



Paid Leave in Four States: Lessons for Montana Policymakers and Advocates

December 2015

The United States remains the only industrialized economy in the world that does not guarantee paid leave for new mothers or a paid sick leave standard, and one of a handful that does not guarantee leave for new fathers.¹ While the Family and Medical Leave Act of 1993 was a strong first step in supporting individuals struggling to balance work and family demands, the federal law provides unpaid leave, an option that is not viable for many working families and for which many working Americans do not qualify. Further, only 13 percent of American workers have access to paid family leave through their employers and fewer than 40 percent have access to short-term medical leave.² As a result, states have begun enacting their own initiatives to provide paid leave benefits, including family and medical leave.¹

This is the second in a series of three reports on paid leave. This report focuses on the four states that have enacted paid family leave programs, and includes the various components of their policies in four sections: (1) legislative activities and process; (2) policy and program design, including benefit levels, financing, and implementation; (3) outreach efforts; and (4) utilization of benefits and awareness. This report also provides lessons learned that Montana policymakers and advocates can use to inform their own research and policy design.

Legislative Activities in States with Paid Family and Medical Leave Programs

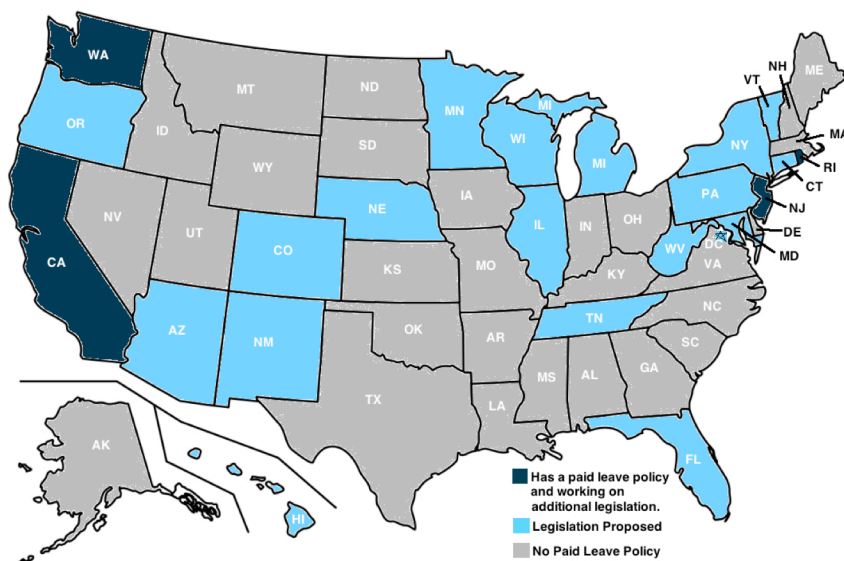
Since 2000, four states – California, Washington, New Jersey, and Rhode Island – have enacted paid family leave programs.³ However, these states started conversations around what paid leave should include, potential benefits, and organizing support beginning in the early 1990s. After Congress passed the Family and Medical Leave Act (FMLA) in 1993, state policy leaders and advocates, including women's groups, small businesses, labor unions, and religious groups, wanted more support for all workers, since part-time employees and individuals working for small businesses are not covered by the FMLA, and many cannot afford unpaid leave. During this time, advocates considered the design of potential policies and decided to work with businesses and elected officials to craft responsible paid family leave legislation.

California was the first state to enact a paid family leave program and has been a model for states interested in doing the same.⁴ In 1946, California created its **temporary disability insurance (TDI)** program to provide insurance benefits to individuals unable to work due to non-work related illnesses and injuries.⁵ California funds its TDI program through **employee payroll taxes** (also referred to as employee contributions). In the late 1990s, California's legislature passed a study bill to determine the effect of extending the state's TDI program to cover workers needing time off to care for their family members. The study found that increasing employee payroll taxes

¹ This is the second in a series of three reports on paid family and medical leave conducted by the Montana Budget and Policy Center in collaboration and consultation with the Montana Department of Labor and Industry and funded by a grant from the U.S. Department of Labor Women's Bureau.

less than one percent would cover the cost of expanding the existing TDI program to include family leave benefits.⁶ Through grassroots organizing, advocacy efforts, and working with key legislators, California enacted paid family leave in 2002.⁷ By connecting a paid family

Figure 1 – Twenty-three states and DC proposed paid leave bills during 2015 legislative sessions.



Source: National Partnership for Women & Families. Work and Family Database.

leave program with the state's existing TDI program, workers are now able to take paid medical leave (through disability insurance) for serious illnesses or non-work related injuries, and paid family leave (through family leave insurance) around the birth of a child or to care for a seriously ill family member.

Once California enacted its program, legislators and advocates in Washington, New Jersey, and Rhode Island learned from California's success and ramped up activities. In 2007, Washington enacted a paid family leave program called Family Leave Insurance. However, the

legislature did not provide a method of financing and the program has not been implemented. There are efforts to expand current law to include medical leave and determine program financing.

New Jersey became the third state to pass a policy, enacting the Family Leave Insurance program in 2008, and implementing it in 2009. And most recently, Rhode Island enacted Temporary Caregiver Insurance in 2013 and began administering benefits in 2014. Both family leave insurance programs in New Jersey and Rhode Island were built on top of existing TDI programs, enabling workers to use both medical and family leave benefits during leave.

Progress on paid leave initiatives, including paid family leave, paid medical leave, and paid sick days continues to increase. In 2015, twenty-three states and the District of Columbia introduced one or more paid leave proposals during legislative sessions (Figure 1).⁸

Policy Design of Current Paid Leave Policies

When considering policy design, lawmakers must determine the feasibility of creating new standalone programs or building on existing structures. They must also consider how to use

relationships between administering agencies and advocacy groups to support efficient implementation and promote workers' participation.

Program Structure: Building Upon Existing Programs

Legislators in California, New Jersey, and Rhode Island implemented paid family leave programs on top of pre-existing TDI programs. Doing so enabled these states to maximize efficiency and reduce implementation costs, since administrative and financing structures were already in place. As a result, statewide insurance funds in these states cover benefits for workers who need paid leave for medical and family reasons.⁹

While TDI programs are a convenient infrastructure to build on top of, only five states – California, New Jersey, Rhode Island, New York, and Hawaii - have disability insurance programs.¹⁰ Therefore, 45 other states, including Montana, must consider how to design and operate paid leave programs in alternative ways and whether or not to create family leave only, medical leave only, or both.

Washington is the first non-TDI state to enact a paid family leave program. So far, implementation has been postponed indefinitely because there are no financing or administrative structures in place to run the program. While the existing paid leave law does not outline specifics, the most discussed option includes providing paid family leave insurance through the state's labor department, and collecting revenue and administering benefits similar to **unemployment insurance**.¹¹

Other non-TDI states, that proposed paid leave legislation in 2015, introduced bills to create standalone family and medical leave insurance programs administered through labor departments and funded either by employee payroll contributions (Colorado, Connecticut, Illinois, Maine, New York, and Vermont)¹² or a combination of employee- and employer-paid contributions (Louisiana, Maryland Minnesota, and Washington).¹³

Key Terms

Wage Replacement – A worker receives a portion or all of his or her wages while on leave.

Payroll Taxes – Taxes on employers and/or employees, set at a percentage of a worker's salary. Tax revenue is used to fund programs like Social Security, unemployment insurance, workers' compensation benefits, and TDI.

Temporary Disability Insurance (TDI) – An insurance pool, funded by employee and/or employer contributions, used to provide wage replacement to those unable to work due to non-work related injuries and illnesses.

Family Leave Insurance – An insurance pool, funded by employee and/or employer contributions, used to provide wage replacement to workers who take time off around the birth, adoption, or foster placement of a child or to care for a seriously ill family member.

Unemployment Insurance – Workers who become unemployed through no fault of their own may be eligible for wage replacement.

Workers' Compensation – A worker injured on the job may qualify to receive wage replacement and medical benefits, but must relinquish the right to sue his or her employer for negligence.

Several states proposed bills that would attach paid family leave to programs other than TDI. In New York, legislators proposed a paid family leave program to be housed in the same department that operates **workers' compensation**.¹⁴ And Maryland proposed running a paid family leave program through the state's unemployment insurance program.¹⁵ Five states put forth legislation to give tax credits to businesses already providing paid leave (Arkansas, North Dakota, Oregon, Minnesota and Connecticut).¹⁶ Further, New Mexico introduced a bill for a paid family and medical leave program funded by state and corporate income taxes.¹⁷

Financing: Using Existing Tax Structures to Provide Paid Leave

In California, New Jersey, and Rhode Island, two separate insurance pools are used to fund TDI and family insurance. These insurance pools are used to cover benefits for either medical leave (from the disability insurance fund) or family leave (from the family insurance fund). In California and Rhode Island, paid family and medical leave programs are financed entirely through *employee* payroll contributions, and employers have no direct costs in terms of funding.¹⁸ In New Jersey, the paid family leave program is funded solely by employee-paid contributions, and disability insurance is funded by both employee and employer contributions.¹⁹

Typically, payroll taxes are set at a fixed percentage of an employee's annual wages and taxes are capped, based on a set taxable wage base. This means that workers pay premiums up to a certain income threshold, at which point, their premiums do not increase once their earnings surpass this threshold. Programs, like Social Security, establish taxable wage bases to ensure that benefits are available to program participants who need them the most. Without a taxable wage base, high-wage individuals would contribute wage premiums based on their entire earned income, and could potentially claim large benefit amounts during leave, leaving less for low-and middle-income individuals to use on once they participate in the program.

In California, workers contribute less than 1 percent of their annual earnings up to the first \$104,000. These contributions cover paid family and medical leave benefits.²⁰ Once a worker's earnings surpass this \$104,000 threshold, they are no longer taxed and pay no more than \$1,104 per year into the family and disability leave insurance pools. In New Jersey, workers contribute 0.09 percent of their annual wages on the first \$32,000, which funds the family leave insurance pool. To finance TDI in the state, employees contribute a quarter of one percent of their total annual earnings and employers contribute between 0.10 to 0.75 percent into the disability insurance pool.²¹ And in Rhode Island, employees contribute 1.2 percent of their annual wages on the first \$64,200, which funds both family and medical leave programs.²²

While workers in California and Rhode Island fund paid leave programs, payroll deductions are minimal. For example, workers with median earnings around \$30,000 per year contribute between \$23 and \$32 each month into the paid family and medical leave programs (Table 1).

In New Jersey, a worker earning the median wage (\$38,607) would contribute \$29 annually into the family leave program and \$80 per year into the medical leave program. Since this worker's annual wage is above the \$32,000 taxable wage base, contributions are capped. Since program

utilization in Montana is expected to be much lower than in these three states, employees would likely contribute even less to finance a similar program.

Table 1 –Paid family and medical leave programs are affordable

| State | Median Annual Earnings | Total Payroll Tax Rate for Family and Medical Leave | Annual Cost to Worker** (month) |
|---|------------------------|---|---------------------------------|
| California | \$30,737 | 0.90% | \$277 (\$23/mo) |
| New Jersey | \$38,607 | 0.34%* | \$109 (\$9/mo) |
| Rhode Island | \$31,987 | 1.20% | \$384 (\$32/mo) |
| <p>* Total wage premium for family and medical leave programs. Median annual earnings surpass New Jersey's taxable wage base of \$32,000, so total contributions are based on wage base, not \$38,607.</p> <p>** Annual cost to workers based on median annual earnings.</p> <p>Sources: U.S. Census Bureau. 2013 ACS 3-Year Estimates. Selected Economic Characteristics (median earnings for workers). Rhode Island Department of Labor and Training, California Employment Development Department, and New Jersey Department of Labor and Workforce Development.</p> | | | |

Lessons Learned: Financing

Lawmakers in non-TDI states must consider alternative financing structures

- Non-TDI states must consider cost-effective ways to finance administrative efforts and benefit payouts. Since most unemployment insurance and workers' compensation programs are financed through employee or employer payroll taxes, it may be feasible to use the existing tax-collection structures that fund these program to also collect revenue to fund a new paid leave program.
- Other financing alternatives include providing paid leave through a private insurer and requiring employers to sign up on their own. Unfortunately, a private insurance model could limit workers' access to paid leave benefits since statewide take-up among employers is not guaranteed. Also, the state could issue tax credits to employers that provide paid family leave. However, this would likely only benefit employers that already have paid leave policies and again, would probably not encourage widespread take-up among businesses across the state. Low-wage workers and individuals employed by small businesses would have less access through this option as well, since large businesses and public agencies may be the only ones who can provide paid family leave on their own.

Coverage and Eligibility: Ensuring all Workers Have Access to Leave Policies

The FMLA offers workers unpaid, job-protected leave. However, because of eligibility restrictions, many working Americans do not qualify, often because they either work too few hours or are employed by small businesses.²³ Since the FMLA's passage, experts have advocated for better policies so all workers can remain economically secure during time off.

In states with paid family and medical leave programs, workers experience better coverage than they do under the FMLA. Workers in California, New Jersey, and Rhode Island, are eligible for paid leave benefits if they need time off to recover from a serious illness, care for a sick family member, or bond with a new child (referred to as qualifying events).²⁴ Washington's paid family leave statute is narrower, providing workers benefits only to bond with a new child.²⁵ However, expansion legislation aims to broaden language around family and "qualifying events" to match policies in California, New Jersey, and Rhode Island.²⁶

Workers must also meet work and earnings requirements to qualify for benefits. In California, New Jersey, and Rhode Island, employees must work a set number of hours and earn a specific amount to qualify for family and medical leave benefits. For example, an individual in New Jersey must work 20 weeks in the previous year, and earn \$165 per week during that time to qualify for paid family and medical leave benefits.²⁷ In Washington, the Family Leave Insurance statute requires all employees to work at least 680 hours in the year prior to taking leave.²⁸ This enables individuals who work less than part-time or change jobs in the year to qualify for benefits.

Lessons Learned: Eligibility

Eligibility criteria should cover as many workers as possible and address all family needs

- To ensure that paid leave has the greatest economic benefits, state policymakers should design eligibility requirements that enable the greatest proportion of workers access to paid leave. This is particularly important for low-income individuals. Ensuring coverage to employees (public and private) working part-time or less would ensure that everyone has access to the program when they need it. Additionally, job protection is an important feature and could increase utilization, especially among low-income populations who need to maintain their employment and financial security during periods of leave.
- Further, broad language around eligibility could ensure that workers who face various family circumstances are covered. For example, legislators should broadly define "family" so that workers who need time off to care for seriously ill domestic partners and siblings are also covered. Excluding language that restricts coverage based on number of hours worked or business size will also ensure that employees remain covered if they work less than part-time, change jobs, or work for small businesses.

Benefits: Helping workers remain financially secure during leave

Paid leave programs provide eligible workers with a portion of their wages for a set number of weeks. In California and New Jersey, workers can receive up to six weeks of paid family leave,^{29,30} and workers in Rhode Island receive up to four weeks.³¹ Employees in these states are also able to access medical leave benefits between 26 and 52 weeks. However, workers who take paid family and medical leave generally do not use the maximum number of weeks provided. Paid family leave statistics in California and New Jersey suggest that most individuals take an average of five weeks out of the full six weeks available.^{32,33}

When an individual uses paid leave, he or she receives benefits in the form of **wage replacement**, set at a percentage of earnings and limited to a set weekly cap (Table 2). In California, workers receive a portion of their wages set at 55 percent of their weekly earnings.³⁴ On average, a worker who takes paid family leave receives \$555 each week and a worker taking medical leave receives \$494 per week. Workers cannot receive more than \$1,104 per week, for either type of leave.³⁵

Workers in New Jersey receive 66 percent of their weekly earnings. In 2012 - the year with the most current program statistics available - workers on family leave received an average weekly benefit of \$487, and workers on medical leave received \$420 per week. Currently, individuals on leave in New Jersey cannot receive more than \$604 per week, for either type of leave.³⁶

In Rhode Island, workers receive 4.6 percent of the wages they've earned during the highest earning quarter in the past year (about 60 percent of their weekly wage) with a maximum benefit of \$795 per week.³⁷ In 2014, Rhode Island workers received an average weekly benefit of \$474.³⁸

Table 2 – Paid Leave Benefits in California, New Jersey, and Rhode Island

| State | Leave Length | Weekly Wage Replacement | Avg. Family Leave Benefit per Week (Max. Benefit) | Avg. Medical Leave Benefit per Week (Max. Benefit) |
|---------------------|----------------|-------------------------|---|--|
| California | 6 weeks | 55% | \$555 (\$1,104) | \$494 (\$1,104) |
| New Jersey | 6 weeks | 66% | \$487* (\$604) | \$423* (\$604) |
| Rhode Island | 4 weeks | 60% | \$474 (\$795) | \$447 (\$795) |

* Most recent calculation. Average benefit in 2012.

Source: Program statistics from labor department websites in California, New Jersey, and Rhode Island.

While Rhode Island offers fewer weeks of paid leave, workers receive job protection during periods of leave.^{39,40} California and New Jersey still do not offer job protection, putting individuals at risk and, as a result, discouraging some from taking leave altogether.

In California and New Jersey, individuals can receive job-protected leave if they take paid leave concurrently with the FMLA (or a state-expanded FMLA law).^{41,42} However, those who are not covered by the FMLA or who need leave longer than 12 weeks cannot receive job protection.

In California, 37 percent of surveyed workers did not take paid leave because they worried they would face negative repercussions or be fired.

In the absence of job protection, workers may not have a position to return to after taking leave or may face other negative consequences. In fact, a statewide survey found that 37 percent of workers who qualified for California's Paid Family Leave program did not take leave

because they were worried their employers would be angry, they would face negative repercussions, or be fired.⁴³

Lessons Learned: Benefits

Provide benefits that allow workers to make ends meet and cover diverse family needs

- Policymakers should consider a wage replacement rate that ensures workers' financial security during leave. Wage replacement set at 66 percent of a moderate-or high-income worker's wages may be adequate for them to live on during leave, but 66 percent wage replacement for an individual earning minimum wage can push this worker further into poverty and limit their ability to take leave. Graduated wage-replacement benefits would provide low-wage workers a greater portion of their wages during leave, and could increase their participation in a paid family and medical leave program.
- Lawmakers in non-TDI states must also consider the need for longer periods of leave. States with TDI programs provide workers between 26 and 52 weeks of paid leave through the disability insurance program, and an additional four to six weeks (depending on the state) of paid leave through the family leave insurance program. However, workers in non-TDI states will likely need more than six weeks of paid family or medical leave during periods of severe illnesses, or to care for a newborn or aging parent.

Administration and Implementation: Reaching Efficiency and Cost-Effectiveness

Labor departments in California, New Jersey, and Rhode Island are responsible for collecting payroll contributions, processing claims, and administering benefits for TDI and paid family leave programs. Running new paid family leave programs through agencies that already ran TDI made operations smoother, since tax-collection structures were already in place, and agency staff were already trained and experienced in processing claims and administering disability benefits.

Lessons Learned: Administration

If possible, use existing human capital and infrastructure

- Building paid family leave on top of an existing program, like TDI, enabled administrative agencies in California, New Jersey, and Rhode Island to efficiently implement family leave benefits throughout the state. For non-TDI states, implementing a new family and/or medical leave program may be more challenging. However, labor departments in most non-TDI states still have trained staff experienced in processing claims and administering benefits for programs like unemployment insurance or workers' compensation. Additionally, payroll tax-collection structures are likely already in place to fund these programs. Therefore, operating a paid leave program through a labor department could save the department costs associated with hiring and training new staff.

Outreach Efforts to Increase Awareness and Utilization of Paid Leave Programs

Outreach efforts leading up to and after enactment of legislation are key to spreading awareness about a new paid leave program. In all four states with paid leave programs, legislation mandates outreach activities. Yet, more education efforts among labor departments, coalition members, and other groups are needed to increase awareness among low-income and minority populations.

Prior to implementing the Paid Family Leave program in California, labor department staff conducted a one-year education campaign, posting billboards, publishing informational brochures and posters, and visiting community centers to spread information about the upcoming program, worker eligibility, and benefits. Unfortunately, there was limited funding for outreach, and as a result, a large portion of California's workforce is still unaware of the program.⁴⁴ In an effort to increase awareness, California created a dedicated outreach unit that provides trainings and educational materials for businesses, medical staff, and community organizations that work closely with populations most likely to need paid leave benefits.⁴⁵ The agency also maintains a website where users can access frequently asked questions, program statistics, and receive informational brochures.⁴⁶

In New Jersey and Rhode Island, legislators mandated that labor departments inform employers about their responsibility to notify workers. Employers in both states are required to display program information in the workplace and inform an employee of his or her rights if the employer becomes aware of an event that qualifies a worker for paid family and medical leave. And like California, New Jersey's labor department maintains a website with program information, application materials, and brochures.⁴⁷ Researcher and advocates in New Jersey have also engaged in outreach, providing program brochures and helping partner organizations and businesses educate their communities.⁴⁸ Rhode Island's labor department is also considering how to partner with organizations across the state to increase employee awareness.⁴⁹

Lessons Learned: Outreach

Funding and expectations for outreach should be outlined in legislation.

- Mandating outreach in legislation will help increase workers' understanding about what a specific program provides, their eligibility, and what qualifying events are covered. Legislative mandates in states with paid leave programs require employers to post visible notices in the workplace. As a result, over half of surveyed workers in California reported learning about the program through their employer.⁵⁰

Accessible online information could increase awareness and usage rates

- Administering agencies should maintain user-friendly websites that provide online access to program information, statistics, frequently asked questions, and other educational materials in multiple languages.

Impacts in States with Paid Leave Policies

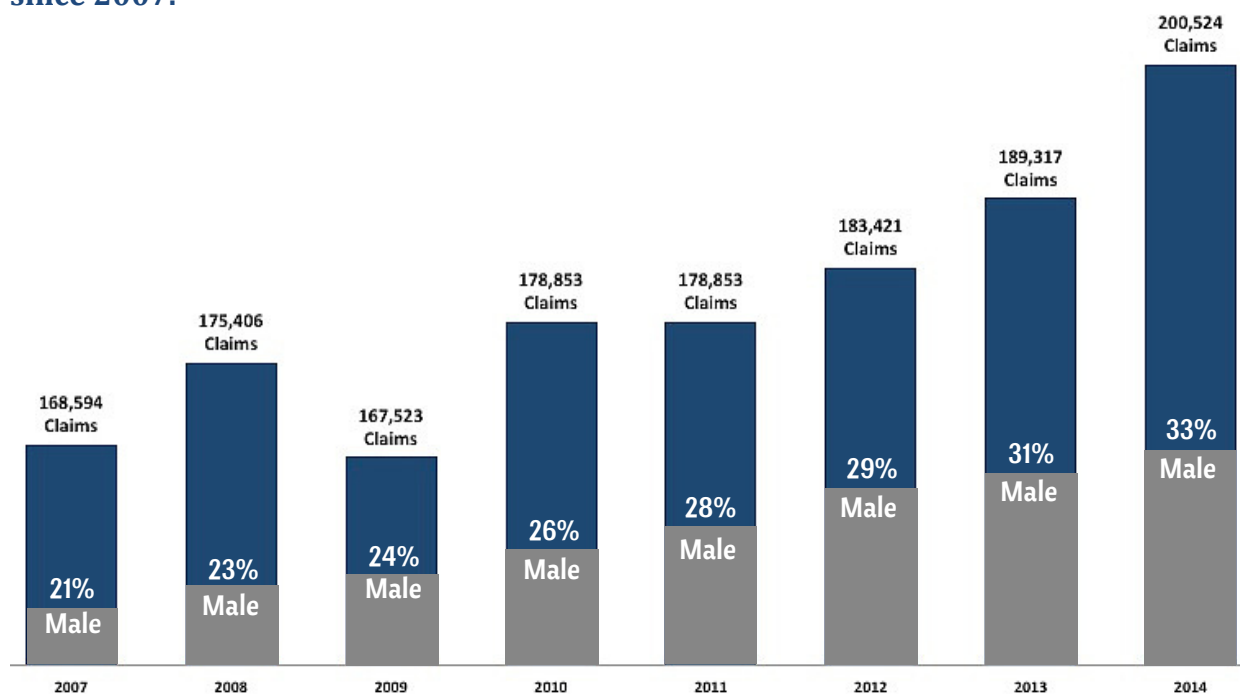
To date, paid family and medical leave programs in California, New Jersey, and Rhode Island have enabled tens of thousands of workers the opportunity to recover from an illness, care for family members, and remain financially secure during leave. However, limited awareness of paid leave remains a significant challenge for administrators and advocates.

Usage: Participation Trends in States with Paid Leave

Since California implemented paid family leave in 2004, a total of 1.7 million family leave claims have been filed.⁵¹ Of these, 1.5 million claims were filed for bonding purposes with a new child. In addition to bonding, workers also used paid leave to care for family members. About one-third of total care claims were for workers who needed time off to care for a seriously ill parent.⁵²

As expected, women file claims more than men do. Last year, women filed two-thirds of family care claims.⁵³ However, men take more paid time off to care for family members than they did before California implemented its program. Today, one-third of parents seeking time off to care for a new child are men, up from a 21 percent participation rate in 2006 (Figure 3).^{54,55} Rising participation among men suggest that new fathers will take leave when it's financially feasible to do so, allowing fathers to be more active in childrearing and household activities.

Figure 3 - In California, the number of men filing bonding claims has increased 57 percent since 2007.



Source: California Employment Development Department Website. Paid Family Leave Program Statistics

New Jersey and Rhode Island have experienced similar participation trends. Since New Jersey enacted paid family leave, workers have filed over 170,000 claims for family care reasons, and over 80 percent of claims are filed for bonding purposes.⁵⁶

In the year and a half since Rhode Island enacted its program, over 5,000 workers have filed family leave claims, mostly for parental leave purposes.⁵⁷ Women in Rhode Island are also more likely than men to take leave for bonding and caregiving reasons. Currently, women file 70 percent of all claims.⁵⁸ However, a study conducted by the National Partnership for Women & Families, comparing paid family leave programs in the first years in California, New Jersey, and Rhode Island, found that workers in Rhode Island filed claims for paternity leave at a higher rate than workers did in California and New Jersey.⁵⁹ While research on implementation and outreach efforts is still underway, high participation rates among men may suggest that Rhode Island has led a successful outreach campaign. Men may also be more inclined to take family leave because Rhode Island's program offers job protection. The increase in participation among men could also be due to shifting cultural attitudes around men and women's parenting and household roles.

Awareness: Challenges that Limit Knowledge of Existing Programs

In 2011, seven years after California implemented paid family leave, researchers conducted a survey to measure public awareness and found that over 50 percent of respondents did not know about the program.⁶⁰ Unfortunately, individuals most likely to benefit from a paid leave program were the least likely to know about the program. Respondents between the ages of 18 and 34, an age when people are most likely to become parents and use parental leave, were less aware of the program than older groups. Individuals with limited education and those working in low-wage jobs were less likely to know about paid leave compared to individuals with higher educational attainment and earnings.⁶¹

Unfortunately, a recent poll found that awareness has dropped further. In 2014, only 36 percent of surveyed respondents were aware of California's program.⁶²

Only 36 percent of registered voters in California were aware of the state's Paid Family Leave program ten years after implementation.

There are several reasons why awareness remains low in California. Considering the population of the state, and minimal outreach efforts, the spread of information was too limited to reach workers en masse, and education efforts dwindled after the program became operational.⁶³ Additionally, many workers are confused about what benefits are offered, the events that qualify workers to take leave, and how paid leave coincides with federal programs, like the FMLA.

Prior to New Jersey's program and after implementation, public-opinion polls indicated that residents supported paid family leave. However, many workers are unaware that the state has implemented its program. Like California, individuals that stand to benefit the most are the least likely to know that the program exists. Only about 30 percent of young and low-educated adults have ever heard of the program, and 30 percent of individuals earning less than \$25,000 know about the program. Even among individuals that knew about the program, many did not realize that they could use it to recover from a serious illness or to care for an elderly parent.⁶⁴

Lessons Learned: Utilization and Awareness

Diverse providers can help spread awareness to low-income and minority populations.

- Administrators and advocates should work together to provide information and trainings outside of employers. For example, medical providers and community clinics can pass information along to patients, school departments can inform parents, and labor unions can disseminate information to their members.

Collect data that helps identify who has access to paid leave benefits

- In California and New Jersey, administering agencies need to improve their computer systems. Both states do not collect adequate data on claims. Collecting information on age, sex, race, income level, occupation, and other statistics could help staff identify those who do not receive benefits. This would allow state agencies to create targeted education campaigns. Expanding data collection systems and mandating annual reports could help policy makers, administrative staff, and advocates understand who does not receive paid leave and determine how to better serve these groups.⁶⁵

Conclusion

Policymakers in Montana can learn from the experiences that legislators, administrators, and advocates have had when creating and implementing paid leave programs in California, Washington, New Jersey, and Rhode Island.

Drafting legislative language that ensures a policy is designed to support all types of workers and building a diverse group of advocates is vital during the time leading up to and during legislative sessions. Legislators must understand the consequences of various paid leave policies. All types of workers should have access to paid leave benefits for family and medical reasons and be able to remain financially secure during leave, regardless of income.

In terms of funding a new paid leave program, a payroll premium should be set at a point that generates enough revenue to fund administrative activities and benefit payouts, without imposing significant costs on workers, employers, or both. Finally, legislators should consider implementing a paid leave program within the labor department, which likely has trained staff and tax-collection structures in place to fund a new program.

Finally, legislators can continue to learn from the outreach efforts of states like California and New Jersey. States with paid leave programs continue to struggle with public awareness, especially among low-income and minority workers. Advocates in Montana can play a vital role in educating the public and employers about a new paid leave policy. This will help ensure that as many workers as possible know about the program, understand what events make them eligible for benefits, and participate if they qualify.

¹ Parental leave in OECD countries from the Organization for Economic Co-operation and Development (OECD) website. OECD Family Database. Social Policy Division 2014. Accessed October 2015.

http://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf. Sick leave policies found on World Policy Analysis Center website. Selected Data and Adult labor and working conditions. *For how long are workers guaranteed paid sick leave?* Accessed October 2015. <http://worldpolicycenter.org/policies/for-how-long-are-workers-guaranteed-paid-sick-leave>.

² Perez and Groshen. *National Compensation Survey: Employee Benefits in the United States*. March 2014. U.S. Department of Labor and U.S. Bureau of Labor Statistics. September 2014. (Tables 16 and 32)

<http://www.bls.gov/ncs/ebs/benefits/2014/ebbl0055.pdf>

³ Washington State is the first non-TDI state to enact paid family leave, but the program has not been implemented.

⁴ Firestein, O'Leary, and Savitsky. *A Guide to Implementing Paid Family Leave: Lessons From California*. 2011.

http://paidfamilyleave.org/pdf/pfl_guide.pdf.

⁵ Pregnancy is also considered a disability, regardless of whether the pregnancy is considered "normal" or there are complications. In California, women can take up to four weeks of leave before the birth of a newborn (for a normal pregnancy) and another six weeks of leave after delivery. State of California Employment Development Department Website. Retrieved July 2015. [http://www.edd.ca.gov/Disability/About_the_State_Disability_Insurance_\(SDI\)_Program.htm](http://www.edd.ca.gov/Disability/About_the_State_Disability_Insurance_(SDI)_Program.htm).

⁶ Firestein, O'Leary, and Savitsky. *A Guide to Implementing Paid Family Leave: Lessons From California*. 2011.

http://paidfamilyleave.org/pdf/pfl_guide.pdf.

⁷ Firestein, O'Leary, and Savitsky. *A Guide to Implementing Paid Family Leave: Lessons From California*. 2011.

http://paidfamilyleave.org/pdf/pfl_guide.pdf.

⁸ Legislation introduced between May 2014 and May 2015 includes paid sick days and paid family leave. A Better Balance website Retrieved September 2015. <http://www.abetterbalance.org/web/news/344-our-legislative-efforts->.

⁹ National Partnership for Women and Families. *Existing Temporary Disability Insurance Programs*. February, 2015.

<http://www.nationalpartnership.org/research-library/work-family/paid-leave/existing-tdi-programs.pdf>.

¹⁰ In addition to California, New Jersey, and Rhode Island, New York and Hawaii have also implemented TDI programs. National Partnership for Women & Families. *Existing Temporary Disability Insurance Programs*. February, 2015.

<http://www.nationalpartnership.org/research-library/work-family/paid-leave/existing-tdi-programs.pdf>.

¹¹ Marilyn Watkins. Personal Communications. June, 2015. Introduced 2015.

¹² Legislation in 2015 includes Colorado House Bill 15-1258, Connecticut Senate Bill 6932, Illinois House Bill 0166, Maine House Proposal 493, and Vermont Senate Bill 119.

¹³ Legislation in 2015 includes Louisiana Senate Bill 84, Minnesota House File 580, and Washington House Bill 1273.

¹⁴ Legislation in 2015 includes New York House Bill 3870.

¹⁵ Legislation in 2015 includes Maryland House Bill 985.

¹⁶ Legislation in 2015 includes Arkansas House Bill 1275, North Dakota Senate Bill 2224, Oregon Senate Bill 654, and Connecticut House Bill 6566.

¹⁷ Legislation in 2015 includes New Mexico Senate Bill 375.

¹⁸ National Partnership for Women & Families. *First Impressions Comparing State Paid Family Leave Programs in Their First Years*. February, 2015.

<http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>.

¹⁹ National Partnership for Women & Families. *First Impressions Comparing State Paid Family Leave Programs in Their First Years*. February, 2015.

<http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>.

²⁰ State of California Employment Development Department Website. *Quick Statistics*. Retrieved July 2015.

http://www.edd.ca.gov/About_EDD/Quick_Statistics.htm#DIStatistics.

²¹ State of New Jersey Department of Labor and Workforce Development Website. Family Leave Insurance. *Cost to the Worker*. Retrieved July 2015. <http://lwd.dol.state.nj.us/labor/fli/content/cost.html>.

²² Rhode Island Department of Labor and Training Website. *Temporary Caregiver Insurance FAQs # 29*. Retrieved July 2015.

<http://www.dlt.ri.gov/tdi/tdifaqs.htm>.

²³ U.S. Department of Labor Website. Wage and Hour Division. *Factsheet: The Family and Medical Leave Act*. 2012. Retrieved July 2015. <http://www.dol.gov/whd/regs/compliance/whdfs28.pdf>

²⁴ The definition of a family member covers child, parent, spouse, domestic partner, sibling, grandparents and grandchildren. "qualifying events" found on labor department websites in California, New Jersey, and Rhode Island.

²⁵ Washington State Legislature. *Revised Code of Washington. Chapter 49.86 Family Leave Insurance*. Retrieved July 2015.

<http://apps.leg.wa.gov/rcw/default.aspx?cite=49.86.010>.

²⁶ Washington State Legislature. *House Bill 1273*. Legislative Session 2015–2016.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1273>.

-
- ²⁷ Workers that do not meet annual hours-worked and earnings requirements to qualify for paid family leave in New Jersey still incur the wage premium to fund the program. State of New Jersey Department of Labor and Workforce Development Website. *Family Leave Insurance Frequently Asked Questions*. http://lwd.dol.state.nj.us/labor/fli/content/fli_faq.html#22.
- ²⁸ Washington State Legislature. *Revised Code of Washington. Chapter 49.86 Family Leave Insurance*. <http://apps.leg.wa.gov/rcw/default.aspx?cite=49.86.010>.
- ²⁹ California *Unemployment Insurance Code*. Section 3300-3306. <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=uicandgroup=03001-04000&file=3300-3306>.
- ³⁰ New Jersey Legislature. 213th Legislature, Assembly no.1163. Sponsored by Sheila Oliver. http://www.njleg.state.nj.us/2008/Bills/A1500/1163_I1.PDF.
- ³¹ State of Rhode Island General Assembly. Title 28 Labor and Labor Relations. *Chapter 28-41-35 Temporary Caregiver Insurance Benefits*. <http://webserver.rilin.state.ri.us/Statutes/title28/28-41/28-41-35.HTM>.
- ³² State of California Employment Development Department Website. *Quick Statistics*. Retrieved July 2015. http://www.edd.ca.gov/Disability/pdf/qspfl_PFL_Program_Statistics.pdf.
- ³³ New Jersey Department of Labor and Workforce Development. Office of Research and Information. *Annual Report for 2012. Family Leave Insurance and Disability Insurance Programs*. December 2013. http://lwd.dol.state.nj.us/labor/forms_pdfs/tdi/FLI%20and%20TDI%20Annual%20Report%202012.pdf.
- ³⁴ State of California Employment Development Department Website. *Disability Insurance and Paid Family Leave Benefits Amounts*. Retrieved July 2015. [http://www.edd.ca.gov/disability/State_Disability_Insurance_\(SDI\)_Benefit_Amounts.htm](http://www.edd.ca.gov/disability/State_Disability_Insurance_(SDI)_Benefit_Amounts.htm).
- ³⁵ State of California Employment Development Department Website. *Quick Statistics*. Retrieved July 2015. http://www.edd.ca.gov/about_edd/Quick_Statistics.htm.
- ³⁶ State of New Jersey Department of Labor and Workforce Development Website. *Family Leave Insurance and Temporary Disability Leave Insurance Programs*. Annual Report 2010. Division of Analysis and Evaluation. December 2011. http://lwd.dol.state.nj.us/labor/forms_pdfs/tdi/ANNUAL_FLI-TDI_REPORT_FOR_2010.pdf.
- ³⁷ Rhode Island Department of Labor and Training Website. *Temporary Disability Insurance and Temporary Caregiver Insurance Frequently Asked Questions. # 19*. Retrieved July 2015. <http://www.dlt.ri.gov/tdi/tdifaqs.htm>.
- ³⁸ Rhode Island Department of Labor and Training Website. *Temporary Disability Insurance Annual Update. January – December 2014*. Retrieved July 2015. <http://www.dlt.ri.gov/lmi/pdf/tdi/2014.pdf>.
- ³⁹ Rhode Island General Assembly. Title 28 Labor and Labor Relations. *Chapter 28-41-35 Temporary Caregiver Insurance Benefits*. <http://webserver.rilin.state.ri.us/Statutes/title28/28-41/28-41-35.HTM>.
- ⁴⁰ Washington State Legislature. *Revised Code of Washington. Chapter 49.86 Family Leave Insurance*. <http://apps.leg.wa.gov/rcw/default.aspx?cite=49.86.090>.
- ⁴¹ State of California Employment Development Department Website. *Frequently Asked Questions*. Retrieved July 2015. http://www.edd.ca.gov/Disability/FAQ_PFL_and_FMLA_and_CFRA.htm.
- ⁴² State of New Jersey Department of Labor and Workforce Development Website. *Family Leave Insurance Frequently Asked Questions*. Retrieved July 2015. http://lwd.dol.state.nj.us/labor/fli/content/fli_faq.html#40.
- ⁴³ Appelbaum and Milkman. *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research. 2011. <http://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.
- ⁴⁴ Firestein, O'Leary, and Savitsky. *A Guide to Implementing Paid Family Leave: Lessons From California*. 2011. http://paidfamilyleave.org/pdf/pfl_guide.pdf.
- ⁴⁵ Firestein, O'Leary, and Savitsky. *A Guide to Implementing Paid Family Leave: Lessons From California*. 2011. http://paidfamilyleave.org/pdf/pfl_guide.pdf.
- ⁴⁶ State of California Employment Development Department Website. *Employer Services*. Retrieved July 2015. http://www.edd.ca.gov/Employer_Services.htm.
- ⁴⁷ White, Houser, and Nisbet. *Policy In Action: New Jersey's Family Leave Insurance Program at Age Three*. Rutgers Center for Women and Work. January, 2013. <http://smlr.rutgers.edu/CWW-report-FLI-at-age-three>.
- ⁴⁸ Eileen Appelbaum and Gregory Williams. Personal Communication. June, 2015.
- ⁴⁹ Gayle Goldin. Personal Communication. June, 2015.
- ⁵⁰ Appelbaum and Milkman. *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research. 2011. <http://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.
- ⁵¹ National Partnership for Women & Families. *First Impressions Comparing State Paid Family Leave Programs in Their First Years*. February, 2015. <http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>.
- ⁵² State of California Employment Development Department Website. *State Disability Insurance Statistical Information*. Retrieved July 2015. http://www.edd.ca.gov/Disability/pdf/qspfl_PFL_Program_Statistics.pdf.
- ⁵³ State of California Employment Development Department Website. *State Disability Insurance Statistical Information*. Retrieved July 2015. http://www.edd.ca.gov/Disability/pdf/qspfl_PFL_Program_Statistics.pdf.

-
- ⁵⁴ State of California Employment Development Department Website. *State Disability Insurance Statistical Information*. Retrieved July 2015. http://www.edd.ca.gov/Disability/pdf/qspfl_PFL_Program_Statistics.pdf.
- ⁵⁵ National Partnership for Women & Families. *First Impressions Comparing State Paid Family Leave Programs in Their First Years*. February, 2015. <http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>.
- ⁵⁶ State of New Jersey Department of Labor and Workforce Development Website. *Family Leave Program Statistics*. Selected Family Leave Monthly Report 2009 – 2015. (Unpublished calculation by author, July 2015). http://lwd.dol.state.nj.us/labor/fli/content/fli_program_stats.html.
- ⁵⁷ Rhode Island Department of Labor and Training Website. *Labor Market Information*. (unpublished calculation by author, July 2015) <http://www.dlt.ri.gov/lmi/uiadmin.htm>.
- ⁵⁸ Rhode Island Department of Labor and Training Website. *Labor Market Information*. (unpublished calculation by author, July 2015) <http://www.dlt.ri.gov/lmi/uiadmin.htm>.
- ⁵⁹ National Partnership for Women & Families. *First Impressions Comparing State Paid Family Leave Programs in Their First Years*. February, 2015. <http://www.nationalpartnership.org/research-library/work-family/paid-leave/first-impressions-comparing-state-paid-family-leave-programs-in-their-first-years.pdf>.
- ⁶⁰ Appelbaum and Milkman. *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research. 2011. <http://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.
- ⁶¹ Appelbaum and Milkman. *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research. 2011. <http://www.cepr.net/documents/publications/paid-family-leave-1-2011.pdf>.
- ⁶² DiCamillo, Mark and Field, Mervin. *The Field Poll. California Center for Research on Women & Families*. Field Research Corporation. January 2015. <http://www.field.com/fieldpollonline/subscribers/Rls2494.pdf>.
- ⁶³ Firestein, O'Leary, and Savitsky. *A Guide to Implementing Paid Family Leave: Lessons From California*. 2011. http://paidfamilyleave.org/pdf/pfl_guide.pdf.
- ⁶⁴ White, Houser, and Nisbet. *Policy In Action: New Jersey's Family Leave Insurance Program at Age Three*. Rutgers Center for Women and Work. January, 2013. <http://smlr.rutgers.edu/CWW-report-FLI-at-age-three>.
- ⁶⁵ White, Houser, and Nisbet. *Policy In Action: New Jersey's Family Leave Insurance Program at Age Three*. Rutgers Center for Women and Work. January, 2013. <http://smlr.rutgers.edu/CWW-report-FLI-at-age-three>.