civilian workers had access to paid family leave.<sup>2</sup> Further, access to paid leave is inequitable with 9% of the lowest quartile of earners having access to paid family leave and 30% of the highest quartile of earners having access.<sup>2</sup> Paid leave is also more accessible to white people than people of color.<sup>3</sup>

Enacted in 1993, the Family and Medical Leave Act (FMLA) is the only federal law that provides some protection for unpaid leave to certain employees nationwide. The law mandates employers allow employees up to 12 weeks unpaid leave for specific family and medical reasons in a 12-month period and still retain their job. More information on the criteria for eligibility and the allowable reasons to take unpaid leave are available in Appendix A.

In addition to FMLA, the federal government passed the Federal Employee Paid Leave Act (FEPLA) in December 2019, which went into effect October 1, 2020.<sup>4</sup> The FEPLA provides certain federal employees up to 12 weeks paid leave for the birth or placement (adoption or foster care) of a new child. The employee ssed legislation providing paid

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## **Equity of Paid Family and Medical Leave**

Access to paid leave is not equitable. In 2019, only 19% of civilian workers had access to paid family leave,<sup>2</sup> and only 60% of employees in the U.S. have access to the unpaid leave protections from FMLA.<sup>7</sup> Paid leave is disparate according to race/ethnicity, worker socioeconomic status, employment status (full-time v. part-time), and employer size.<sup>8, 9</sup>

decreased nursing home utilizat

Research has also shown that chronic stress is a predictor of cardiovascular mortality and morbidity. <sup>90, 91</sup> In fact, chronic stress, especially work-related stress or "job strain" is associated with a significant increase in risk for cardiovascular disease. <sup>91-94</sup> However, research has shown that time off from work can reduce stress and its potential effect on the likelihood of developing cardiovascular disease. <sup>95, 96</sup>

## Barriers to Utilizing Paid Family and Medical Leave

Even when paid leave is provided, there can still be barriers to utilizing the leave. Lack of awareness about paid leave policies, inadequate wage replacement, worries about job protection, and social stigma can all play a role.<sup>31</sup> As demonstrated by the 40% of workers who cannot access FMLA, certain requirements around number of hours worked in a calendar year or the amount of time an employee has been with an employer can impact and employees ability to access paid leave.

## Financing Paid Family and Medical Leave

Most paid leave proposals are financed with a payroll tax, instead of a requirement on employers. A payroll tax approach spreads the cost across all employers and employees. In most states that implemented paid family leave as of 2017, an approximately 1 percentage point payroll tax had been sufficient to fund the amount of leave taken by employees. Yhen compared to the 15.3 percent federal Social Security taxes already levied on payroll plus other taxes (e.g., for unemployment insurance), a 1 percent tax for paid leave is not an excessive addition, but also not trivial. The paid leave proposal in President Biden's American Families Plan would be paid by the federal government through a variety of tax changes primarily on America's highest earners and corporations.

## **Policy Guidance**

Recognizing the equity and health impact of paid family and medical leave, the American Heart Association advocates for paid leave policies that:

Address medical leave, caregiving leave, and parental leave;

Cover as many workers as possible;

Offer sufficient wage replacement, ensuring lower-income workers have enough wage replacement to allow them to take advantage of paid leave policies;

Offer sufficient time off to meet worker needs;

Guarantee job protections and anti-retaliation protections;

Allow gender neutral parental leave to promote gender equity in the workplace; and Ideally, include an education and awareness campaign.

Appendix B provides definitions for terms used in policy guidance. Appendix C provides the wage replacement rate, maximum weekly benefit, and time offered by each of the state paid family and medical leave policies.

Appendix C: State Wage Replacement, Maximum Weekly Benefits, and Time Offered

|               |  | Maximum Weekly          |  |
|---------------|--|-------------------------|--|
| State         | Wage Replacement Rate                        | Benefit                 | Time Offered                                 |
|               |  |                         | Up to 52 weeks of medical leave and up to    |
|               |  |                         | eight weeks of family leave in a 12-month    |
| California    | 60-70% of employee's average weekly wage.    | \$1,357                 | period.                                      |
|               | 90% of an employee's weekly wage (up to an   |                         |  |
|               | amount equal to 50% of the statewide         |                         |  |
|               | average weekly wage) and 50% of an           |                         | Up to 12 weeks in an application year.       |
|               | employee's weekly wage (above an amount      |                         | Employees may receive up to 4 weeks          |
|               | equal to 50% of the statewide average        | 4.400*                  | additional leave for specific                |
| Colorado      | weekly wage).                                | 1,100*                  | pregnancy/childbirth-related health needs.   |
|               | 95% of an employee's average weekly wage     |                         | Up to 12 weeks in a 12-month period (for     |
|               | (up to an amount equal to 40 times the state |                         | medical and/or family leave). Employees      |
|               | minimum wage) and 60% of an employee's       |                         | with pregnancy/childbirth-related health     |
|               | average weekly wage (above an amount         |                         | needs may receive up to an additional two    |
| Connecticut   | equal to 40 times the state minimum wage).   | \$780                   | weeks of benefits.                           |
|               | 80% of an employee's average weekly wage     |                         |  |
|               | (up to an amount equal to 40 times the       |                         |  |
|               | statewide minimum wage) and 60% of an        |                         | Up to 26 weeks in any benefit year (up to 20 |
|               | employee's average weekly wage (above an     |                         | weeks of medical leave and/or up to 12       |
|               | amount equal to 40 times the statewide       | #050*                   | weeks of family leave); military caregivers  |
| Massachusetts | minimum wage).                               | \$850*                  | can receive up to 26 weeks of family leave.  |
|               |  |                         | Up to 26 weeks of medical leave for any      |
|               |  |                         | period of disability and up to 12 weeks of   |
| New Jersey    | 85% of an employee's average weekly wage.    | \$903                   | family leave in a 12-month period.           |
|               |  |                         | Up to a maximum of 26 weeks in a 52-week     |
|               | 50% of an employee's average weekly wage     | \$170 for medical leave | period (up to 26 weeks of medical leave for  |
|               | (medical leave) and 60% of an employee's     | and \$971.61 for family | any period of disability or in any 52-week   |
|               | average weekly wage (family leave).          | leave                   | period) and/or up to 10 weeks of family      |
| New York      |  |                         | leave.                                       |

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