

PAID FAMILY AND MEDICAL LEAVE INSURANCE:



Options for Designing
and Implementing
a Minnesota Program
2019 Update

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2019 update of the legislatively
mandated design and implementation
study of 2016

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NEED FOR A MINNESOTA PFML PROGRAM

Most workers need leave from the paid labor force at some point in their lives.

- One in four working mothers returns to work with an infant 2 weeks old
- Only 22% of low wage workers receive full pay while on leave
- Low wage workers are 3X more likely to lose their job when taking leave
- The most common use of state programs: pregnancy recovery and complications for medical leave; new child bonding for family leave

(US DOL FMLA Survey 2018; State program data)

MINNESOTA PFML INSURANCE PROGRAM DESIGN

HF 1200 is structured as a **contributory social insurance program** (dominant model in eight US states and most countries)

- **Most employers and workers contribute** to a state fund based on wages
 - \$3 each per week for wage of \$50k/year
 - Employers with comparable benefits can provide their own program
 - Self-employed can choose to join program
- **Eligibility based on attachment to the workforce/earnings**; plus need for leave
- **Health care providers certify** need for leave and workers make claim to state fund

HF 1200 **builds on many Unemployment Insurance definitions** and processes to reduce employer burdens and help ensure more successful build out

BENEFITS OF A SOCIAL INSURANCE MODEL

- **Portable benefit** - not attached to a specific job. Workers receive their income from the state fund during leave.
- **Keeps costs low by spreading risk** and costs across whole population; split between workers and employers; levels the benefits playing field by geography and employer size.
- **Durable and popular** – because everyone contributes & everyone benefits

MINNESOTA PFML INSURANCE PROGRAM DESIGN

HF 1200 provides partial wage replacement during leave of *at least seven days* for:

- Up to 12 weeks per year for a worker's **own serious health condition** (including pregnancy)
- Up to 12 weeks per year for **care of a family member** (including a new child, foreign deployment, violence or a serious health condition)

Data from other state programs shows:

- Workers most often use fewer weeks than the maximum allowed.
- Vast majority of workers use the program for only one leave over multiple years.

SIGNIFICANT MATERNAL AND INFANT HEALTH BENEFITS

Paid Leave Intended Consequences

STRENGTHEN:

- @ breastfeeding
 - @ bonding with infants
 - @ jobs/economic well-being
 - @ women's workforce attachment
 - @ infant brain development
 - @ role of dads
 - @ vaccinations
 - @ senior independence
 - @ healing
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LOWER:

- ↓ maternal mortality
 - ↓ infant mortality
 - ↓ racial health disparities
 - ↓ premature births
 - ↓ inequality
 - ↓ infant care costs
 - ↓ family instability
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GET THE FACTS:

familyvaluesatwork.org/facts