

# What Real Paid Leave is — and What It Isn't

By Vasu Reddy

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Advocates across the country are hard at work fighting to pass robust, comprehensive universal paid family and medical leave programs that would create state paid leave social insurance programs in their states. This is a tried-and-true model that has been successfully implemented in seven states and the District of Columbia, with six more states set to start up their programs over the next three years.

The benefits of paid leave for workers, businesses, and communities are well established.<sup>1</sup> But not just anything will do. For a truly just, equitable program that works for the people who need it the most and is feasible and affordable for small businesses, any paid leave program must be:

**Comprehensive.** Any program must, at minimum, allow leave for all the purposes available under the federal Family and Medical Leave Act (FMLA):

- Caring for a new child following birth, adoption or foster placement,
- Caring for a family member with a serious health condition,
- Dealing with one's own serious health condition, and
- Certain needs arising out of a family member's military deployment.

Anything less, such as proposals designed to address only parental leave, would fail to meet the needs of disabled people and their families, low-wage workers, older adults, veterans, military families and other workers with personal and family caregiving responsibilities. Parental leave accounts for only one quarter of leaves taken under the FMLA<sup>2</sup> – meaning that parental-only policies would leave out the vast majority of people who need to take paid leave.

In addition, family caregivers care for a wide range of family members beyond just a parent, spouse or child – including chosen family members who aren't related by blood,

adoption or marriage. Any paid leave program must allow leave to care for this range of family members if it is to truly reflect the realities of all families.

**Inclusive.** Part-time and low-wage workers and people who work for small businesses are among the least likely to have access to paid leave through their employers,<sup>3</sup> even though they are the most likely to be harmed by the income loss and job security risk from going without this benefit. For a paid leave program to truly reach everyone who needs it, it has to cover all types of workers at all sizes of businesses.

**Meaningful and adequate.** For paid leave benefits to truly make a difference in people's lives, they must last long enough to actually address the medical and caregiving needs they are facing. The FMLA established a standard of up to 12 weeks of leave for family and medical leave, and evidence from a range of medical and caregiving needs shows that this is the *minimum* meaningful length.<sup>4</sup> Data from state paid leave programs show that people only use the leave they truly need and don't abuse the program.<sup>5</sup>

A paid leave program should also pay an amount of benefits that will allow workers at all wage and income levels to take the time they need without jeopardizing their ability to afford basic expenses. Paid leave benefits are usually set at a percentage of an employee's typical wages. But for people living paycheck to paycheck, reducing their usual income makes economic survival nearly impossible. An equitable paid leave program should ensure that the lowest paid workers have benefits that are as close as possible to their full usual wages.

**Secure.** Workers must be able to take paid leave without the fear of being penalized or losing opportunities at work. This is especially important for women of color, who already face discrimination and additional barriers to economic security. And the program must provide for education and outreach so that employees and employers are aware of these benefits and protections.

**Sustainable.** The program must be fully funded in a way that is reliable, low cost for workers and employers, and not harmful to other vital social safety net programs.

## **How Other Paid Leave Models Fall Short**

Despite the well-established social insurance model for paid leave, alternative models exist. These proposals are misguided at best and actively harmful at worst, and would do little to nothing to bring paid leave to the workers and families who need it most. Here's what meaningful paid leave is not:

**Tax Credits for Offering Paid Leave.** Lawmakers in a handful of states have introduced bills that would attempt to create an incentive for employers to offer paid leave by granting a tax credit to reimburse some portion of the wages paid to employees on leave. But a 2018 tax credit for employers who provided paid leave showed zero evidence that it resulted in expanding access to paid leave -- the Bureau of Labor Statistics showed that access to paid leave has still been slow to increase in the years following the tax credit's creation, especially among the lowest-paid workers who are least likely to already have paid leave. Even the congressional champion of this tax credit, Senator Deb Fischer, acknowledged that few small businesses had taken advantage of the credit, although she blamed this on a poor rollout by the Treasury Department.<sup>6</sup>

The tax credit approach would also put small businesses at a disadvantage because they are less likely to be able to cover the up-front costs of providing leave while waiting months for a partial tax credit, all while facing additional paperwork burdens. Instead, these tax credits would primarily serve as a windfall for employers already offering paid leave, instead of meaningfully expanding access.

**Voluntary Private Insurance.** Some states have recently enacted laws that do not guarantee paid family and medical leave, but instead would create a voluntary private family leave insurance product that would have the option of purchasing. These plans are essentially similar to already existing private insurance plans for temporary disability leave, which have not resulted in widespread access to leave: the majority of workers do not have access to this benefit, and those who do tend to be the highest paid. In addition, for-profit companies looking to cut costs may be incentivized to deny more claims to save money at the expense of workers who need paid leave.

**Cuts to Other Social Programs.** One particularly insidious form of "alternative" proposal would fund paid family and medical leave by cutting from other vital public benefits like unemployment insurance or forcing workers to take a cut to their future Social Security benefits. These proposals would force vulnerable working families into a false choice: short-term economic survival at the expense of long-term economic security. These proposals are poorly disguised attempts to cut the public programs that have benefited workers and their families for decades. At a time when working families are facing rising costs of living on multiple fronts, we should only be investing more in programs that help them stay financially secure across their lifetimes, whether they are caring for their families, dealing with unemployment or approaching retirement.

**Parental or Maternity Leave Only.** Some proposals would only cover leave for new parents, or in some cases are even further limited only to new birthing mothers. But

people need leave for a wide range of personal and family responsibilities: Nearly eighty percent of people who took leave under the Family and Medical Leave Act needed it for reasons other than the arrival of a new child. We cannot accept any paid leave proposal that picks and chooses which kinds of families deserve support and excludes people and families with disabilities, older workers and others with serious medical needs.

It is past time for America's working families to have access to guaranteed, universal paid leave that provides meaningful financial support for the wide range of family and medical responsibilities they face every day.

**Learn more at [NationalPartnership.org/Paid-Leave](https://nationalpartnership.org/paid-leave).**

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<sup>1</sup> E.g., National Partnership for Women & Families. (2022, February). *Paid Leave Works: Evidence from State Programs*. Retrieved 18 July 2023, from <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-leave-works-evidence-from-state-programs.pdf>

<sup>2</sup> Brown, S., Herr, J., Roy, R., & Klerman, J. A. (2020, July). *Employee and Worksite Perspectives of the Family and Medical Leave Act: Results from the 2018 Surveys*. Abt Associates Publication. Retrieved 18 July 2023, from [https://www.abtassociates.com/files/Projects/PDFs/2020/whd\\_fmlla2018surveyresults\\_finalreport\\_aug2020.pdf](https://www.abtassociates.com/files/Projects/PDFs/2020/whd_fmlla2018surveyresults_finalreport_aug2020.pdf)

<sup>3</sup> National Partnership for Women & Families. (2022). *Partnership in Action: An Employer Guide to Building Gender Equity in the Workplace*. Retrieved 18 July 2023, from <https://nationalpartnership.org/wp-content/uploads/2023/04/partnership-in-action.pdf>

<sup>4</sup> E.g., National Hospice and Palliative Care Organization. (2019, July 2). *NHPCO Facts and Figures*. Archived version retrieved 18 July 2023, from [https://web.archive.org/web/20221006041639/https://39k5cm1a9u1968hg74aj3x51-wpengine.netdna-ssl.com/wp-content/uploads/2019/07/2018\\_NHPCO\\_Facts\\_Figures.pdf](https://web.archive.org/web/20221006041639/https://39k5cm1a9u1968hg74aj3x51-wpengine.netdna-ssl.com/wp-content/uploads/2019/07/2018_NHPCO_Facts_Figures.pdf); WORLD Policy Analysis Center. (2018, February). *A Review of the Evidence on the Length of Paid Family and Medical Leave*. Retrieved 18 July 2023, from <https://www.worldpolicycenter.org/sites/default/files/WORLD%20Brief%20-%20Length%20Paid%20Family%20and%20Medical%20Leave.pdf>; MedlinePlus. (2023, January 24). *Pediatric heart surgery*. Retrieved 18 July 2023, from <https://medlineplus.gov/ency/article/007363.htm>; MedlinePlus. (2023, January 24). *Pediatric heart surgery - discharge*. Retrieved 18 July 2023, from <https://medlineplus.gov/ency/patientinstructions/000015.htm>

<sup>5</sup> National Partnership for Women & Families. (2022, February). *Paid Leave Works: Evidence from State Programs*. Retrieved 18 July 2023, from <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-leave-works-evidence-from-state-programs.pdf>

<sup>6</sup> Weisman, J. (2021, October 31). Why Paid Family Leave's Demise This Time Could Fuel It Later. *New York Times*. Retrieved 18 July 2023, from <https://www.nytimes.com/2021/10/31/us/politics/paid-family-leave.html>

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