

NEW YORK NEEDS

PAID FAMILY LEAVE

Times have changed but the workplace hasn't

That means stress for today's working women and men who need time to care for a new baby, a dying parent, or a seriously ill family member. Loss of income or a job can take a huge financial toll and put their economic stability at risk. No one should have to choose between the health of their families and their ability to make ends meet.

But the United States stands virtually alone in the world—and **New York lags behind other states**—in failing to provide any paid time for workers with a new baby or sick relative who depends on their care.

The federal Family and Medical Leave Act offers some help. It provides up to 12 weeks of unpaid leave—but coverage is limited to workers employed for a year or longer in firms of 50 or more, leaving out 40 percent of the workforce. And because the leave is unpaid, **even those who qualify often can't afford to take it.**

Individual workers and employers can't solve this societal problem on their own. **Only 12 percent of all private sector workers**—and only 5 percent of those in the bottom wage quartile who can least afford to take unpaid leave—now have paid family leave from their employers.

We can provide real help to working families this year. Here's how.

New York is one of five states with an insurance system already in place that can be used to provide paid family leave. It's called Temporary Disability Insurance (TDI). Funded through small employer and employee premium contributions, TDI provides partial wage replacement when workers experience an off-the-job short-term disability, including those related to pregnancy and recovery from childbirth. California, New Jersey, and Rhode Island have successfully **modernized their existing Temporary Disability Insurance programs to include paid family leave** financed entirely through modest employee payroll contributions.

It's time for New York to modernize our workforce laws.

Our antiquated system

WHAT'S WRONG WITH NEW YORK STATE'S TEMPORARY DISABILITY INSURANCE (TDI) PROGRAM

Its purposes are too limited: TDI now provides only **5 to 7 weeks of meager benefits for recovery from childbirth**—nothing for bonding and caring for a newborn, for new dads, for adoptive parents, or for caring for a seriously ill family member.

And the benefits are inadequate: TDI has not been adjusted over time to keep pace with rising living costs. The current cap of \$170/week has been **frozen for 25 years** and lags dramatically below that of every other TDI state (where maximum weekly benefits average \$757.50).

What a modern workforce really needs

LEGISLATION TO CREATE PAID FAMILY LEAVE AND ADEQUATE BENEFITS WILL PROVIDE:

Up to 12 weeks of job-protected paid family leave a year to care for a new child or seriously ill family member, or address important needs related to a family member's military service.

Benefits replacing 2/3 of an employee's average weekly wage up to a cap of 50 percent of the statewide average weekly wage (when fully phased in over 4 years) for both disabilities covered by current law and the new family caregiving purposes. For example, the maximum weekly benefit would be \$633.22 based on the statewide average weekly wage of \$1,266.44 in 2014.

Coverage for all workers. Social insurance makes paid family leave affordable for all employees and all size businesses.

Greater financial stability for an estimated 50,000 to 77,000 New Yorkers annually and their families who rely on their earnings when a new child arrives or close relative needs their care. And it will give all the state's 7.9 million private sector workers peace of mind, knowing paid family leave will be there if and when they need it. Public sector workers will be able to opt in through collective bargaining. In addition, it will provide more adequate wage replacement for approximately 200,000 New Yorkers who rely on existing disability benefits each year.

MAXIMUM WEEKLY TDI BENEFITS (2016)



INDIVIDUAL WEEKLY BENEFITS EQUAL:

CA: approximately 55% of employee earnings up to the maximum

RI: approximately 60% of employee earnings up to the maximum

NJ: two-thirds of employee earnings up to the maximum

HI: 58% of employee earnings up to the maximum

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Economic growth depends on it. . . and businesses can afford it

Paid Family Leave is an economic necessity for all working men and women with family responsibilities. And it will help retain women in the labor force, which is important for bolstering both family earnings and the state's economic growth.

Modernizing our existing disability insurance system is a smart, affordable way to provide paid family leave. **The new benefit will be entirely employee-paid** through small payroll deductions of **45 cents a week** in the first year. (In subsequent years employee contributions will be determined based on estimates of the cost per employee of providing family care benefits through the State Insurance Fund.)

Data from other states show that about 80 percent of claims will be for parental leave, something most employers already deal with and can plan for in advance. Paid family leave will help these families avoid financial crisis by providing some replacement income while they are on leave.

Since employers would not have to pay the wages of employees on leave, businesses could use the savings to hire replacement workers or pay overtime, if needed. But experience shows that by far the most common practice is assigning the work temporarily to other employees. (Milkman and Appelbaum, *Unfinished Business*, 2013, p.72). In California, 87 percent of employers said the state's paid family leave program had not resulted in any cost increases (Milkman and Appelbaum, *Unfinished Business*, 2013, p. 78). Employers benefit from improved morale and lower turnover. That makes a state's businesses more competitive in attracting and retaining good employees, a firm's most valuable asset. Providing paid family leave through a statewide insurance program helps smaller businesses compete by being able to afford the kinds of employee benefits large corporations can offer.

Because New York has failed to adjust TDI for inflation since 1989, the maximum benefit has lost more than half its purchasing power and lags dramatically behind every other state. Disability benefits covered under existing law should match the new family leave benefits. Doing so will also put them more in line with New York's unemployment and workers' compensation benefits. The estimated small added cost—\$1.23/week per worker gradually increasing to \$2.10 in year four—would continue to be shared between employers and employees as it is under current law. (Figures are based on estimates by the Fiscal Policy Institute.) Family leave insurance will be administered through the state's existing TDI system that businesses already know and comply with.

Modernizing New York's disability insurance system **won't add a dime to the state budget.**

VOTERS AND SMALL BUSINESSES AGREE

They favor passing a NYS law to provide paid family leave

New Yorkers—across the state and party lines—favor 12 weeks of job-protected paid family leave.¹

Do you support enacting paid family leave for New Yorkers through an employee-funded program that provides up to 12 weeks of job-protected paid leave to bond with a new child or care for a sick relative?

Percent of in favor:

80% NEW YORK STATE VOTERS
87% DEMOCRATS
69% REPUBLICANS

8 out of 10 New York State small business owners support expanding the state disability insurance program to provide paid leave for employees caring for a new baby or seriously ill family member.²

Percent of small business owners in favor:

86% NEW YORK CITY
80% SUBURBAN
69% UPSTATE

¹ Based on a Siena poll of 805 registered voters, January, 2016.

² Based on a telephone survey of 244 New York small business owners Jan. 24-Feb1, 2013 by Lake Research Partners for Small Business Majority.

Research shows that family caregiving is critical for giving all kids a healthy start and for managing the increasingly complex health needs of our aging population.

FOR THE LATEST STUDIES SEE:

New York State Department of Health Medicaid Redesign Team (MRT) - Social Determinants of Health Work Group - Final Recommendations

October 2014

Breastfeeding and the Use of Human Milk Policy Statement from the American Academy of Pediatrics Pediatrics, March 2012

Maternity and Paternity at Work: Law and Practice Across the World

International Labour Organization, May 2014

Valuing the Invaluable: 2011 Update, The Growing Contributions and Costs of Family Caregiving by Lynn Feinberg, Susan C. Reinhard, Ari Houser, and Rita Choula, *AARP Public Policy Institute*.

Building a Competitive Future Right from the Start: How Paid Leave Strengthens 21st Century Families by Susan Ochshorn and Curtis Skinner, *National Center for Children in Poverty*, Mailman School of Public Health, Columbia University, September 2012.

Unfinished Business: Paid Leave in California and the Future of U.S. Work-Family Policy by Ruth Milkman and Eileen Appelbaum, Cornell University Press, 2013.

A Necessity, Not a Benefit: NYC's Low-Income Moms Discuss Their Struggles Without Paid Family Leave and Job Security By Nancy Rankin and Margaret Mark, Community Service Society, May 2015.

Learn more. Visit: www.cssny.org/paidfamilyleave

