

FACT SHEET: Strong Safeguards Are Proven to Prevent Fraud and Abuse in Paid Family & Medical Leave Programs

Millions of working Americans lack access to paid family and medical leave to welcome a new baby, care for a loved one, or recover from a serious illness. This has devastating consequences for workers, their families, and their financial stability. Paid leave has been shown to deliver significant health and economic benefits¹—not just for families, but also for state economies and businesses of all sizes.²

As states across the country move toward more comprehensive paid leave solutions, stakeholders understandably may have questions about the potential for fraud or abuse. It is critical to ensure that paid family & medical leave programs actually help families as intended. Fortunately, we don't have to guess how these programs function in practice. Data from both the federal Family and Medical Leave Act (FMLA) and the 13 states that have implemented paid family and medical leave programs provides clear and consistent evidence: because these programs have been thoughtfully designed, abuse and fraud are exceedingly rare.

Evidence from existing paid leave programs shows that abuse of paid leave is uncommon, and concerns about widespread misuse are largely unfounded.

- In California, 91% of employers surveyed reported no awareness of any abuse of the state's Paid Family Leave program. Of those who suspected abuse, nearly all knew of no more than five instances in which abuse of paid family leave had occurred and more than one-quarter could only cite one instance.³
- Similarly, a survey of New Jersey employers' experiences with paid leave found zero reported instances of abuse.⁴
- Many employers surveyed on their experiences with paid leave felt the state's strict oversight virtually eliminated any opportunity for fraud. Several human resources managers surveyed in New Jersey questioned whether it was even possible for the state's paid family leave system to be exploited. "I don't know how anyone can abuse it," said one human resources director, "the state is tough."⁵

¹ A Better Balance, *The U.S. Needs Paid Family and Medical Leave* (Apr. 2025), <https://www.abetterbalance.org/resources/the-u-s-needs-paid-family-and-medical-leave/>

² A Better Balance, *The Business Case for Paid Family and Medical Leave* (Apr. 2025), <https://www.abetterbalance.org/resources/the-business-case-for-paid-family-and-medical-leave/>

³ Appelbaum, E., & Milkman, R., *Unfinished Business: Paid Family Leave in California and the Future of U.S. Work-Family Policy* (Jan. 2013), <https://ecommons.cornell.edu/items/7faa02f6-fd3a-4357-8230-ea627ed091ab>

⁴ Lerner, S., & Appelbaum, E., *Business As Usual: New Jersey Employers' Experiences with Family Leave Insurance*, Center for Economic and Policy Research (Jun. 2014), <http://www.cepr.net/documents/nj-fl-2014-06.pdf>

⁵ Lerner, S., & Appelbaum, E., *Business As Usual: New Jersey Employers' Experiences with Family Leave Insurance*, Center for Economic and Policy Research (Jun. 2014), <http://www.cepr.net/documents/nj-fl-2014-06.pdf>

- California’s annual reports reveal extremely low numbers of fraudulent paid leave claims. For example, in 2017, out of over 948,000 paid leave claims filed, only 129 cases were investigated for fraud; all of these were related to the state’s temporary disability program for workers’ own serious health needs, with no cases of fraud detected in the paid family leave program.⁶ In 2019, only 0.00012% of the state’s paid family and medical leave claims were investigated for fraud.⁷
- Massachusetts’ 2024 report on the state’s paid leave program found that out of over 32,000 denied applications in Fiscal Year 24, less than 200 were denied because the application contained false statements.⁸ Of all paid leave claims denied throughout the state, most were denied because the employee was ineligible or did not provide the correct documentation.

Federal Family and Medical Leave Act (FMLA) usage demonstrates that workers overwhelmingly utilize leave benefits in a responsible manner that is not overly disruptive to employers.

- Research from the U.S. Department of Labor finds very low rates of suspected abuse of unpaid FMLA and even fewer cases in which abuse of the FMLA was confirmed.⁹
- In the FMLA Worksite Survey, 80% of worksites reported that it is “easy” or “very easy” to determine if a health condition is a serious health condition covered by FMLA.¹⁰
- Among worksites covered by FMLA that had any intermittent leaves, the majority report no impact of intermittent leaves on employee morale, employee productivity, or the firm’s profitability.¹¹
- More than 90% of worksites report that most or all employees comply with the worksite’s advanced notice policies for taking FMLA-designated leave.¹²
- Under the FMLA, employers have some flexibility to establish certain rules governing employees’ access to leave, including minimum notice and medical certification requirements.

⁶ California Employment Development Department, Fraud Deterrence Detection Report (Jun. 2018), https://edd.ca.gov/siteassets/files/About_EDD/pdf/Fraud_Deterrence_and_Detection_Activities_2018.pdf

⁷ California Employment Development Department, Fraud Deterrence and Detection Activities Twenty-Sixth Report (Jun. 2020), https://edd.ca.gov/siteassets/files/about_edd/pdf/fraud_deterrence_and_detection_activities_2020.pdf

⁸ Massachusetts Department of Family and Medical Leave, *FY2024 Annual Report for the Massachusetts Paid Family and Medical Leave Program*, <https://www.mass.gov/doc/dfml-fy2024-annual-report/download>

⁹ National Partnership for Women and Families, *Paid Family and Medical Leave: Busting 10 Common Myths with Facts and Evidence* (Apr. 2017), <https://nationalpartnership.org/wp-content/uploads/2023/02/paid-family-and-medical-leave-busting-10-common-myths-with-facts-and-evidence.pdf>

¹⁰ Abt Associates, *Employee and Worksite Perspectives of the Family and Medical Leave Act: Results from the 2018 Surveys* (Jul. 2020), https://www.abtglobal.com/files/Projects/PDFs/2020/whd_fmlla2018surveyresults_finalreport_aug2020.pdf

¹¹ Abt Associates, *Employee and Worksite Perspectives of the Family and Medical Leave Act: Results from the 2018 Surveys* (Jul. 2020), https://www.abtglobal.com/files/Projects/PDFs/2020/whd_fmlla2018surveyresults_finalreport_aug2020.pdf

¹² Abt Associates, *Employee and Worksite Perspectives of the Family and Medical Leave Act: Results from the 2018 Surveys* (Jul. 2020), https://www.abtglobal.com/files/Projects/PDFs/2020/whd_fmlla2018surveyresults_finalreport_aug2020.pdf

States with existing paid family and medical leave programs have robust mechanisms in place that successfully combat fraud.

- A critical component of PFML implementation is the creation of a robust accountability system that ensures applicants meet eligibility criteria and detects any potential instances of fraud.
- States use several tools to prevent and detect fraud. For example, a claim filing system itself can alert staff to potential fraud. Additional tools to detect fraud within the program include key notifications to claimants, data sharing with key partners, training and outreach, data mining and analysis, and quality control reviews.¹³
- Online applications have led to reduced time for processing claims and greater protection against fraud.¹⁴

There are substantial economic and business benefits associated with providing paid leave.

- In a 2023 survey, global consulting firm Ernst & Young found that employers view paid family leave as one of the most important benefits for employees, second only to medical insurance.¹⁵
- After implementing paid leave, manufacturing and technology firms experienced 4.6% greater revenue and 6.8% greater profit per employee. This meant an average \$2.57 and \$2.67 return, respectively, on every dollar invested in their workforces.¹⁶
- Large majorities of employers in one state reported that paid family leave had either a “positive effect” or “no noticeable effect” on productivity (89%), profitability/performance (91%), turnover (96%), and employee morale (99%).¹⁷
- Paid family and medical leave also can also increase a firm’s value. Researchers have found that Fortune 500 companies that announced the adoption of new family-friendly

¹³ California Employment Development Department, Overview of California's Paid Family Leave Program (2025), https://edd.ca.gov/siteassets/files/pdf_pub_ctr/de2530.pdf; California Employment Development Department, Fraud Deterrence and Detection Activities Twenty-Sixth Report (Jun. 2020), https://edd.ca.gov/siteassets/files/about_edd/pdf/fraud_deterrence_and_detection_activities_2020.pdf

¹⁴ Georgetown Law Center on Poverty and Inequality, *The Paid Family and Medical Leave Opportunity: What Research Tells Us About Designing a Paid Leave Program that Works for All* (Jul. 2019), https://www.georgetownpoverty.org/wp-content/uploads/2019/08/Georgetown_PLUS-PaidFamilyMedicalLeaveOpportunity-20190804.pdf

¹⁵ Prenatal-to-Three Policy Impact Center, *A Business Case for Paid Leave Policies* (Mar. 2024), https://pn3policy.org/wp-content/uploads/2024/04/PN3PIC_ABusinessCaseforPaidLeavePolicies.pdf

¹⁶ Panorama & American Sustainable Business Council, *The Business Impacts of Paid Leave* (2019), https://assets-global.website-files.com/62448c65f2a3dc7ae94193bd/62448c65f2a3dc0f7a4195a2_Business-impacts-of-paid-leave-A-Panorama-report.pdf.

¹⁷ Eileen Appelbaum & Ruth Milkman, *Leaves That Pay: Employer and Worker Experiences With Paid Family Leave in California* (2011), <https://escholarship.org/uc/item/6bm118ss>

policies saw same-day increases in their share prices, indicating that investors anticipate that the benefits of such a program will outweigh any costs associated with providing it.¹⁸

“In our experience, employees who are trusted and who are in a nurturing workplace simply don’t abuse privilege.” – Kevin Trapani, a North Carolina business leader speaking about his company’s leave policies¹⁹

¹⁸ Michelle M. Arthur & Alison Cook, *Taking Stock of Work-Family Initiatives: How Announcements of "Family-Friendly" Human Resource Decisions Affect Shareholder Value*, 57 INDUSTRIAL & LAB. RELATIONS REV. 608-10 (2004).

¹⁹ Kevin Trapani, *Paid Family Leave: The Benefits for Businesses and Working Families: A Hearing before the Subcommittee on Children and Families* (Jul. 2014), <https://www.help.senate.gov/imo/media/doc/Trapani.pdf>