

LD 1587: Creating a Paid Family and Medical Leave System for Maine

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Labor, Commerce, Research, and Economic Development (LCRED) Committee

ALL FAMILIES FACE MAJOR LIFE EVENTS. Whether for the birth or adoption of a child, helping a spouse or parent age at home, or while struggling with illness or injury, many Mainers need time away from work to care for themselves or a family member. Current state and federal laws provide job protection for *unpaid* leave, which is not an option most families can afford. Only 13% of workers in the U.S. have access to paid family & medical leave through their employers.¹ The result is that workers must choose between caring for themselves or family members and making a living.

A PAID FAMILY & MEDICAL LEAVE SYSTEM is a social insurance program like Social Security or Unemployment. It allows workers to continue to receive at least partial pay when they need to take an extended time off from work due to a major life event. Senator Amy Volk and Representative Erin Herbig are sponsoring a bill to establish a system in Maine: LD 1587, *An Act to Provide Economic Security to Maine Families Through Creation of a Paid Family Medical Leave System*. Paid family and medical leave is **not** a substitute for paid sick days for short-term illnesses, nor is it paid vacation or personal time.

PAID FAMILY AND MEDICAL LEAVE HELPS FAMILIES DURING MAJOR EVENTS:

- *Birth or adoption of a child*
- *Recovery from surgery, an accident, or other health condition*
- *Helping a loved one struggling with a chronic condition like dementia*
- *Assisting a spouse or parent age at home*
- *Dealing with the death or serious health condition of a family member in the military*

HOW DOES THIS PAID MEDICAL LEAVE SYSTEM WORK?

- LD 1587 establishes an insurance pool for Maine—a fund held at the Department of Labor Bureau of Unemployment Compensation. The fund is built from small contributions (0.5% of wages) made by employees at businesses with 15 employees or more. Only employees contribute; **not** employers.
- When workers who qualify face a major life event, they can draw 66% of their wages for up to 8 weeks. To qualify, workers must have contributed to the insurance pool for 12 of the previous 18 months.
- Leave may be used to address the worker's own serious health condition or care for a family member with a serious health condition; deal with the death or serious health condition of a family member in the military; or care for a newborn or newly-adopted child. A serious health condition is one requiring either inpatient care or continuing treatment by a health care provider.
- Self-employed individuals may opt-in to the program, but must remain in the program for at least two years.

BENEFITS OF PAID FAMILY LEAVE

Successful experience in other states:

- Five states—California, New Jersey, Rhode Island, New York, and Washington—as well as Washington, D.C. have already passed paid family leave laws.
- Experience in other states demonstrates that access to paid family leave increases employee morale and retention, reduces turnover, and increases productivity.²
- 87% of California employers said the state’s long-standing paid family leave program had a positive or neutral impact on business and has not resulted in any cost increases.³ A study of that program found no statistically significant increase in employers’ wage burden from the program.⁴

Helps small businesses and attracts workers:

- A state insurance pool allows small businesses to offer paid leave to their employees providing a benefit that otherwise would be impossible to offer, and be competitive with large corporations.
- Maine faces an extreme labor force shortage. The state is expected to lose thousands of working-age individuals if current migration trends continue.⁵ A Paid Family and Medical Leave System will position Maine as a family-friendly state, help young families to stay in the state, and encourage others to come. It will also allow caregivers to stay in the workforce longer, maximizing their productivity.

Supports families with children:

- Women who use paid leave after childbirth are more likely to remain employed the following year.⁶ Parents who have used paid leave report lower levels of public assistance in the year following the birth of their child.⁷
- Access to paid leave reduces bankruptcies due to childbirth or major illness.⁸
- Newborns whose parents take leave are more likely to be taken to the pediatrician for regular check-ups and immunizations. They are also more likely to be breastfed.⁹
- The presence of a parent shortens a child’s hospital stay by 31% and children recover faster when cared for by a parent.¹⁰

Supports older family members and caregivers:

- Older adults cared for by family members recover from illness and injury faster, have shorter hospital stays, and experience improved outcomes.¹¹
- An estimated 178,000 people – one in six Maine adults – cares for an adult family member, spouse, or friend, providing care worth \$2.2 billion every year.¹²
- In Maine, there are currently 27,000 people age 65 and older living with Alzheimer’s disease, with an additional 69,000 people providing 988 million dollars in unpaid care and support for them annually. Caregivers who lost income because they had to cut back or quit work to meet the demands of caregiving, lost, on average, \$15,000 a year.¹³

NOTES

¹ U.S. Department of Labor, Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in the United States, March 2017* (Table 32). <https://www.bls.gov/ncs/ebs/benefits/2017/ebbl0061.pdf>

² National Partnership for Women and Families. (March 2015). *Paid Family and Medical Leave: Good for Business*.

<http://www.nationalpartnership.org/research-library/work-family/paid-leave/paid-leave-good-for-business.pdf>

³ Appelbaum, E. and Milkman, R. (2011). *Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California*.

<http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf>, page 8.

⁴ Bedard, K and Rossin-Slater, M. (October 2016). *The Economic and Social Impacts of Paid Family Leave in California: Report for the California Employment Development Department*. http://www.edd.ca.gov/Disability/pdf/PFL_Economic_and_Social_Impact_Study.pdf

⁵ Maine Office of Policy and Management, population projection estimates.

⁶ Appelbaum and Milkman.

⁷ Linda Houser and Thomas P. Vartanian, *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public*, Rutgers Center for Women and Work (January 2012), <http://smlr.rutgers.edu/paymatterscwwreport-january2012>

⁸ Heather Boushey, Ann O'Leary and Alexandra Mitukiewicz *The Economic Benefits of Family and Medical Leave Insurance*, "Center for American Progress (December 12, 2013), <https://www.americanprogress.org/issues/economy/report/2013/12/12/81036/the-economic-benefits-of-family-and-medicalleave-insurance/>

⁹ National Partnership for Women and Families. (March 2015). *Children Benefit When Parents Have Access to Paid Leave*.

<http://www.nationalpartnership.org/research-library/work-family/paid-leave/children-benefit-when-parents.pdf>

¹⁰ Ibid.

¹¹ Family Values @ Work. *Family and Medical Leave Insurance Fact Sheet*. <http://familyvaluesatwork.org/graphics/FMLIFactSheet.pdf>

¹² Susan Reinhard, Lynn Feinburg and Ari Houser, *Valuing the Invaluable: 2015 Update* (AARP, 2015)

<https://www.aarp.org/content/dam/aarp/ppi/2015/valuing-the-invaluable-2015-update-new.pdf>

¹³ Alzheimer's Association. (2017). *Alzheimer's Association's 2017 Alzheimer's Disease Facts and Figures*.

https://www.alz.org/documents_custom/2017-facts-and-figures.pdf