

ISSUE BRIEF

How Small Employers Can Help Meet the Promise of Paid Leave

JULY 2019

EMPLOYERS RECOGNIZE that inevitably they and their employees will need to take time off from work at some point to care for a new child, a family member's serious illness or their own medical issue. Paid leave is a key tool to attract and retain talent by improving employee loyalty and morale. When states have passed paid leave programs, small employers have been key advocates for passing innovative state programs and ensuring those programs are successful. This is in part because having a state paid leave program enables small employers to provide their employees with paid leave without having to shoulder the entire cost, which makes them more competitive with larger employers.

This brief gives small employers specific recommendations to support paid leave based on research from the report [Meeting the Promise of Paid Leave: Best Practices in State Paid Leave Implementation](#).

Small Employers Support Paid Leave

Nine states and the District of Columbia have enacted paid family and medical leave programs. These are social insurance programs that rely on small payroll contributions from employers and/or employees, which is the policy that small employers most widely support.¹

Paid leave programs largely have neutral or positive effects on businesses and the majority of small business owners support a public paid leave program.² These programs are designed to allow employers to provide additional benefits beyond what the state program requires, like providing additional wage replacement on top of the amount the state provides. As long as the program's basic requirements are met, employers also retain flexibility to administer other benefits, like vacation time or sick time.

Employers are a key support system for workers in times of significant transition and stress in their lives. New research on state paid leave programs found that employers who embrace paid leave programs are among the most valuable people to educate employees about the programs and help them apply.

IF AN EMPLOYEE IS A VALUED EMPLOYEE MAKING A CONTRIBUTION TO OUR BUSINESS, I WOULD WANT THEM TO TAKE THE TIME FOR LEAVE THAT THEY NEEDED.

— SMALL EMPLOYER IN
NEW JERSEY

Employers' Role in Making Paid Leave a Success

Engaging in the Legislative and Implementation Process

- Seek opportunities to engage with lawmakers during the legislative process to help ensure that statutory language provides clarity around employer obligations and adequately addresses diverse industries and types of employers.
- Engage with regulatory agencies and program administrators to provide input on program regulations and help ensure that educational materials answer outstanding questions.
- Advocate for a law that covers employers and self-employed people, to ensure everyone is covered.
- Advocate for significant funding for outreach and education, including to small business organizations who are often best positioned to reach their members and, through them, employees who are least likely to have access to paid leave. Outreach funding should include simple materials and a website for small employers to access information.

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Compliance With Laws

- Employers interact with state paid leave programs in a variety of ways. Employers must meet notification requirements, submit data to the state, keep certain records and follow anti-retaliation and job protection rules where applicable.
- Employers must also comply with state-specific requirements, which may include payroll contributions and certifying employees' wages.
- Employers must still comply with other state and federal laws where applicable, such as FMLA or state paid sick days requirements.
- If your state has additional requirements for employers in the application process, including certifying employees' wages, complete those requirements in a timely manner.
- Encourage business associations to share information and include presentations on paid leave programs at conferences and events.
- Seek out support from state agencies to answer any questions you or your employees have about the program. Work with groups like [Main Street Alliance](#) to help build stronger outreach and materials for small employers.

Building a Family-Friendly Workplace Culture

- Inform staff regularly about paid leave programs to raise general awareness.
- Cultivate a supportive culture around leave-taking, including educating managers and other staff about how use of paid leave improves employee morale, productivity and retention and lead by example by taking leave when you need it.
- Integrate information about state paid leave benefits into HR materials and systems. Start raising awareness of a paid leave program before it goes into effect to address potential confusion.
- Train managers and HR staff to provide information when they encounter an employee who demonstrates a likely need for paid leave.
- Partner with payroll companies to include clear designation and notices about paid leave benefits on pay stubs.

Coordinating Benefits With a New State Law

- Consider “topping up” state benefits so that employees receive a greater share of their usual wages, providing a greater duration of leave beyond what the state provides.
- Consider expanding other work-family benefits such as telecommuting, flexible work hours and return-to-work policies.
- Consider having employees sign that they received and understood the information.

¹ Small Business Majority and Center for American Progress. (2017, March 30). *Small Businesses Support Paid Family Leave Programs*. Retrieved 3 July 2019, from <http://www.smallbusinessmajority.org/our-research/workforce/small-businesses-support-paid-family-leave-programs>

² Ibid.

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, reproductive health and rights, access to quality, affordable 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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