

PAID FAMILY LEAVE WORKING GROUP

Legislative Framework

Background:

The House bipartisan Paid Family Leave Working Group is evenly divided between Republicans and Democrats. Members include Co-Chairs Chrissy Houlahan (D-PA) and Stephanie Bice (R-OK) and Representatives Colin Allred (D-TX), Mariannette Miller-Meeks, M.D. (R-IA), Haley Stevens (D-MI), and Julia Letlow (R-LA).

Our mission is to provide more families with more paid leave.

As a result of a year-long fact-finding effort, we are putting forth a legislative framework that reflects our mission. This list is not comprehensive but rather reflects a current consensus about possible legislative options.

We look forward to collaborating and working through the options with stakeholders and Members across parties and chambers.

It is our intent that this would be passed in a package with offsets and pay-fors.

Core Pillars of Legislative Framework:

1. Public-Private Partnership Paid Leave Pilot

Target: States who want to set up a new paid leave program

Fourteen states and the District of Columbia have built their own paid leave systems. To help more states establish a paid leave program that's right for them, a public-private partnership to facilitate standing up and operating state-run programs is being considered by the Working Group. This option would be available to states that have existing paid leave programs and those seeking to establish a new one.

In developing a possible public-private partnership pilot, the working group will consider a variety of issues, such as any possible restrictions on how funds are used, potential standards or harmonization of rules for state programs, and how funding and oversight will be directed through the appropriations process and with the committees of jurisdiction.

2. Coordination and Harmonization of Paid Leave Benefits Across States

Targets: States with existing programs who need to navigate providing a variety of benefits. Multi-state employers and employees who provide and utilize benefits. Potential states who

may want to provide benefits in the future. Overall, this will help streamline all stakeholders, increase transparency, and modernize the delivery of benefits.

Creation of an “Interstate Paid Leave Action Network (I-PLAN)” that would drive improvements in coordination and harmonization of these benefits across the growing number of states with their own paid leave programs – and do so in a way that works for states, employers, *and* employees.

The I-PLAN would convene existing paid leave states, formulate recommendations, and award grants in pursuit of the following purposes:

- Create equivalency standards so that multi-state employers can design paid uniform, nationwide leave programs that will satisfy the quantitative benefit elements of each state’s employer-based plan requirements and help employees better navigate and access available benefits.
- Harmonize differences in policy and operation to eliminate confusing, inconsistent, and inefficient variation across state paid leave programs.
- Develop an electronic system for state paid leave programs so that they can communicate with each other, exchange data, and enhance program integrity, laying the groundwork to facilitate portability of benefits for employees.

3. Small Employer Pooling for Paid Leave Insurance

Target: Small businesses

Modeled off of previous bipartisan success for retirement benefits in Secure 1.0¹, this concept could authorize small employers to join association-style insurance pooling plans, with the goal of pooling risk and lowering the cost of providing paid family leave. This provision could also include guardrails or direct ways to incentivize businesses with more low-income workers to join this risk-sharing pool.

4. Improvements to 45S – Paid Leave Tax Credits for Small Businesses and Working Families

Target: Small businesses and working families

The existing 45S employer-paid family and medical leave tax credit aims to increase the number of employers who offer paid family and medical leave programs by allowing employers to partially offset their costs through this credit. Yet still, very few employers use the tax credit, leaving workers without access to paid leave benefits. In order to address these shortfalls, we may pursue a number of possible reforms to improve the reach and accessibility of 45S. Ideas could include:

- Make the 45S tax credit permanent.
- Increase the tax credit, especially for small businesses.
- Increase awareness of this credit among employers and HR professionals.

¹ <https://www.govinfo.gov/content/pkg/PLAW-116publ94/pdf/PLAW-116publ94.pdf>