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THE FAMILY ACT

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When workers in the United States experience serious illness or caregiving responsibilities, they have few places to turn. While the Family and Medical Leave Act of 1993 (FMLA) provides federal job-protected leave for certain workers, the United States remains one of the few countries that does not offer paid family or medical leave.¹ This leaves working families with the difficult choice between financial stability and their health and well-being. The recently re-introduced Family and Medical Insurance Leave (FAMILY) Act hopes to build on the successes of state models to establish a comprehensive and inclusive federal paid leave policy that meets the needs of workers.

PAID FAMILY AND MEDICAL LEAVE

Paid family and medical leave (PFML) refers to policies that enable workers to take extended leave from work while still receiving a portion of their pay. The majority of state PFML programs are available for the following:

- Bonding with a new child (including adopted or foster children).
- Addressing one's own serious health condition.
- Caring for a loved one experiencing serious illness.
- Attending to needs related to one's current or upcoming military service or that of a family member.

Several recent state-level PFML programs have also begun to include safe leave, allowing individuals to take leave to address needs following domestic or sexual violence.

CONSEQUENCES OF A LACK OF PFML:

- The most common reason for not taking needed leave is being unable to afford to take unpaid leave.²
- The total cost to workers due to a lack of access to PFML is \$22.5 billion in annual lost wages.³
- The majority (67 percent) of workers that do not receive full pay while on leave reported challenges in making financial ends meet.⁴

THE NEED FOR PAID FAMILY AND MEDICAL LEAVE

The United States remains the only one of the 38 OECD member countries that does not guarantee paid family leave for mothers.⁵ In fact, the United States is just one of seven countries worldwide that does not provide any form of paid family leave to new parents.⁶

In 2023, 27 percent of workers had access to employer-provided paid family leave, leaving approximately 106 million workers without access to PFML.⁷ Many higher-paid employees (65 percent) have access to private paid medical leave through employer-provided temporary disability insurance (TDI), but the vast

majority (90 percent) of the lowest-paid workers—whose jobs tend to be of poor quality and not include benefits — do not have access to these same benefits.⁸

Without a federal PFML program, the majority of American workers are unable to afford to take leave to care for themselves or their family members. While the FMLA entitles eligible workers to take **unpaid** leave, a lack of paid leave means that when individuals need to take extended time off they are often forced to choose between their financial security and their health.

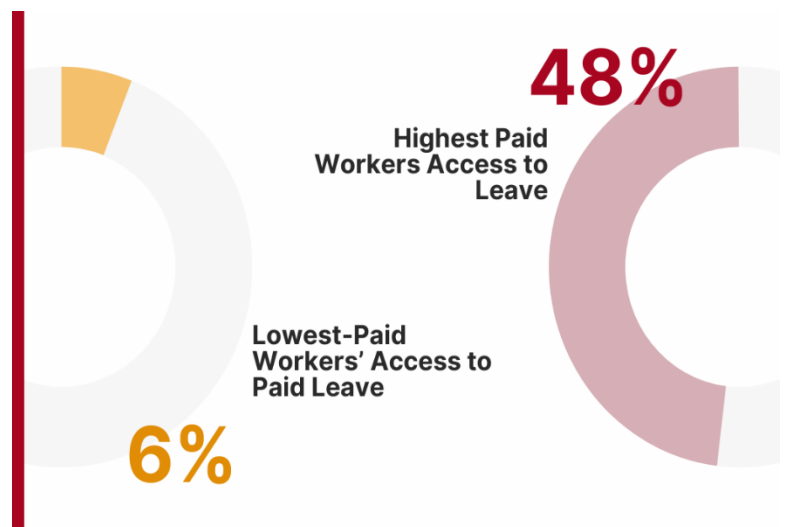
FAMILY MEDICAL LEAVE ACT

FMLA provides eligible workers up to 12 weeks of **unpaid** job-protected leave from work. However, many workers cannot afford to take unpaid leave, even when available, and other workers are ineligible due to tenure, hours worked, or being part of small worksites.⁹ Workers with the greatest need for leave, who are disproportionately workers of color and low-paid, part-time workers, are less likely to have access. Only **56% of workers** have access to FMLA.¹⁰

THE NEED FOR LEAVE INCREASES FOR WORKERS EARNING LOW WAGES AND WORKED IN MARGINALIZED COMMUNITIES

Occupational segregation thrusts already-marginalized workers, including women, BIPOC workers, and immigrant, disabled, and LGBTQIA+ workers, into industries with low pay where they are less likely to have paid leave benefits. Only 6 percent of the lowest-paid workers have access to paid leave, compared to 48 percent of the highest-paid workers.¹¹ The consequences of this lack of access are dire:

- Six out of 10 Black women either do not take leave, or do so without pay, costing them an estimated \$3.9 billion in lost wages each year.¹²
- One in four U.S. employed mothers returns to work within two weeks after giving birth.¹³
- Thirty-seven percent of LGBTQIA+ workers report not having access to either PFML or paid sick leave at their current employer.¹⁴



THE BENEFITS OF PAID LEAVE

The success of state programs has shown that a robust federal PFML program would benefit working families. Currently, 13 states and the District of Columbia have passed strong PFML laws, and research has shown the positive health, economic, and business impacts access to leave has had on workers, families, and businesses in these states.

HEALTH BENEFITS

- Access to leave is vital for children and families, promoting preventive care, bonding, and mental well-being, with demonstrated benefits such as reduced infant mortality and hospitalizations and a 31 percent shorter hospital stay for seriously ill children.¹⁵
- Access to PFML improves cancer patients' ability to receive and complete treatment and manage symptoms.¹⁶
- Access to paid leave improves maternal mental and physical health, reducing the likelihood of postpartum depression.¹⁷
- Fathers who take longer paternity leave are more likely to be involved in their child's care later in life, leading to increased childhood development and social well-being.¹⁸

ECONOMIC BENEFITS

- The U.S. would add \$775 billion to its GDP *per year* if women participated in the labor force at similar rates to those in comparable countries with more robust work-family policies.¹⁹
- As many as one in seven low-wage workers have lost a job because of illness or caregiving responsibilities.²⁰ Access to PFML has been shown to help reduce turnover and increase employee engagement and tenure, which ultimately leads to cost savings for employers.²¹
- Families with low incomes benefit substantially from access to paid leave, including increased labor market attachment and the ability to have "affordable and trustworthy child care arrangements."²²

PFML AND WOMEN'S ECONOMIC WELL-BEING

Access to PFML has been proven to help boost women's labor force participation.

- Nearly a third of mothers choose to leave the workforce after having a child.²³ But new mothers who take paid leave within the year following a birth are more likely to stay in the workforce and 54 percent more likely to report wage increases.²⁴
- A paid leave program would increase women's labor force attachment. Research has suggested that if U.S. women's labor force attachment matched its peer countries, the U.S. would see up to five million more women in the workforce.²⁵

HOW THE FAMILY ACT CAN MAKE PAID FAMILY AND MEDICAL LEAVE AVAILABLE TO WORKING FAMILIES

The FAMILY Act (**H.R. 3481/S. 1714**) would provide up to 12 weeks of job-protected, paid family and medical leave²⁶ for the following reasons:

- Caring for a new child (including adoptive or foster children).
- Addressing one's own serious health condition or that of a family member.
- Attending to needs related to one's current or upcoming active-duty military service or that of a family member.
- Dealing with needs arising from domestic or sexual violence.²⁷

Eligibility: Any worker who has submitted an application and earned wages or income in the quarter preceding the benefit period would qualify for benefits.²⁸ As a result, many part-time, seasonal, domestic, or temporary workers who have been historically excluded from these types of benefits would be eligible.

Anti-retaliation: In addition to ensuring leave, the FAMILY Act would prohibit employers from discriminating or retaliating against employees that utilize the insurance benefits. This safeguard would allow workers to take time off without fear of negative repercussions in the workplace.²⁹

Progressive Wage Replacement: Benefit amounts would be determined as a percentage of a worker's normal wages, starting at 85% for the lowest-paid workers and decreasing as wages increase, ranging from a minimum monthly benefit of \$580 to a maximum of \$4000.³⁰ This design aims to support low-income and middle-class Americans who cannot afford extended periods without pay.

Funding: Following a model similar to the Social Security program, the FAMILY Act's insurance program would be funded through a 0.2 percent payroll tax on both employers and workers, or a 0.4 percent payroll tax for those that are self-employed.³¹

Inclusive Family Definition: The 118th version of the bill incorporates innovations from state-level PFML programs and adopts a more inclusive definition of family, encompassing immediate relatives, in-laws, and other individuals with whom the worker shares a connection equivalent to a familial relationship.³² This aligns with the diverse family structures prevalent in modern America, supporting single-parent and cohabiting households. The expanded definition is particularly beneficial for communities like the LGBTQ+ community that are more likely to rely on "chosen family" in their support systems.

ADVANCING EQUITY WITH THE FAMILY ACT

The FAMILY Act can reshape economic opportunities in the United States. By providing comprehensive PFML, it can address longstanding inequities in caregiving and make essential benefits more accessible to marginalized workers and those with low incomes. A job-protected, national program is a vital step toward building a fair and inclusive economy, ensuring that all workers can take the time they need to care for themselves and their loved ones.



ENDNOTES

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²⁸ U.S. Congress, Senate, Family and Medical Insurance Act, 118th Congress Sec 4.a.1 Requirements.

²⁹ U.S. Congress, Senate, Family and Medical Insurance Act, 118th Congress Sec 4.h.1 Employment and Benefits Protection.

³⁰ U.S. Congress, Senate, Family and Medical Insurance Act, 118th Congress Sec 4.b. Benefit Amount.

³¹ U.S. Congress, Senate, Family and Medical Insurance Act, 118th Congress Sec 7.a.1 Employee Contribution; Sec 7.a.2 Employer Contribution; Sec 7.a.3 Self-Employment Income Contribution.

³² U.S. Congress, Senate, Family and Medical Insurance Act, 118th Congress Sec 2.5.b.ii Qualified Family Member; Serious Health Condition.