

National Unemployment Insurance Issues Conference



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Massachusetts Paid Family & Medical Leave

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Paid Family & Medical Leave Overview – What does the bill propose?



S.1048, An Act establishing a family medical leave insurance program

- The bill creates a new Massachusetts law establishing the right for employees, certain state independent contractors providing family childcare, personal care attendants, and self-employed individuals to receive job protected paid family and paid medical leave under certain circumstances.
- Benefits
 - Up to 16 weeks of paid family leave, & 26 weeks of paid medical leave.
 - Leaves may be taken intermittently.
 - Weekly benefits =50% of the employee's weekly wage/capped at \$1,000 per week; by 2021, that level is increased to 90% & the average weekly wage tied to the CPI for the Boston-Cambridge-Quincy MSA.
- Family leave is leave taken by an employee to provide care for a family member.
- Family is defined as spouse, domestic partner, child, parent, parent of a spouse or domestic partner, an individual who stood in loco parentis to the employee when the employee was a minor child, grandchild, grandparent, or a sibling of the employee.



- Leave may be for any of the following reasons: to bond with the employee's child during the first 12 months after the child's birth or the first 12 months after the placement of the child for adoption or foster care with the employee; for a serious health condition of a family member; or because of a qualifying exigency pursuant to the Family and Medical Leave Act, 29 U.S.C. 2612(a)(1)(e), arising out of a family member of the employee being on active duty in the armed forces of the United States.
- Medical leave is leave taken by an employee from employment due to a serious health condition of the employee that renders the employee unable to perform the functions of the employee's position.
- The bill creates a new department to run the program as well as a new "assessment" to fund it further; the assessment may be shared 50/50 between employers and employees.



What will all of this cost?

The new department is similar to the Unemployment Insurance system w/the following features:

- Est. \$70 million annual operating budget
- \$1.3B/annual paid by employers (see calculator)
- \$520 per employee yearly, more than the average \$508 for UI in 2017.



What will all of this cost? Look to California

"Ten Year Anniversary Report" on the CA program (2014)

- Claims over ten years increased by 43.4%
- Benefits paid rose by 87.5% \$296 to \$554 million
- Used for benefits to individuals who take time off of work to care for a seriously ill child, spouse, parent, or registered domestic partner, or to bond with a new minor child due to birth, adoption, or foster care placement.



What will all of this cost? Look to California

- The program began issuing benefit payments on July 1, 2004.
- Employee paid.
- Individuals can receive up to <u>six weeks</u> of PFL benefits within a 12-month period.
- This is **NOT** job protected leave.
- It covers up to 55% of your pay to a maximum in 2013 (the year prior to the issuance of the report) of \$1067.