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Paid Family Leave

According to a study by the bipartisan Family Leave Commission—a commission established by the Family Medical Leave Act (FMLA)—63.9% of employees who were eligible for family leave since the FMLA was passed in 1993 could not afford to take it. An estimated 24 million workers have taken unpaid leave (Department of Labor, ND).

The United States is one of the few nations in the western world without paid parental leave (See Appendix A). Dale Russakoff of the *Washington Post* cited Germany as an example, where women who take leave from work for childbirth receive full paychecks for 14 weeks, and are paid some compensation until a child is 2 years old (Russakoff, 2000). Last June, at the orders of President Clinton, the Department of Labor issued regulations that enabled states to provide unemployment checks for family leave "on a voluntary, experimental basis" (Barko, 2000). So far, supporters have introduced bills that would grant some form of paid family leave in legislatures in 18 states during the year 2000; no state has enacted paid family leave at this point.

Pending Legislation

In Indiana, a bill to provide 12 weeks of unemployment insurance passed the House but not the Senate. In Massachusetts, an unemployment insurance proposal passed as an amendment to the states supplemental budget, but Governor Paul Cellucci vetoed it. In New Jersey two bills were introduced in the legislature, one to provide unemployment benefits, and one to extend disability pay, but both failed (Barko 2000). In New York, funding for a study on family leave has been included within this year's budget (Nolan 2000). Connecticut, New Hampshire, and Illinois have also passed legislation calling for studies of paid parental leave. These studies have been motivated by recent high employment trends, which has caused unemployment trust funds to grow vigorously. The US Labor Department says that the benefits will cost \$68 million if enacted in Maryland, Massachusetts, Vermont, and Washington. The US Department of labor estimates that paid parental leave will cost the national unemployment insurance trust fund \$10.71 annually per-worker (Lovell 2000). For a complete list of state action see www.workingforthefuture.org/in_the_states.html.

The governments of California, Rhode Island, Hawaii, New York, New Jersey, and Puerto Rico have all addressed the problem of unpaid leave through mandating that employers offer Temporary Disability Insurance (TDI), which provides a partial wage to employees who are temporarily disabled for medical reasons including pregnancy and childbirth (Watkins 2000). A study issued by the California Employment Development Department reports that employees would have to contribute one-tenth of one percent more than they presently pay, in order to cover the costs of TDI (CEDD). The National Partnership for Women & Families estimated that TDI helps at least 22% of working Americans take medical leave when they need it (National Partnership for Women & Families, 2000).

Opposition

Many opponents of paid family leave legislation speculate that such legislation will likely bankrupt the unemployment funds of a majority of the states within three years. Several key businesses organizations

including the Society for Human Resource Management, employer advocacy group LPA, and the US Chamber of Commerce oppose the parental leave legislation. They argue that paid family leave would be fiscally irresponsible because the additional payments could jeopardize the solvency of states' unemployment insurance trust funds and employers could face higher payroll taxes to make up the shortfall (Hoover 2000). The US Chamber of Commerce is currently planning to sue the Department of Labor over a recent policy allowing states to use unemployment compensation funds to pay up to 12 weeks of unemployment benefits to employees on leave after the birth or adoption of a child.

Sources

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Appendix A: European Maternity Leave

Country	Maternity Leave Duration	Percentage of Income Replacement
Austria	16 weeks	100%
Belgium	15 weeks	75-80%
Canada	17 weeks (15 weeks paid leave)	55%
Denmark	28 weeks (2 weeks paternity leave)	The employee's unemployment compensation benefit rate
England	18 weeks	Varies
France	16 weeks	100%
Germany	14 weeks	100%

Greece	16 weeks	50%
Ireland	14 weeks	70%
Italy	5 months	80%
Liechtenstein	12 weeks	80%
Luxembourg	16 weeks	100%
Netherlands	16 weeks	100%
Norway	1 year	80%
Spain	16 weeks	100%
Sweden	18 months parental leave	12 months at 80%, 3 months at a flat rate and 3 months unpaid
Switzerland	Unknown	

Source: D'Ann Mazzocca, Ph.D., Connecticut General Assembly Office of Legislative Research,
<http://www.cga.state.ct.us/olr>.

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