



## Policy Brief: Paid Family and Medical Leave

# Paid leave proposal would provide fair benefits to nearly every Mainer

by James Myall, Policy Analyst | April 18, 2019



**A near-universal system of paid family and medical leave will empower Mainers to care for themselves and their families without having to sacrifice their ability to make ends meet.**

Nearly every Mainer will at some point face extraordinary circumstances that necessitate extended leave from work.

Whether it's a joyous occasion such as the birth of a child or more challenging times such as illness or death of a parent or grandparent, Mainers need to be able to focus on their families. Yet currently, the vast majority of working Mainers lose their income when they take family or medical leave.

The United States is one of the few countries in the world without a national paid family and medical leave program. Six states have enacted paid family and medical leave laws, and Maine legislators will consider such a proposal this year.

Mainers shouldn't have to choose between spending time with their newborn and paying their rent, or between putting food on the table and caring for their aging parents. A statewide paid family and medical leave policy would solve this problem. It would empower Mainers to better care for themselves and their families.

LD 1410, "An Act To Create Paid Family and Medical Leave Benefits" is the most comprehensive of the family and medical leave bills before lawmakers today. Under the bill, workers would pay a small amount of their paycheck into a fund. In return, they would be eligible for up to 20 weeks' worth of paid family or medical leave.

If enacted, Maine would have one of the best paid family and medical leave programs in the United States.

## Nearly every Mainer would be eligible for family and medical leave

It's essential that a paid family and medical leave program is as comprehensive and accessible as possible. Nearly everyone will have need for paid leave at some point in their career, so a statewide policy should aim to cover as many Mainers as it can.

Mainers are currently covered by two inadequate Family and Medical Leave Acts. The state and federal laws cover

Table 1: Comparing federal and state family and medical leave policies with proposed paid leave benefits

	Type & Length of Leave		Who's Covered?		
	Leave type	Leave available	Eligible workers	Tenure before eligible for leave	Private-sector employees covered
<b>Maine Family Medical Leave</b>	Unpaid	10 weeks every two years	Workers at businesses with 15 or more employees at the same work site	12 consecutive months for the same employer	52%
<b>Federal Family Medical Leave</b>	Unpaid	12 weeks annually	Workers whose companies employ 50 or more workers within 75 miles	12 consecutive months <i>and</i> 1,250 hours in the past year for the same employer	56%
<b>Proposed by LD 1410</b>	Paid	12 weeks annually (family) 20 weeks annually (medical/military)	All workers	Employed for half the previous year, regardless the number of jobs	95%

Source: MECEP analysis of US Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, Q1 2018; US Census Bureau, *Current Population Survey, Annual Social and Economic Supplement*, 2016-2018 3-year average.

different groups of employees, but both provide Mainers with only unpaid leave. Both statutes also exclude hundreds of thousands of workers.

Some employers do offer family and medical leave to their workers even when not required to do so by law. But national data show that one in eight American workers in the private sector still lacks access to even unpaid leave.<sup>1</sup> Paid family and medical leave is even more rare. Five out of every six Americans have no access to a paid family or medical leave program.<sup>2</sup>

Nearly all private-sector employees (95 percent) would be eligible for paid leave under LD 1410, including those who don't currently have access to even unpaid leave.

LD 1410 includes provisions to cover two important groups of Mainers who are left behind by the current federal and state leave policies. Because the program is administered by the state instead of an employer, Mainers who work for multiple employers over the course of the year can qualify for benefits if they make payments for at least 26 weeks in the year before making a claim. As a result, Mainers who piece

together a living through several seasonal jobs will have the same rights as year-round workers.

LD 1410 also allows self-employed workers to opt into the fund. As long as they make contributions for at least two years before making a claim, they are entitled to the same benefits as wage and salary workers.

## Fair benefits for low- and moderate-income workers

Equally important, the payments provided under the bill are designed to be meaningful for most Mainers. Many paid family and medical leave programs remain inaccessible to low-income workers because they only issue benefits equal to 50 percent or 66 percent of a worker's average wages. For low-wage workers, it's simply not possible to live on half or two-thirds of low wages.

The paid family and medical leave program created by LD 1410 would provide benefits on a sliding scale, with low-income workers receiving a larger share of their regular wages during paid leave than a high-income earner.

Benefits are calculated in relation to the statewide average weekly wage, which is currently \$830 per week. Workers would be eligible for 90 percent of their regular wage for everything earned up to half of the statewide average, or \$415. They would receive an additional 67 percent of their regular wages for each dollar earned above that threshold. Benefits would be capped at the statewide average weekly wage. (See Table 2 below).

Sliding-scale payments are a key feature of the policy. It recognizes the more precarious financial situation that small paychecks impose on workers, and ensures that their use of leave is not discouraged by low pay.

Lastly, LD 1410 meets widely accepted minimum standards for such family and medical leave. The International Labor Organization and the American Academy of Pediatrics recommend a minimum leave length of 12 weeks. The bill provides 12 weeks for family leave and 20 weeks for medical or military leave.

**Progressive family and medical leave benefits will allow workers with low wages to take the time they need, when they need it.**

Table 2: Progressive leave benefits for hypothetical occupations and wages<sup>3</sup>

Occupation	Annual earnings	Weekly wage	Weekly wage on leave	Leave wage as % of regular wage
Cashier	\$20,000	\$385	\$346	90%
High school teacher	\$54,000	\$1,038	\$791	76.2%
Lawyer	\$105,000	\$2,109	\$830	41.1%

## Conclusion

The birth of a child should be cause for celebration, and new parents should be able to take the time necessary to bond with their newborns and provide for their needs. The ability to take leave is linked with better health and developmental outcomes for children and parents alike.<sup>4</sup> Similarly, caring for a loved one suffering long-term illness or injury is a stressor on families that can cause or exacerbate mental health problems.<sup>5</sup> That stress is made even worse when it is accompanied by a loss of income.

Discrepancies in workers' access to paid family and medical leave exacerbate economic inequalities and make it harder for workers without paid leave to simultaneously care for their families and maintain economic momentum.

This legislation would provide meaningful paid family and medical leave to nearly every Mainer. It would give them the flexibility and time they need to handle life's major events without having to suffer the financial shock of lost paychecks. By enacting LD 1410, the Legislature would make Maine a leader in the nation — one of the first states to prioritize all families' health and well-being.<sup>6</sup>

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## Endnotes

1 National Compensation Survey, 2018 data.

2 Ibid.

3 MECEP calculations using the benefit formula in LD 1410 and the current statewide annual weekly wage of \$830.

For the cashier earning \$20,000 annually (\$385/week):  $.9 \times \$385 = \$346$  total weekly benefit.

For the high school teacher earning \$54,000 annually (1,048/week):  $.9 \times \$415 = \$374$  and  $.67 \times \$623 = \$417$ , for a total weekly leave benefit of \$791.

For the lawyer earning \$105,000 annually (\$2,019 per week):  $.9 \times \$415 = \$374$  and  $.67 \times \$1,604 = \$1,075$  for a total weekly leave benefit of \$1,449, which exceeds the average weekly wage cap, resulting in the lawyer receiving the capped maximum weekly leave benefit of \$830.

4 Maine Center for Economic Policy. "State of Working Maine 2018". Available at <http://www.mecep.org/state-of-working-maine-2018>.

5 Family Caregiver Alliance Website. "Caregiving." National Center on Caregiving: San Francisco CA. Accessed October 2018. Available at <https://www.caregiver.org/caregiving>.

6 Six states and the District of Columbia currently offer some form of paid family and medical leave.