Paid Parent Leave Overview
Merage Foundations
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The U.S. is one of the only developed nations worldwide that does not currently mandate paid parent leave, even though 71% of children born in the U.S. have parents in the workforce.[1] Although the Federal Family and Medical Leave Act (FMLA) was implemented in 1993, this does not include paid leave; it simply allows employees the opportunity to take unpaid leave for certain family or health-related reasons. While many states have made adaptations to the federal requirements around FMLA, only California, New Jersey, and Rhode Island have successfully executed a paid parent leave structure.[2] Other states, including Washington, have passed legislation to implement paid parent leave but have not had adequate funding or the infrastructure to bring this to fruition.[3]

While many laws and regulations around family leave have remained the same, dynamics and the structures of families have not. In a two-parent home, it is no longer common-place for one parent to stay home full-time to care for a new child or ill family member.[4] It is, however, more common for women with children to be the primary or co-breadwinners in nearly two-thirds of families, with women accounting for 44% of their families' household income.[5] Among lower-income families, the women's earnings are even more important for the family's survival, obligating parents to choose between staying home with their infant or returning to work to better meet their family's financial needs. Additionally, the number of single-parent families with the mother as the breadwinner has grown, leaving many families who are living in poverty struggling to survive.[6]

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California became the first state to implement a Paid Parent Leave (PPL) program in 2004.[7] The California Employment Development Department (EDD) administers funds from employee State Disability Insurance (SDI) premiums, providing partial wage replacement for individuals to take time to bond with a new child or care for an ill family member. PPL is available for six weeks of benefits for every 12-month period, equating to six weeks of partial wage pay.[8] Many private sector workers who contribute to SDI and are in need of taking leave qualify for PPL. Only a portion of public-sector workers qualify for PPL based on unions, counties, and cities that opt-in to the program.[9]

New Jersey also implemented a Paid Family Leave (PFL) program in 2009 that runs concurrent with FMLA and the New Jersey Family Leave Act (NJFLA).[10] The state stipulates that other types of available leave must be used prior to taking paid family leave, resulting in leave that may be paid, unpaid, or a combination of both. New Jersey's PPL program is funded 100% by employees through payroll deductions, with benefits being administered by the state's existing Temporary Disability Benefits Program within the Department of Labor and Workforce Development. Employees are eligible to receive two-thirds of their wages, or up to $524 per week maximum, and can take up to six weeks paid leave.[11]

Rhode Island improved upon the programs implemented in California and New Jersey in 2014 by guaranteeing workers reinstatement to their jobs and offering protection from workplace retaliation for taking paid leave.[12] The Rhode Island Temporary Caregiver Insurance Program provides four weeks of paid leave for the birth, adoption, or fostering of a new child or to care for a family member with a serious health condition; and up to 30 weeks of paid leave for a worker's own disability. The program is funded by employee payroll taxes and administered through the state's Temporary Disability Insurance (TDI). It provides a minimum benefit of $72 and maximum of $752 per week, based on each individual's earnings. The PPL program is available to all private sector employees and public sector employees who opt into the program.[13]

While these are the only state-mandated programs that have been successfully implemented, other states are starting to pass legislation that implement variations of these programs.[14] In New York, a new paid parent leave program was adopted with nearly unanimous bipartisan support in 2016. The program will take effect in 2018, with plans to have is fully phased by 2021.[15] Once this program is fully implemented, it will be the country's strongest paid parent leave law, offering 12-weeks of job protected paid leave. Additionally, Washington, D.C. recently passed legislation that would provide up to eight weeks of paid leave for the birth or adoption of a child.

It also allows for up to six weeks of paid time off to care for an ill family member and two weeks of personal paid sick leave. The state of Washington is likewise working toward executing their PPL program.[16] Although Washington passed paid leave laws in October 2009, budgetary restrictions have created barriers to implementation. However, in 2015, the state received a federal grant to strategize best practices on funding the program and will hopefully be able to implement their program in the future.[17]

While some states continue to develop their own paid parent leave programs, the potential for a federal mandate from the Trump Adminstration could require all states to allow six weeks for paid parent leave to both mothers and fathers, including adoptive parents. This mandate would be funded by Unemployment Insurance, which includes both state and federal payroll taxes. However, the Trump Administration will give states “broad latitude” to determine what their paid parent leave program looks like and how it’s implemented. [18]

Due to the nascent nature of implementing PPL programs across the nation, there is much interest in usage and cost data from the few fully scaled PPL programs. With California’s program being in effect for more than ten years, they have been able to assess the impact of implementing PPL. Data has shown that both the percentage of mothers and fathers who take leave has increased, particularly among disadvantaged communities.[19] Mothers tend to use nearly all of their six weeks while fathers tend to use closer to two-thirds of the six weeks available to them. PPL use overall seems to be increasing but has shown a significant usage increase among biological fathers and caregivers. Of California’s large businesses that follow PPL regulations, 79% have seen either no noticeable impact on their business performance, or have reported positive effects. Only 13% of these businesses have reported an increase in cost due to complying with state regulations.[20]

Paid parent leave has shown to result in better outcomes for both children, parents, the family, and even employers.[21] Paid leave allows new parents the time to adequately bond with their child, resulting in long-term health benefits for both children and parents. While paid parental leave is beneficial for mothers, decreasing maternal depression and infant mortality, it is also important in establishing a role for fathers within the infant’s life. A longitudinal study found that fathers who took two or more weeks off after the birth of their child were more involved in the direct care of their children as they continue to develop than fathers who were unable to take leave.[22] Double the rate of workers who use paid leave are returning to their positions and therefore seeking long-term child care; with 70% of parents who utilize PPL programs reporting a positive effect on their ability to arrange quality child care prior to returning to work, minimizing the uneasiness of leaving their child in someone else’s care.[23]

Employers in states with PPL programs are also benefitting due to more employee’s returning to work after their leave has ended. Not only are they experiencing a reduction in staff turnover, they are no longer burdened with the responsibility of offering employee leave.[24] It has also been argued that paid leave programs help to build the economy by increasing the number of parents in the labor force and promoting families’ economic security, subsequently decreasing the number of families that are reliant on public assistance programs.[25]

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Summary of Paid Parent Leave

Law	Benefit	Who is Covered
State Temporary Disability Insurance (TDI) programs	Provides partial wage replacement for short-term injury or illness unconnected to work.	Rhode Island, California, New Jersey, New York, Hawaii, Puerto Rico, and the District of Columbia have TDI systems. Most salaried workers are covered. Employers in other states may voluntarily participate. Typically, only mothers who give birth – not fathers and adoptive parents – are eligible.
California Paid Family Leave (PFL) insurance program (2004)	Provides up to six weeks of leave with partial wage replacement to each parent, in addition to TDI benefits, in order to care for and bond with a new child or care for another family member (not available for the worker's own health needs). Wage replacement is approximately 55% of earnings (up to maximum of $1,075 per week of benefits) for each worker. The program is funded through employee payroll taxes. Job protection is not included, but FMLA's job protection applies to covered workers.	All private-sector and some public-sector employees; self-employed workers can opt in.
New Jersey Family Leave Insurance program (2009)	Provides up to six weeks of leave with partial wage replacement to each parent, in addition to TDI benefits, to care for and bond with a new child or care for another family member (not available for the worker's own health needs). Wage replacement is approximately two-thirds of the employee's weekly pay (up to a maximum of $595 per week). The program is funded through employee payroll taxes. Job protection is not included, but FMLA's job protection applies to covered workers.	All private- and public-sector employers.
Rhode Island Temporary Caregiver Insurance (TCI) program (2014)	Provides up to four weeks of leave with partial wage replacement to each parent, with a weekly benefit rate of 4.62% of their wages paid in the highest earnings quarter of their base period (approximately 60%, up to a maximum of $752). The program is funded through employee payroll taxes and provides for job protection during leave.	All private-sector and some public-sector employers.
New York (2018)	Will provide eight weeks of family leave in 2018 with plans to increase to 12 weeks in 2021.	All private-sector employees; public employees and self-employed workers can opt in.
Disctrict of Columbia (2020)	Wil provide eight weeks for parental leave and six weeks for family care.	All private-sector employees covered; self-employed individuals can opt in.

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