



Paid Family and Medical Leave Policy: An Investment in Minnesota's Families

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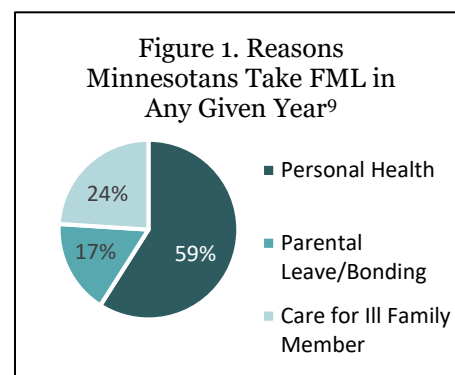
EXECUTIVE SUMMARY

“Minnesotans should be able to work and care for themselves and their families. A paid family and medical leave insurance program is a fair, common-sense solution that would let them do both.” Minnesotans for Paid Family & Medical Leave

The current policy Minnesota, the federal Family and Medical Leave Act (FMLA), is unpaid and simply insufficient to meet the needs of Minnesotans. In 2016, only 1 in 7 U. S. civilian workers had access to paid family and medical leave (PFML) as an employee benefit.¹⁴ Ten percent of Minnesotans will take family or medical leave (FML) in any given year.⁹ While almost three-quarters of Minnesota workers receive at least some pay when they are out of work for family or medical reasons; access to pay during leave is not equally distributed.⁹ Low-wage (46%); part-time (38%); less educated (38%); black (42%) or Hispanic (39%); and younger (39%) workers are much more likely to receive no compensation during leave.⁹ 90% of companies surveyed in California, the first state to enact guaranteed paid leave, say the law had either a “positive effect or no effect on productivity, profit, morale, and costs.”¹⁵ If paid leave programs in California, New Jersey and Rhode Island can effectively deliver paid leave insurance programs for a small payroll tax of around 1% or less; Minnesota can do the same.⁹ Debra Fitzpatrick from the Humphrey School of Public Affairs has laid out six models for how guaranteed paid leave can be achieved, with each a step in the right direction. Model 6 provides the best approach to meeting the needs of all Minnesotans: Up to 12 Weeks of Paid Family and Medical Leave using a Progressive Replacement Rate Structure (80% to 55%) and Maximum Weekly Benefit of \$1,000.⁹

UNDERSTANDING THE PROBLEM

In 2016, only 1 in 7 U. S. civilian workers had access to paid family leave as an employee benefit.¹⁴ Ten percent of Minnesotans will take family or medical leave (FML) in any given year.⁹ Within Minnesota's private sector, the average length of leave for all leaves is 5.6 weeks, ranging from 10.3 weeks for pregnancy-related reasons to 3.3 weeks for care of a seriously ill family member.⁹ *Figure 1* shows the three main reasons Minnesotans take FML, with the most common reason to care for own non-pregnancy related health (59%).⁹



- Care for Ill Family Members.** Reported in the Minnesota Department of Health (MDH) [White Paper on Paid Leave and Health](#), in 2009 there was an estimated 66 million unpaid family caregivers in the U.S.; 86% provided care to an older relative.¹ “Nearly three-fourths (73 percent) of those caregivers were employed at least some of the time, and often caregiving affected their ability to work”.¹ With the number of older adults expected to increase to more than 20 percent of the population, or nearly 88 million people by 2050, this need will continue to grow.³ Family caregivers provide vital care to loved one's dealing with serious chronic health conditions, recovery from restorative surgery, and terminal illness.¹

- **Parental (Maternal & Paternal) Leave & Bonding.** Parental leave provides parents' time to bond with their newborn during a critical time in the child's development¹—without having major worries about finances. Paid parental leave is associated with lower infant mortality rates and better health for both mothers and infants.¹ Longer leaves are associated with less maternal depression.^{1, 12} The longer the bonding time between parent and infant the decrease in risk of child maltreatment.¹¹ Children in foster care often have extensive trauma histories. Paid family medical leave provides foster parents and foster children time to form a secure attachment, leading to increased stability and better long-term outcomes for foster children.

Minnesota workers are less likely to receive paid leave for their own serious health condition or family care than for pregnancy or parental leave.⁹

Disparities in Access to Pay During Leave

Almost three-quarters of Minnesota workers receive at least some pay when they are out of work for family or medical reasons.⁹ Access to pay during leave is not equally distributed.⁹

- Low-wage (46%); part-time (38%); less educated (38%); black (42%) or Hispanic (39%); and younger (39%) workers are much more likely to receive no compensation during leave.⁹



CURRENT PUBLIC POLICY

Minnesota does not have a state family and medical leave policy. Minnesotans are covered under the Federal Family and Medical Leave Act.

Federal Family and Medical Leave Act

The federal Family Medical and Leave Act (FMLA) was enacted in 1993.¹⁴ FMLA enables eligible employees of covered employers to take up to 12 weeks of **UNPAID** job-protected leave, within a 12 month period, for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.¹⁴ Protections are also afforded to military caregivers (spouse, son, daughter, parent, next of kin) for up to 26 weeks within a 12 month period to care for a seriously ill or injured service member.¹⁴

Covered Employers: “All public agencies, all public and private elementary and secondary schools, and companies with 50 or more employees.”⁴

Covered Employees: “Have worked for their employer at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where the company employs 50 or more employees within 75 miles.”⁴

Qualifying Situations that make Workers Eligible for Leave under FMLA

- The birth and care of the newborn child.⁴
- Adoption or foster care placement of a child into the care of an employee.⁴
- To care for an immediate family member (child, spouse, or parent) with a serious health condition.⁴
- Employee is unable to work due to a serious health condition.⁴
- Urgent need or demand stemming from an immediate family member in the military on active duty status.⁴

States with Guaranteed Paid Family and Medical Leave

In 2002 California was the first state to enact **PAID** family and medical leave.¹³ Five states and the District of Columbia have since passed laws providing for paid family and medical leave.

- **CALIFORNIA** provides up to 6 weeks of family leave and 52 weeks for own disability.¹³
- **NEW JERSEY** provides up to 6 weeks of family leave. Will increase to 12 weeks on July 1, 2020. Also provides up to 26 weeks for own disability.¹³

- **RHODE ISLAND** provides up to 4 weeks of family leave. Provides up to 30 weeks for own disability.¹³
- **NEW YORK** provides 10 weeks of family leave and will increase to 12 weeks in 2021. Also provides up to 26 weeks for own disability.¹³
- **WASHINGTON** provides up to 12 weeks for family leave. Provides up to 12 weeks for serious health condition and 14 if a health condition is related to a pregnancy.¹³
- **DISTRICT OF COLUMBIA** provides up to 8 weeks for parental leave and 6 weeks for paid family care. Also provides up to 2 weeks for own serious mental health.¹³
- **MASSACHUSETTS** provides up to 12 weeks for family leave, 26 weeks to provide care for a service member, and 20 weeks for own serious health condition.¹³

Refer to the [State Paid and Family Medical Insurance Laws](#) document¹³ for more detailed information about status of enactment, reasons for paid leave, maximum and minimum length of paid leave, employee eligibility requirements, discrimination prohibitions, methods to fund, size of employer covered, benefit amount, and waiting period.

Currently legislatures in 7 states are proposing paid family and medical leave insurance laws: HAWAII, OREGON, WISCONSIN, VERMONT, CONNECTICUT, MAINE, and MINNESOTA.⁷

POLICY OPTIONS

[In a 2016 report](#) by Debra Fitzpatrick, Director of Community Engagement at the University of Minnesota Humphrey School of Public Affairs reports that “paid leave programs in California, New Jersey and Rhode Island are effectively delivering paid leave insurance programs for a small payroll tax of around 1% or less; Minnesota could do the same.”⁹ Fitzpatrick analyzes six models to consider for adoption in Minnesota, with three described below.⁹ The models vary by a number of factors, including length of paid leave, source of revenue, and weekly financial benefits.

- **Model 1:** Up to 6 Weeks of Paid Family and Medical Leave at 66% Replacement Rate and Maximum Weekly Benefit of \$1,000 (similar to MN workers’ compensation indemnity benefit).⁹
- **Model 4:** Up to 12 Weeks of Paid Family and Medical Leave at 66% Replacement Rate and Maximum Weekly Benefit of \$1,000.⁹
- **Model 6:** Up to 12 Weeks of Paid Family and Medical Leave using a Progressive Replacement Rate Structure (80% to 55%) and Maximum Weekly Benefit of \$1,000 (generally the program structure recommended in this analysis).⁹

Opposition to Guaranteed Paid Family and Medical Leave

The primary reasons for opposition to paid family and medical leave are:

- Impacts on Federal and State budget.¹⁰
- Tax burdens on employers and employees.¹⁰
- Small Businesses cannot afford it.¹

Benefits of Guaranteed Paid Family and Medical Leave

Paid Family and Medical Leave has been shown to have benefit for workers and their families, and for employers.

- **Small Businesses:** 90% of companies surveyed in California say the law had either a “positive effect or no effect on productivity, profit, morale, and costs.”¹⁵ Small business described fewer problems than large businesses.¹⁵
- **Reduces reliance on public assistance programs:** Women in states with PFML are less likely than women in other states to receive SNAP or public assistance benefits.¹⁶
- **Employers:** A Rhode Island Study found employers reported no negative effects of the new law of employee workflow, productivity, or attendance and stated they were supportive of the new program.¹⁷
- **Workers:** New Jersey senior human resources personnel report positive impacts of paid leave benefits on reductions in stress, morale, and financial worries for workers.⁹

RECOMMENDATION

“Minnesotans should be able to work and care for themselves and their families. A paid family and medical leave insurance program is a fair, common-sense solution that would let them do both.” Minnesotans for Paid Family & Medical Leave

Minnesota needs to enact a guaranteed paid family and medical leave policy. The benefits to all Minnesotans outweigh the costs. The disparities in access to paid leave are unjust and un-Minnesotan. If paid leave programs in California, New Jersey and Rhode Island can effectively deliver paid leave insurance programs for a small payroll tax of around 1% or less; Minnesota can do the same.⁹ Debra Fitzpatrick from the Humphrey School of Public Affairs has laid out six models for how guaranteed paid leave can be achieved. Each model is a step in the right direction.⁹

The following actions need to be taken:

1. **Enact guaranteed Paid Family and Medical Leave in Minnesota, now.**
2. Adopt Model 6: Up to 12 Weeks of Paid Family and Medical Leave using a Progressive Replacement Rate Structure (80% to 55%) and Maximum Weekly Benefit of \$1,000.⁹
3. Allow for a four-year implementation period, with two years of start-up activity. Year three of the four-year implementation period, employees can start utilizing family leave. Year four of the four-year implementation period, employees can start utilizing medical leave.

To access this document online go to: <http://sbs.mnsu.edu/socialwork/policybriefs.html>

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