

Family and medical leave insurance

HOW WA'S WORKERS CAN PROTECT THEMSELVES AND THEIR FAMILIES FROM ECONOMIC CATASTROPHE



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Welcoming a new child, fighting cancer, caring for an aging parent – there are a handful of times in life when we all need to take significant time off work to care for ourselves or our families.

But too many Washington workers face an impossible choice: return to work, sacrificing family health and well-being, or give up economic security.

Several states have successfully responded to this problem by creating Family and Medical Leave Insurance (FMLI) - insurance that provides employees with income when they need to take an extended period of time off.

Why do we need new laws?

Most of the American workforce has only a few days or weeks of paid leave available – and many workers have none at all – leaving families unprotected and businesses vulnerable.

Federal and state family and medical leave laws allow workers to take up to 12 weeks off work to care for a new child or sick family member or to recover from their own health condition. But that leave is *unpaid*, and those laws only apply to about 60% of workers. Those who work for companies with fewer than 50 employees, have been with their employer less than a full year, or work fewer than 24 hours per week on average aren't covered.

Low-income and part-time workers are less likely to receive any type of workplace benefit without legal protection, and many don't get a single paid day off.



“I had a very difficult labor and had to have a C-section. I went back to work after about 4 weeks when I had no energy, and no sleep. But with \$10,000 in hospital bills, I really didn't feel like I had a choice.”

- Lauri W., Paralegal

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A New Family and Medical Leave Insurance plan for Washington

In 2007, Washington adopted a FMLI program to provide parents of newborn or newly adopted children up to 5 weeks of partly paid leave. FMLI as originally adopted was too skimpy – and wasn't funded. Implementation has been delayed to 2015.

Expanding and funding FMLI:

- Up to 12 weeks to care for a new child or seriously ill family member, and 12 weeks for the worker's own serious health condition;
- Benefits of 2/3 weekly pay, up to \$1,000/week;
- Benefits beginning Oct. 2015 for family leave and 2016 for workers' health.

FMLI means return on investment for businesses

- People are more likely to return to work after a new baby or health crisis if they have paid leave – so companies keep their valuable human capital.
- Research shows paid leave policies boost morale and productivity while reducing turnover – generating savings for business owners.
- Employers in California and New Jersey overwhelmingly report no negative impacts following the implementation of paid family leave in those states.



“I try to treat the people who work for me the way I want to be treated. It makes sense to support your people, and they'll support you - which will gain you market share, which will make you more money than skimping on paid leave benefits.”

- *Makini Howell,*
Plum Bistro

“I know how important it is to hire and retain good employees. Paid family leave means my employees can care for a new baby or heal from an accident without worrying about how they're going to pay the rent. That just makes common sense – for them and my business.”

- *Joe Fugere, Tutta Bella*



“Family and medical leave would really help one of my employees right now, whose wife just had stomach surgery. Now he's juggling her care, looking after his three kids, and working enough hours to keep them afloat. The cost of family and medical leave is insignificant compared to the cost of not having a system like this.”

- *Don Orange, Hoesly Eco Automotive*

How much will it cost?

Based on long-standing programs in California and New Jersey, total costs for Washington's FMLI program are estimated to begin at 0.2% of wages, or 0.1% each shared between employers and employees. When disability benefits are added in 2016, cost will double to 0.4% total, or 0.2% each for employers and employees. As awareness of the program grows, costs will likely gradually increase, topping off after 6 to 8 years at a total premium between 0.5% and 0.6% (0.25% to 0.3% each).

\$50

What does 0.1% mean to workers?

Worker earning	Weekly premium	Annual premium	Weekly benefit
\$17,000 (restaurant worker)	\$0.33	\$17.00	\$218.06
\$23,500 (childcare teacher)	\$0.45	\$23.50	\$301.43
\$28,400 (retail salesperson)	\$0.55	\$28.40	\$364.28
\$50,000 (average earning)	\$0.96	\$50.00	\$641.35
\$75,800 (registered nurse)	\$1.46	\$75.80	\$972.28

Annual employee premium for a worker earning \$50,000/year

What does 0.1% mean to small businesses?

Business and employees	Weekly premium	Annual premium
Childcare with 3 teachers	\$1.36	\$70.50
Retail shop with 5 salespeople	\$2.73	\$142.00
Restaurant with 15 employees	\$4.90	\$255.00
Small metal parts manufacturer with 15 employees	\$13.77	\$716.04

Public savings – and greater economic security

- In states with disability or family leave insurance (CA, NJ, NY, RI, HI), just 10% of new mothers went on public assistance, compared to 24% in states without programs. Use of food stamps also dropped, from 22% to 9%.
- Half of births in Washington are covered by Medicaid – healthier moms and babies will mean lower medical bills for the state.
- New moms with paid family leave are more likely to be working and more likely to have increased earnings a year after giving birth.
- Paid family leave allows lower income parents and infants to fully benefit from home visiting services, and fewer babies will be in subsidized childcare.
- The presence of family members shortens hospital stays, improves follow-up care, and reduces complications for all age groups.
- Paid family leave improves eldercare at less cost to families and the state.

\$70

Annual business premium for a childcare center with three teachers

140%

Decrease in food stamp usage among new mothers in states with a paid family leave system



When my father's lungs collapsed and he had to have one removed, he moved in with me and I managed all of his care. The last three months of his life were the hardest of my life.

The stress of having to choose between caring for my Dad and my job were devastating to my own health, and paid family leave would have reduced that stress considerably.

- Sean O'Sullivan

Thriving kids

- Children have healthier physical, cognitive, and social development when their parents are able to take adequate leave after birth or adoption.
- Babies whose moms take at least 12 weeks off work are more likely to be breastfed and to receive well-baby care and immunizations. California's paid family leave program has doubled the duration of breastfeeding.
- Children have shorter hospital stays when a parent is present.

Healthier moms and more involved dads

- Women who take longer maternity leaves heal better and suffer less from depression and anxiety.
- The majority of new birth mothers still experience fatigue, discomfort, and other symptoms five weeks after childbirth.
- New fathers are more likely to take time off in California and New Jersey, the states with family leave insurance. Early bonding results in more involved fathers for the long run.

Aging with dignity

- As our population ages, more people must balance caring for an elderly parent with work and other family demands - and one of their most reported job concerns is access to paid time off.
- Elders receive better and less costly care, with higher quality of life, when family members have the time to receive instructions from doctors and set up appropriate systems for long term care.

