

Paid Family and Medical Leave

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Context and Considerations - PFML

Landscape of Existing State Programs

6 jurisdictions have long-standing **temporary disability insurance (TDI)** programs

- California, New Jersey, Rhode Island, New York, Hawaii, Puerto Rico

4 of the above jurisdictions **added paid family leave** to their existing TDI programs

- California, New Jersey, Rhode Island, New York
- Puerto Rico – separate program for paid maternal leave only

4 additional states are in the process of implementing **new PFML** programs

- District of Columbia, Washington, Massachusetts

State Decision Points

- **Structural design.** How is the program designed and who is responsible for managing different aspects?
- **Financing.** Who pays and how are revenues collected?
- **Qualifying events.** What triggers eligibility? Who can you take paid leave for, and/or who counts as family?
- **Eligibility requirements.** What work history and/or earnings requirements do you need to meet to be eligible?
- **Benefits.** How much time can you take off to provide or receive care? How much will you be compensated for? Are workers guaranteed the right to return to their jobs?

Policy Options for States - PFML

Contributory social insurance

- Simplifies administration
- Spreads risk most broadly
- Reduces potential discrimination

Hybrid social insurance with regulated private options or only private

- Higher administrative complexity than exclusive state fund
- Increases employer choice
- Requires robust regulatory mechanisms

Many State Models

Funding Sources for States - PFML

Payroll Contributions

- Shared employee + employer
- Employee-only
- Employer-only

Private market coverage

- Premiums paid by employee and/or employer

General revenues

Earmarked taxes

Employer-sponsored coverage (self insurance)