

The Family And Medical Insurance Leave (FAMILY) Act

MAY 2023

People across the country are working hard to make ends meet, yet the nation fails to provide the support they need to manage the demands of job and family, and that businesses and our economy need to thrive. Just 25 percent of the workforce has paid family leave through their employers, and just 41 percent has personal medical leave through an employer-provided short-term disability program.¹

The Family And Medical Insurance Leave (FAMILY) Act would address America's paid family and medical leave crisis and benefit working people, their families, businesses and our nation's economy.

Legislative Overview

Sponsored by Rep. Rosa DeLauro (D-Conn.) and Sen. Kirsten Gillibrand (D-N.Y.), the Family And Medical Insurance Leave (FAMILY) Act would create a **comprehensive national program that helps meet the needs of new parents and people with serious personal or family health issues** through a shared fund that makes paid leave affordable for employers of all sizes and for workers and their families.

The FAMILY Act would:

- Provide workers with **up to 12 weeks of partial income when they take time** for their own serious health conditions, including pregnancy and childbirth recovery; the serious health condition of a family member; the birth or adoption of a child; to address the effects of domestic violence, sexual assault or stalking and/or to make certain arrangements arising from the military deployment of a spouse, child or parent.
- Enable the lowest-paid workers to earn up to 85 percent of their normal wages, with the typical full-time worker earning around **two-thirds of their wages**.
- **Cover workers in all companies, no matter their size.** Younger, part-time, lower-wage, contingent and self-employed workers would be eligible for benefits.
- Ensure that workers who have been at their job for more than 90 days have the **right to be reinstated** following their leave, and that all workers are protected from retaliation.

- Allow **states with existing paid leave programs** to continue administering them.
- Be funded responsibly by **small employee and employer payroll contributions** of two-tenths of 1 percent each (two cents per \$10 in wages), or less than \$2.20 per week for a typical worker.²
- Be administered through a **new Office of Paid Family and Medical Leave**. Payroll contributions would cover both insurance benefits and administrative costs.

Benefits for Workers, Families, Businesses and Our Economy

Strengthens Families’ Economic Independence

Working families lose an estimated \$22.6 billion in wages each year due to a lack of access to paid family and medical leave.³ The FAMILY Act would cut by 80 percent the share of families who fall into financial insecurity after taking the unpaid leave provided by the federal Family and Medical Leave Act.⁴

Promotes Parents’ Workforce Participation and Equity

Paid leave can help new parents keep their families on track to meet new expenses. In the year following a birth, new mothers who take paid leave are more likely than those who take no paid leave to stay in the workforce and 54 percent more likely to report wage increases.⁵ When fathers take paid leave, their involvement at home increases and is more equitable, making it easier for women to return to the workforce.⁶

Protects Older Workers’ Income and Retirement Security

Nearly half of employed caregivers who take time off to fulfill their responsibilities at home report losing income.⁷ On average, workers 50 or older who leave the workforce to care for a parent lose more than \$300,000 in wages and retirement – and, for women, losses are even greater.⁸ Paid leave would help keep more family caregivers – and people with their own health conditions – employed and strengthen their financial positions over time.

THE FAMILY ACT WOULD CREATE A COMPREHENSIVE NATIONAL PROGRAM THAT HELPS MEET THE NEEDS OF NEW MOTHERS AND FATHERS AND PEOPLE WITH SERIOUS PERSONAL OR FAMILY HEALTH ISSUES THROUGH A SHARED FUND THAT MAKES PAID LEAVE AFFORDABLE FOR EMPLOYERS OF ALL SIZES AND FOR WORKERS AND FAMILIES.

Improves Health Outcomes for Children, Ill Adults and Seniors

Paid leave contributes to improved newborn and child health. New mothers are better able to initiate and continue breastfeeding, and new parents can more easily get babies to the doctor for check-ups and immunizations.⁹ Paid leave also allows ill or injured adults to get critical care and take needed recovery time, and it enables caregivers to

help ill parents, spouses and children fulfill treatment plans and avoid complications and hospital readmissions.¹⁰

Improves Bottom Lines for Businesses

The FAMILY Act would spread the cost of leave, reducing the burden on individual employers and allowing many more workers to access paid leave. Paid leave contributes to reduced turnover and increased employee engagement and loyalty, leading to significant employer cost savings.¹¹ In California, where a family leave insurance program has existed for nearly two decades, workers in low-wage, high-turnover industries are much more likely to return to their jobs after using the program, and nine out of 10 businesses report positive or neutral effects on profitability and productivity.¹²

A Stronger National Economy

The United States would add \$650 billion to its GDP per year if women participated in the labor force at rates similar to those in comparable countries with more robust work-family policies.¹³ A national paid leave insurance program would help keep new parents and family caregivers in the workforce and boost their incomes and savings over time, all of which would contribute to economic productivity and growth. In contrast, when people have to forgo pay or lose a job when a serious medical or caregiving need arises, they often jeopardize their ability to afford even the most basic necessities. This hurts workers, their families and the businesses that depend on revenue from these purchases, and it stifles economic growth.

Demonstrated Effectiveness

The FAMILY Act builds on successful state family and medical leave insurance programs. Nine states including the District of Columbia have paid family and medical leave insurance programs in effect (California, Colorado, Connecticut, the District of Columbia, Massachusetts, New Jersey, New York, Rhode Island, and Washington state) and paid family leave programs will take effect in Delaware and Maryland and Oregon in coming years.¹⁴ Analyses of California's program show that employers and employees have benefitted.¹⁵ In New Jersey, program costs are even lower than expected and public attitudes toward the program are favorable.¹⁶ Research on Rhode Island's program also shows favorable results for new parents and small- and medium-sized businesses.¹⁷

It is well past time for a national paid leave policy that meets the country's needs and truly honors families. It's time for the FAMILY Act. **For more information, visit NationalPartnership.org.**

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- ³ Glynn, S. J. (2020, January 21). *The Rising Cost of Inaction on Work-Family Policies*. Retrieved 5 May 2023, from Center for American Progress website: <https://www.americanprogress.org/article/rising-cost-inaction-work-family-policies/>
- ⁴ diversitydatakids.org. (2021). *Working adults living in families under 200% FPL before and after wage loss due to paid or unpaid FML (percent) by parent status*. diversitydatakids.org calculations of Current Population Survey, 2014-2017 March Annual Social and Economic Supplement, Public Use Microdata Files, IPUMS-CPS, University of Minnesota, www.ipums.org. Retrieved 5 May 2023, from https://data.diversitydatakids.org/dataset/pfml_pov_par_p-working-adults-living-in-families-under-200--fpl-before-and-after-wage-loss-due-to-pa
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- ⁷ Aumann, K., Galinsky, E., Sakai, K., Brown, M., Bond, J. T. (2010). *The Elder Care Study: Everyday Realities and Wishes for Change*. Retrieved 5 May 2023, from Families and Work Institute website: <https://cdn.sanity.io/files/ow8busu72/production/55b5d7835f6cb2463118ca1076cbedaa77d6c304.pdf>
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- ⁹ Berger, L., Hill, J., & Waldfogel, J. (2005). Maternity Leave, Early Maternal Employment and Child Health and Development in the U.S. *The Economic Journal*, 115(501), F29-F47. doi: 10.1111/j.0013-0133.2005.00971.x
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The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help all people meet the dual demands of work and family. More information is available at NationalPartnership.org.

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