

Washington's Paid Family Leave

Sen. Karen Keiser
Chair, Health & Long Term Care
Committee



Why Family Leave?

Good for families



Stronger family bonds

Healthier children

Thriving communities

Why Family Leave?

Worker demand

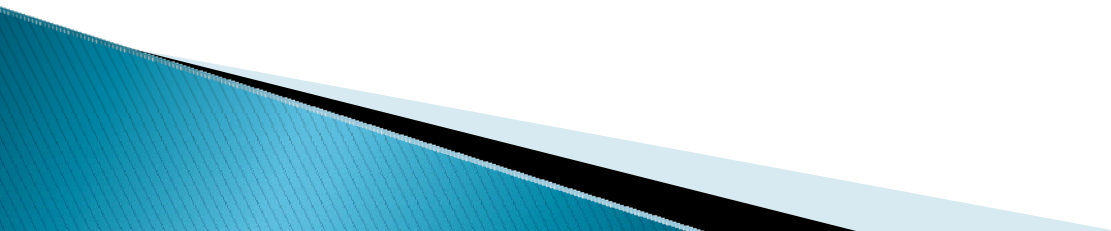


- ▶ Polls show 73% of voters here in Washington support family leave.
- ▶ Nationally, only 8% of private sector workers receive paid family leave

▶ Source: Economic Opportunity Institute

Why Family Leave?

Makes good business sense

- ▶ Employee loyalty.
 - ▶ Lower employee turnover/skill retention.
 - ▶ It's estimated 40% of parents with newborns will take advantage of the program once the public knows about the program. (Source: Labor and Industries actuary)
 - ▶ We expect to see participation from workers from all business sectors.
- 



National Trends

- ▶ Paid maternity leave programs have been operating smoothly in 5 states—*California, New York, New Jersey, Rhode Island and Hawaii*—since the 1970s.
- ▶ Small businesses that *can't* afford paid leave are given a way to provide the benefit.
- ▶ Businesses that *do* have paid leave are provided with a needed supplement.

National Trends

- ▶ They have all been able to work out coordination.
- ▶ California has had full paid family leave since 2004, New Jersey will start next July.
- ▶ Other states will have legislation to adopt in 2009.



Washington's Paid Family Leave Benefit



- ▶ Gives parents of newborns or newly adopted children **\$250 a week up to five weeks** to care for the child.
- ▶ Prorated for part-time workers.

How it works

Scenario 1



- ▶ Employer allows workers to accrue paid sick leave.
- ▶ Wk 1: Use sick leave during wait period.
- ▶ Wk 2–4: Combine FLI and sick leave up to usual pay.
- ▶ Wk 5–6: Sick leave exhausted, receive only FLI.

How it works
Scenario 2



- ▶ 12 weeks paid parental leave/12 weeks unpaid option.
- ▶ Incorporate FLI benefit into the current 12 weeks of paid leave.
- ▶ *Or*, still pay 12 weeks full pay, let employee pick up FLI benefit for 5 of the optional unpaid weeks.

How it works
Scenario 3
“Topping off”



- ▶ Employer provides paid time off but no separate paid parental or family leave.
- ▶ They decide to maintain paid leave policies and adopt a new family leave benefit to attract and retain employees.
- ▶ New benefit “tops off” to full pay when employee is on FLI leave.

Family Leave Eligibility

- ▶ Employee must have worked 680 hours in employment covered by unemployment compensation during the first four of the last five calendar quarters or the last four calendar quarters completed before beginning family leave.



Reemployment Requirements

- ▶ An individual is entitled to be restored to a position of employment if the individual has worked for an employer with more than 25 employees for at least 12 months and for at least 1,250 hours over the previous 12 months.



Concurrent Leave

- ▶ Family leave must be taken concurrently with any unpaid leave under the federal Family and Medical Leave Act of 1993 or under the Washington Family Leave Act.



Concurrent Leave

- ▶ Employers may require that leave be taken concurrently with any leave allowed under the terms of a collective bargaining agreement or other employer policy, as applicable, for the birth or placement of a child. Employers must give employees written notice of this requirement.



Potential Funding



- ▶ A taskforce comprised of legislators and citizens, including business and labor representatives, working on a permanent funding source for the program. (Senate Bill 5659)
- ▶ \$6.2 million state general fund money for start up costs.

Potential Funding



- ▶ A worker–paid payroll tax.
- ▶ State / federal partnership.



What's ahead?

- ▶ During the 2009 legislative session, we will look at adopting recommendations of a FLA task force which include:
 - Making the application process simpler and streamlining administration of benefits.
 - Protect employers from unintended effects on unemployed insurance premiums.

Thanks for your time!

Questions?

