

**Details Matter:**

# **Paid Family and Medical Leave that Works for Working Families**

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# Introduction

Paid family and medical leave has become a top-tier policy issue. Over the past several years, a number of high-profile corporations have announced new and expanded paid parental leave programs. However, access to paid family leave remains primarily available to the already privileged. In 2017, only 13 percent of private sector employees had access to paid family leave, including 24 percent of the most highly paid tenth, but only 4 percent of the lowest paid tenth.<sup>1</sup> If left solely to private sector initiative, most U.S. workers will continue to lack access to extended paid leaves to care for a new child or deal with serious health conditions. Workers who already face obstacles to achieving and maintaining good health and economy security will largely be left behind, including those in smaller companies, lower-income employees, workers of color, and gig economy workers.

Universal public paid family and medical leave insurance programs that are thoughtfully designed to achieve equitable outcomes are the only way to assure that:

- Every child has the life-long advantages of better health and access to opportunity that come from parental nurture and care during the first formative months of life;
- Family members have adequate support during health crises;
- Workers are able to fully recover from serious health conditions before returning to work;
- Individuals and families are able to maintain economic stability through major life and health events.

While simple in concept, crafting a program that will meet the needs of today's diverse workers, families, and businesses requires paying attention to policy details and understanding the interaction and consequences of program elements.

Publicly provided paid family and medical leave is popular with voters nationwide. Five states and the District of Columbia have now adopted comprehensive programs, and more state legislatures and members of Congress are putting forward proposals. California, New Jersey, Rhode Island, and New York were able to add family leave to temporary disability insurance programs that have been in place since the 1940s. The extensive experience with programs in these states provides a base of research on what program elements work well and where there are gaps in access. Washington is the most recent state to adopt a paid family and medical leave (PFML) program, and the first to create a program from the ground up in modern times.

Most other states, like Washington, will be starting from scratch and can benefit from the experience of Washington's Work and Family Coalition, which researched and grappled with the implications of policy details with multiple stakeholders over a number of years. Leading up to the passage of PFML by Washington's legislature in 2017, the coalition established core principles to guide policy development. These were critical both to shaping the coalition's updated proposal that was introduced in January 2017, and to keeping the focus on desired outcomes during negotiations that resulted in the final bill which passed on June 30, 2017.<sup>2</sup>

For Washington's Work and Family Coalition, it was critical that the program:

- Be universal – rooted in a state-administered social insurance program covering the entire workforce.
- Ensure every child has a solid foundation and support healthier outcomes across the lifespan – by providing sufficient length of both family and medical leave for both routine and complex situations.
- Promote family economic security across income levels, race, and gender – by providing progressive and sufficiently high benefits, with close to full wage replacement for lower-income workers, covering a wide range of family types and needs, and building in ongoing community input, outreach, and evaluation.
- Be designed for the 21st-century workforce – by providing full portability between jobs, including every sector and employer, and being accessible to self-employed and “gig” workers.
- Support thriving businesses – by keeping the system as simple and low cost as possible for both employees and employers, and considering specific challenges that might be faced by small businesses.
- Minimize cost and complexity – by relying to the extent possible on data already being collected by state agencies and definitions already in broad use.

The policy that Washington adopted is a strong one, based on public health research, learnings from other state programs, and community input. But it is not perfect. The discussion below points to best current practices and options to consider in designing a new program.

## The Limits of the Family and Medical Leave Act in Designing a Paid Family and Medical Leave Program

Since 1993, the federal Family and Medical Leave Act (FMLA) has provided the basic framework for family and medical leave for workers in the U.S. It provides up to twelve weeks annually of *unpaid* job-protected leave to care for a new child or a seriously ill family member, for the worker's own serious health condition, or for exigencies related to a family member's military service. Between 50 percent and 60 percent of US workers are covered by FMLA protections – those in companies with at least 50 employees who have been with their employer at least a full year and worked at least 1,250 hours for that employer in the previous year. Some people do get pay or additional leave through voluntary employer-provided or negotiated benefits or through the disability/family leave programs provided in California, New Jersey, Rhode Island, New York, Hawaii, and Puerto Rico.

FMLA is useful to new PFML programs in identifying the types of situations that should at a minimum be covered. FMLA also provides a definition of serious health condition that is widely understood. Larger employers are familiar with that standard, and health care providers across the U.S. are accustomed to certifying when conditions meet the criteria. FMLA also has the value of being gender neutral, especially in parental leave, which is equally accessible to all working parents.

Beyond those uses, however, FMLA is too limiting as a starting point for program development. It was first introduced in Congress in 1984,<sup>3</sup> as part of the first wave of policy proposals responding to the entry of large numbers of white middle class women into the paid workforce – joining women of color, white working class women, and men who had long participated. The FMLA was an important step forward at the time, but it does not cover a significant percentage of workers, includes too narrow a definition of family, and provides too little leave for common situations. Perhaps most problematic for today's mobile workforce, it is conceptually based on the employee-employer relationship. That tie is becoming increasingly tenuous in the modern economy and leaves out far too many members of the workforce and their families.

FMLA components	Useful for PFMLI?	Considerations
Eligibility through employer size and attachment?	No	Eligibility should be based on workforce attachment to promote portability and inclusion.
Covered conditions	✓ Yes	Programs should at a minimum include leave for: <ul style="list-style-type: none"> <li>• Parents of newborn or newly placed adoptive and foster children;</li> <li>• Workers caring for family members with serious health conditions;</li> <li>• Workers' own serious health conditions;</li> <li>• Exigencies related to a family member's military deployment.</li> </ul>
Definition of serious health condition	✓ Yes	Widely understood by employers and health care providers.
Definition of family	No	Too limited for the real world of diverse family structures.
Limit of 12 weeks	No	Family leave should be <i>in addition</i> to disability leave, and both should be a <i>minimum</i> of 12 weeks: <ul style="list-style-type: none"> <li>• Pregnancy complications can deplete leave prior to a baby's birth;</li> <li>• Medical science supports longer periods of parental leaves and breastfeeding when possible of at least 6 months;</li> <li>• Some serious health conditions take longer than 12 weeks for full recovery;</li> <li>• Every adopted state program provides for longer leaves (maximums range from 18 to 52 weeks of combined disability/medical and family leave).</li> </ul>

## Inclusivity in Today's – and Tomorrow's – Economy

Every baby deserves to get the best possible start in life – which in most cases means extended time at home with parents during at least the first six months to year of life. Children placed with new families for adoption or foster care also need a period of adjustment that requires intensive time with parents for emotional bonding, medical appointments, and settling into new schools or childcare settings. Elders and other family members need the support of loved ones when critically ill or on their journey towards death. Cancer, serious injuries, and other major health events can happen to anyone unexpectedly.

Most people will need access to extended time away from work to deal with situations such as these a few times during their working careers. In an economy where most households depend on regular earnings from work to cover basic necessities, everyone needs access to paid family and medical leave to avoid financial calamity. Bouts of economic insecurity and poverty can have dire, long-term consequences on health and access to opportunity for individuals and families, especially children.<sup>4</sup> Well-designed PFML programs will not only help individual families thrive, but improve business and community health and reduce public costs.<sup>5</sup>

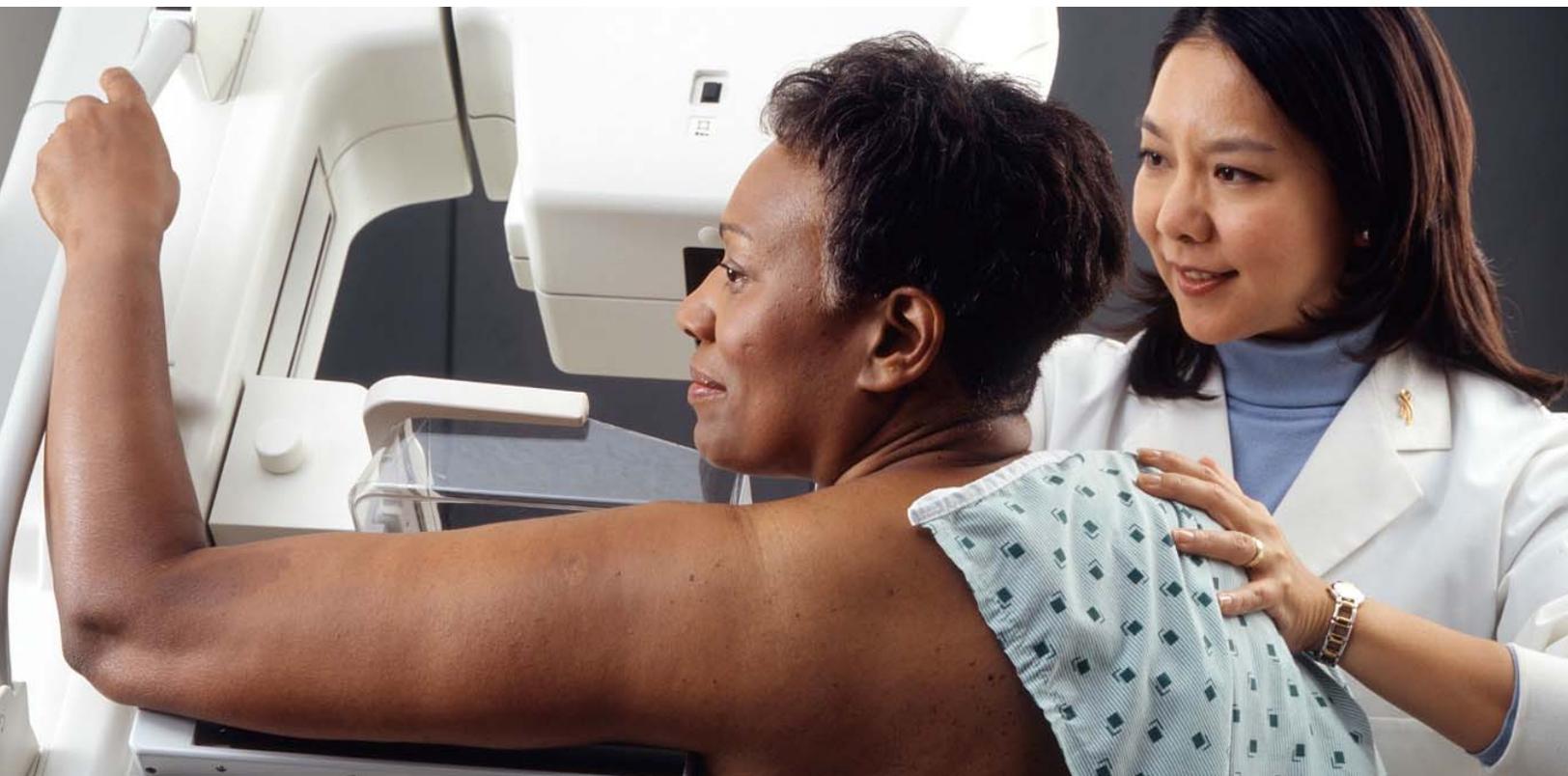
***Establishing PFML as a state- or federally-run social insurance program*** is the only way to assure coverage in every sector and for every type of worker, provide portability between employers and during brief periods between jobs, keep costs affordable for small employers and lower income workers, and offer benefits to the growing numbers of self-employed and contract workers. Currently California, New Jersey, New York, Rhode Island, Washington State, and the District of Columbia have established or approved state-run insurance pools with benefits financed through small payroll premiums. Rhode Island requires all private sector employers to participate in its program. The other state programs allow employers to opt out of the state insurance fund if they provide equal or better benefits to the state program, either themselves or through a private insurer. Those states do retain oversight to insure that employer-provided plans fully meet the state standards. However, allowing employer opt outs increases the risk that vulnerable workers will not receive benefits to which they are entitled and also increases costs – as with any insurance system, PFML programs will cost the least when everyone is in the same risk pool.

***Establishing eligibility through attachment to the workforce – not a particular employer*** – is the only way to assure coverage across diverse sectors and communities. In some sectors, people frequently move from employer to employer and may experience periods of unemployment between jobs, for example, in construction and agriculture. Some people hold two or more jobs. Today's workforce overall is mobile, with median job tenure under three years for workers less than 35 years old.<sup>6</sup>

Existing programs have taken different approaches. California, which has the longest-standing combined disability and paid family leave program, sets a minimal eligibility threshold of \$300 earned in the qualifying period, meaning almost everyone with recent work history is eligible when they need benefits. At the other extreme, New York’s paid family leave program which began in 2018 requires 26 consecutive weeks and a minimum number of hours with the current employer, or 175 days of work with the current employer for part-timers – and if someone changes jobs, the eligibility clock starts over.<sup>7</sup> This barrier means that some people will find themselves ineligible when they need family leave. New York’s disability insurance program sets a lower threshold of four consecutive weeks with an employer, and people retain eligibility when they change jobs.

Washington’s new program uses a threshold of 820 hours worked for any employer over four of the past five completed quarters, a compromise threshold well above the 340 hours advocates originally proposed as a more inclusive standard.

***Allowing self-employed and contract workers to opt in*** – From sole proprietors of thriving small businesses to people who take app-based gigs as a second job, self-employment and contract work impact significant and growing numbers of households across diverse communities and sectors. Including these workers and families in PFML is critical to achieving universal coverage and meeting public health and equity goals. California, New York, and Washington programs allow for self-employed people to opt in.



Universality – Policy Options	Best Practice	Considerations
State-administered social insurance?	✓ Yes	Which department is best positioned to: <ul style="list-style-type: none"> <li>• collect premiums and data,</li> <li>• assess eligibility and benefit amounts,</li> <li>• pay benefits</li> </ul>
Employer-provided plan option?	No	Separate employer plans increase costs in the state plan and may reduce access to leave for vulnerable workers.  Minimum conditions if employer-provided plans included: <ul style="list-style-type: none"> <li>• assure meet or exceed state standards</li> <li>• require proof of fiscal soundness</li> <li>• provide seamless portability</li> <li>• retain state oversight</li> </ul> Additional provisions to consider: <ul style="list-style-type: none"> <li>• Allow employees of firms that provide their own plans to opt into the state plan</li> <li>• Require an employee vote to approve an employer plan</li> </ul>
Eligibility through workforce attachment?	✓ Yes	<ul style="list-style-type: none"> <li>• Does state collect data on hours worked (more fair for low wage workers) or only on wages?</li> <li>• What level of hours or wages includes workers across a broad range of sectors and communities</li> </ul>
Attachment to a particular employer required?	No	Eliminates portability and excludes too many
Self-employed opt in?	✓ Yes	<ul style="list-style-type: none"> <li>• What minimum enrollment period is required to prevent “cherry picking”?</li> <li>• How will hours and wages be determined?</li> <li>• What are effective outreach strategies for this population?</li> </ul>

## Equitable Access

Lack of paid leave exacerbates income insecurity, health disparities, and reduced opportunities for lower-wage workers, communities of color, immigrants, and LGBTQ workers. PFML programs can promote better health outcomes, economic resiliency, and access to opportunity for these and other vulnerable communities if the programs are thoughtfully designed to promote equitable access. A poorly designed program that requires low-income and other particular categories of workers to pay in but is structured so that they are unlikely to be able to use it, on the other hand, further exacerbates inequity.

**Progressive benefits** – Historically, state programs replaced a fixed percentage of a worker’s income, between 50 percent and 66 percent, up to a weekly maximum. This system pushes low- and moderate-income workers back to work sooner than might be optimum for health outcomes, in using both disability and family leave. A flat percentage benefit is particularly unfair for lower wage households when employees are paying all or most of the premiums, because some would be paying in but not able to afford to take benefits. California raised its benefit level in 2018 from a flat 55 percent to 70 percent for lower-wage workers and 60 percent for others. The two newest systems in the District of Columbia and Washington State have established much more progressive benefit formulas, with lower-wage workers receiving 90 percent and the wage replacement rate gradually declining as earnings rise.

**Family benefits** – Current state programs all base benefits on some percentage of a worker’s usual wage, regardless of the number of dependent family members. Social Security and some state Workers’ Compensation systems provide additional benefits based on the number of dependents.

**Weekly maximum benefit** – If the maximum weekly benefit is too low, middle income workers will be pushed to return to work too early. Families are also likely to make the rational decision to keep the more highly paid members at work while the lower earning members care for new babies or seriously ill family members. Given the persistent gender wage gap, a lower maximum weekly benefit will reduce men’s use of family leave, perpetuating gender inequality.

Too high a maximum, on the other hand, could raise the costs of the program for everyone, including low-wage workers and small businesses who gain nothing from that extra cost.

**Job protection** – The same vulnerable workers who most benefit from progressive benefits also can be afraid to take leaves without a legal guarantee that they will have a job to go back to. Highly paid workers in high demand occupations have less to fear. While the federal FMLA would protect over half of workers for most PFML leave purposes, over 40 percent of workers are not covered by the FMLA. Without employment protections, PFML programs will not be fully equitable. Rhode Island and New York included job protection for all workers eligible for the family leave portions for their programs, but Rhode Island only provides four weeks of family leave and New York requires at least twenty-six consecutive weeks with the current employer to even be eligible for benefits. Washington’s Work and Family Coalition proposed separating job protection and program eligibility in order to provide longer leaves and near universality. The Coalition’s initial proposal established 340 hours of work in the previous year for program eligibility, with job protection extended to those in companies with eight or more employees after six months on the job. However, the final negotiated policy provided little additional job protection beyond FMLA.

Equitable Access Policy Options	Best Practice	Considerations
Progressive benefits	✓ Yes	Benefit formulas should: <ul style="list-style-type: none"> <li>• Enable people of all income levels to be able to fully use benefits for qualifying conditions;</li> <li>• Avoid jumps or dips in benefit levels with small changes in income.</li> </ul>
Maximum weekly benefit	State average weekly wage or similar	If maximum weekly benefit is too low: <ul style="list-style-type: none"> <li>• Moderate-wage employees will be disadvantaged;</li> <li>• The higher wage earner in couples will be less likely to take leave. With the gender wage gap, this will exacerbate gender inequities.</li> <li>• Too high a maximum will raise the cost for lower-wage workers.</li> </ul>
Job protection	✓ Yes	<ul style="list-style-type: none"> <li>• How to best balance equitable access, sufficient leave lengths, and small business success?</li> <li>• Should eligibility for benefits and job protection use separate criteria?</li> </ul>

## Providing Enough Leave

The long-standing temporary disability insurance programs in California, New Jersey, New York, Rhode Island, and Hawaii provide 26 to 52 weeks of leave for the worker's own health condition, including pregnancy and childbirth-related disabilities. All but Hawaii have added family leave to these underlying programs. New Jersey provides 6 weeks of family leave in addition to 26 of disability leave, for a potential total of 32 weeks in a year. In New York, Rhode Island, and effectively California, family leave does not add to the total leave available in a 12 month period. Washington's system provides 12 weeks each of disability and family leave, with a combined total limit of 16 weeks in a year plus an additional 2 weeks for a pregnancy-related complication.

Childbirth is the most frequent reason people take both disability and family leave in the same year. Existing programs typically provide 6 to 10 weeks of disability leave for an uncomplicated pregnancy and recovery from childbirth, with many birth mothers then taking all or most of the family leave available. But complications can require weeks or months of bedrest prior to the birth and/or much longer recovery periods after delivery. Regardless of how much disability leave someone needs for pregnancy and childbirth, the child still needs parental bonding and nurture. Return to work is a common reason women stop or do not initiate breastfeeding. In addition, women with adequate paid maternity leave are more likely to be employed and for higher wages a year following childbirth.

Cancer treatments, recovery from surgery, and other illnesses and injuries can require extensive time away from work. Moreover, a worker and a family member could well experience serious health challenges in the same year.

The vast majority of workers won't need any PFML in any given year, and among those who do, many won't require the full length of leave. But for those who need leaves for complex or multiple situations, having a sufficiently generous and flexible system will make a world of difference for family health and economic stability in the long run.

## Keeping Costs and Administrative Burden Low

Designing a system requires finding the right balance among total cost, the extent of benefits, effective administration and outreach. Design decisions can mitigate cost and promote simplicity for businesses and workers.

**Who pays premiums** – Sharing premiums between workers and employers is one way to mitigate costs for both. States have made different decisions about who pays. In California and Rhode Island, workers pay the full costs. In DC, employers pay the full cost. In New York, New Jersey and Washington, employers and employees share the costs of the disability portion of the programs and employees pay for the family leave portion. Employers and employees also share the cost in Hawaii’s disability program. Employers should always have the option of paying the full premium, either as a voluntary or collectively bargained benefit.

**Wage base** – Ensuring that premiums are assessed on all or most wages will lower costs for the vast majority of workers and small businesses and promote overall equity. This issue is particularly important given the continued growth in income inequality. Washington uses the Social Security wage base (\$128,400 in 2018). New Jersey has the lowest wage base aligned with its unemployment insurance system, \$33,700 in 2018.

**Aligning with existing state data collection and insurance systems** – States already collect quarterly data on employment, individual wages, and in some cases, individual hours worked. They already run unemployment, workers compensation, and other insurance systems. Making use of existing data to establish eligibility, and/or requiring employers to report additional necessary data in an aligned fashion will reduce administrative costs for both employers and the paid leave agency. On the other hand, requiring employers to provide additional data on a short timeline when someone applies for benefits in order to establish eligibility can be a burden on employers and slow the provision of benefits that families need to cover basic bills. Working closely with the administering agency in advance to design eligibility standards and other administrative processes, such as appeals processes, is the best way to keep systems simple, efficient, and aligned.

**Simplicity** – Well designed PFML programs are complicated, but the outward-facing processes of employers transmitting premiums and employees applying for benefits need to be simple and consumer friendly. Aligning with known processes – such as quarterly payment and data schedules, and known definitions – such as the FMLA definition of serious health condition, promotes simplicity and success.

Keeping Costs Low Policy Options	Best Practice	Considerations
Who pays premium	Shared	<ul style="list-style-type: none"> <li>• Politics of gaining support and passing a policy typically determine the final distribution.</li> <li>• Assure policy is written so employers can pay the full premium, even if an employee share is included.</li> </ul>
Wage base	All wages or Social Security wages	<ul style="list-style-type: none"> <li>• Premiums on all wages helps keep costs low for low and middle income workers and small businesses, while supporting benefit and leave structures that maximize positive health and community outcomes.</li> <li>• A low wage base disadvantages low and moderate wage workers and reduces resources necessary for a program that fully supports health and family needs.</li> </ul>
Alignment and simplicity	✓ Yes	<ul style="list-style-type: none"> <li>• Does the state already collect sufficient data to determine eligibility and benefit levels? On what timeline?</li> <li>• What definitions and processes are already in use and widely understood that can usefully be applied to this system?</li> <li>• What definitions or processes should be changed to support program goals of public health, inclusion, and equity – e.g., expanding family definition and eligibility beyond FMLA.</li> </ul>
Building in community input and public communication	✓ Yes	<ul style="list-style-type: none"> <li>• Provide for a structured or informal advisory committee?</li> <li>• Consider targeted and broad strategies.</li> <li>• Balance cost of outreach with importance of public information.</li> </ul>

## Building in Community Input and Broad Outreach

Including broad community input in program design is important to creating a system that will effectively meet a range of needs, making tough choices, and building the political will to pass a policy. Continuing engagement of knowledgeable stakeholders through implementation, evaluation and beyond can help make programs more effective in the long run. Several states have included informal consultations between agency staff and stakeholders. Washington State's law provides for an advisory committee with equal numbers of employee and employer interest representatives, regular reports to the legislature, and an Ombuds position.

Surveys and other research in states with operating programs indicate that many people are unaware of paid family leave programs, particularly among lower income workers. California's Employment Development Department has gone through a rebranding process for their program and implemented new outreach strategies. Advocates there and in New York have implemented targeted community outreach to broaden awareness and takeup. Washington State's PFML agency is coordinating communications strategies with stakeholders and designing a public education program both for the program launch and for long term outreach, recognizing that new people continually enter the workforce and that people will only need the program sporadically.



## Go BIG

Policy change in the U.S. happens in a partisan political world resistant to change. Even an issue as popular across demographic groups as paid family and medical leave encounters major opposition. The temptation for advocates is often to “go small,” assuming that a program with fewer weeks of leave covering fewer conditions and with less generous benefit levels will more likely attract bipartisan support and be easier to pass. ***In fact, more generous programs that cover a broad range of conditions are more likely to attract broad support and will be more efficient to administer.***

In Washington State, legislators, business associations, lobbyists, community representatives, and members of the media were all more enthusiastic about a program that they could envision using at some point in their lives than a program that was less generous than high-road employer benefits. Medical science and research on child and family well-being also support larger scale programs. Staunch opponents will be just as opposed to a small program as a more generous one.

In the early 2000’s, the Washington Work and Family Coalition proposed a program of 5 weeks with a small weekly benefit that drew support, but little real enthusiasm, and lots of opposition – including the charge that no one could live on the benefits. Over the years as the coalition listened to the needs of diverse communities and incorporated learnings from other states, it expanded and improved the proposal. The combination of progressive benefits and relatively high benefits for middle wage earners in the revamped 2017 proposal proved appealing across partisan and interest group lines. People also readily accepted the notion that someone who needs to be on bedrest for three months to maintain a healthy pregnancy also needs to be able to fully recover from childbirth and have a full period of bonding time with their new child. For older people, knowing that leave was fully available for their own serious health condition and caring for aging loved ones was important to generating enthusiasm.

Compromise is often necessary to pass policy, but strong principles that emphasize positive outcomes for children and families have strong bipartisan appeal.

## Continuing Research and Innovation

Best practices will continue to evolve. As new state programs and amendments to older programs are implemented and as research continues, we will learn more about how best to design PFML programs to maximize goals of individual and public health benefits, family economic security, equity, and community prosperity.

## Summary Chart

FMLA components	Useful for PFMLI?	Considerations
Eligibility through employer size and attachment?	No	Eligibility should be based on workforce attachment to promote portability and inclusion.
Covered conditions	✓ Yes	Programs should at a minimum include leave for: <ul style="list-style-type: none"> <li>• Parents of newborn or newly placed adoptive and foster children;</li> <li>• Workers caring for family members with serious health conditions;</li> <li>• Workers' own serious health conditions;</li> <li>• Exigencies related to a family member's military deployment.</li> </ul>
Definition of serious health condition	✓ Yes	Widely understood by employers and health care providers.
Definition of family	No	Too limited for the real world of diverse family structures.
Limit of 12 weeks leave	No	Family leave should be <i>in addition</i> to disability leave, and both should be a <i>minimum</i> of 12 weeks: <ul style="list-style-type: none"> <li>• Pregnancy complications can deplete leave prior to a baby's birth;</li> <li>• Medical science supports longer periods of parental leaves and breastfeeding when possible of at least 6 months;</li> <li>• Some serious health conditions take longer than 12 weeks for full recovery;</li> <li>• Every adopted state program provides for longer leaves (maximums range from 18 to 52 weeks).</li> </ul>

Universality – Policy Options	Best Practice	Considerations
State-administered social insurance?	✓ Yes	Which department is best positioned to: <ul style="list-style-type: none"> <li>• collect premiums and data,</li> <li>• assess eligibility and benefit amounts,</li> <li>• pay benefits</li> </ul>
Employer-provided plan option?	No	Separate employer plans increase costs in the state plan and may reduce access to leave for vulnerable workers.  Minimum conditions if employer-provided plans included: <ul style="list-style-type: none"> <li>• assure meet or exceed state standards</li> <li>• require proof of fiscal soundness</li> <li>• provide seamless portability</li> <li>• retain state oversight</li> </ul> Additional provisions to consider: <ul style="list-style-type: none"> <li>• Allow employees of firms that provide their own plans to opt into the state plan</li> <li>• Require an employee vote to approve an employer plan</li> </ul>
Eligibility through workforce attachment?	✓ Yes	<ul style="list-style-type: none"> <li>• Does state collect data on hours worked (more fair for low wage workers) or only on wages?</li> <li>• What level of hours or wages includes workers across a broad range of sectors and communities</li> </ul>
Attachment to a particular employer required?	No	Eliminates portability and excludes too many
Self-employed opt in?	✓ Yes	<ul style="list-style-type: none"> <li>• What minimum enrollment period is required to prevent “cherry picking”?</li> <li>• How will hours and wages be determined?</li> <li>• What are effective outreach strategies for this population?</li> </ul>

Equitable Access Policy Options	Best Practice	Considerations
Progressive benefits	✓ Yes	Benefit formulas should: <ul style="list-style-type: none"> <li>• Enable people of all income levels to be able to fully use benefits for qualifying conditions;</li> <li>• Avoid jumps or dips in benefit levels with small changes in income.</li> </ul>
Maximum weekly benefit	State average weekly wage or similar	If maximum weekly benefit is too low: <ul style="list-style-type: none"> <li>• Moderate-wage employees will be disadvantaged;</li> <li>• The higher wage earner in couples will be less likely to take leave. With the gender wage gap, this will exacerbate gender inequities.</li> <li>• Too high a maximum will raise the cost for lower-wage workers.</li> </ul>
Job protection	✓ Yes	<ul style="list-style-type: none"> <li>• How to best balance equitable access, sufficient leave lengths, and small business success?</li> <li>• Should eligibility for benefits and job protection use separate criteria?</li> </ul>
Keeping Costs Low Policy Options	Best Practice	Considerations
Who pays premium	Shared	<ul style="list-style-type: none"> <li>• Politics of gaining support and passing a policy typically determine the final distribution.</li> <li>• Assure policy is written so employers can pay the full premium, even if an employee share is included.</li> </ul>
Wage base	All wages or Social Security wages	<ul style="list-style-type: none"> <li>• Premiums on all wages helps keep costs low for low and middle income workers and small businesses, while supporting benefit and leave structures that maximize positive health and community outcomes.</li> </ul>

		<ul style="list-style-type: none"> <li>• A low wage base disadvantages low and moderate wage workers and reduces resources necessary for a program that fully supports health and family needs.</li> </ul>
<b>Keeping Costs Low Policy Options (continued)</b>	<b>Best Practice</b>	<b>Considerations</b>
Building in community input and public communication	✓ Yes	<ul style="list-style-type: none"> <li>• Provide for a structured or informal advisory committee?</li> <li>• Consider targeted and broad strategies.</li> <li>• Balance cost of outreach with importance of public information.</li> </ul>
Go big	✓ Yes	<ul style="list-style-type: none"> <li>• Medical science supports access to extended leaves in multiple situations.</li> <li>• Close to full wage replacement levels for low and moderate wage workers and a relatively high maximum benefit are necessary for equitable access and</li> </ul>



## Notes

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- <sup>1</sup> U.S. Bureau of Labor Statistics, National Compensation Survey, March 2017, Table 32. Leave benefits: Access, private industry workers, March 2017, <https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table32a.pdf>.
- <sup>2</sup> The Washington Work and Family Coalition proposal was introduced as House Bill 1116 (<http://apps2.leg.wa.gov/billsummary?BillNumber=1116&Year=2017&BillNumber=1116&Year=2017>) and Senate Bill 5032 (<http://apps2.leg.wa.gov/billsummary?BillNumber=5032&Chamber=Senate&Year=2017>). The negotiated policy was passed as Senate Bill 5975 (<http://apps2.leg.wa.gov/billsummary?BillNumber=5975&Year=2017&BillNumber=5975&Year=2017>). See Washington State Legislature bill information at [leg.wa.gov](http://leg.wa.gov).
- <sup>3</sup> National Partnership for Women and Families, “History of the FMLA,” viewed April 16, 2018, <http://www.nationalpartnership.org/issues/work-family/history-of-the-fmla.html?referrer=https://www.google.com/>.
- <sup>4</sup> Washington State Board of Health, Health Impact Review of SB 5032, Implementing Family and Medical Leave Insurance, 1/12/2017, <http://sboh.wa.gov/OurWork/HealthImpactReviews>.
- <sup>5</sup> Michael McLaughlin and Mark R. Rank, “Estimating the Economic Cost of Childhood Poverty in the United States,” Mar 30, 2018, *Social Work Research*, <https://academic.oup.com/swr/advance-article/doi/10.1093/swr/svy007/4956930>.
- <sup>6</sup> U.S. Bureau of Labor Statistics, Employee Tenure Summary, Sept. 22, 2016, <https://www.bls.gov/news.release/tenure.nr0.htm>.
- <sup>7</sup> New York State, “Paid Family Leave: Frequently Asked Questions,” viewed March 22, 2018, <https://www.ny.gov/new-york-state-paid-family-leave/paid-family-leave-frequently-asked-questions>.