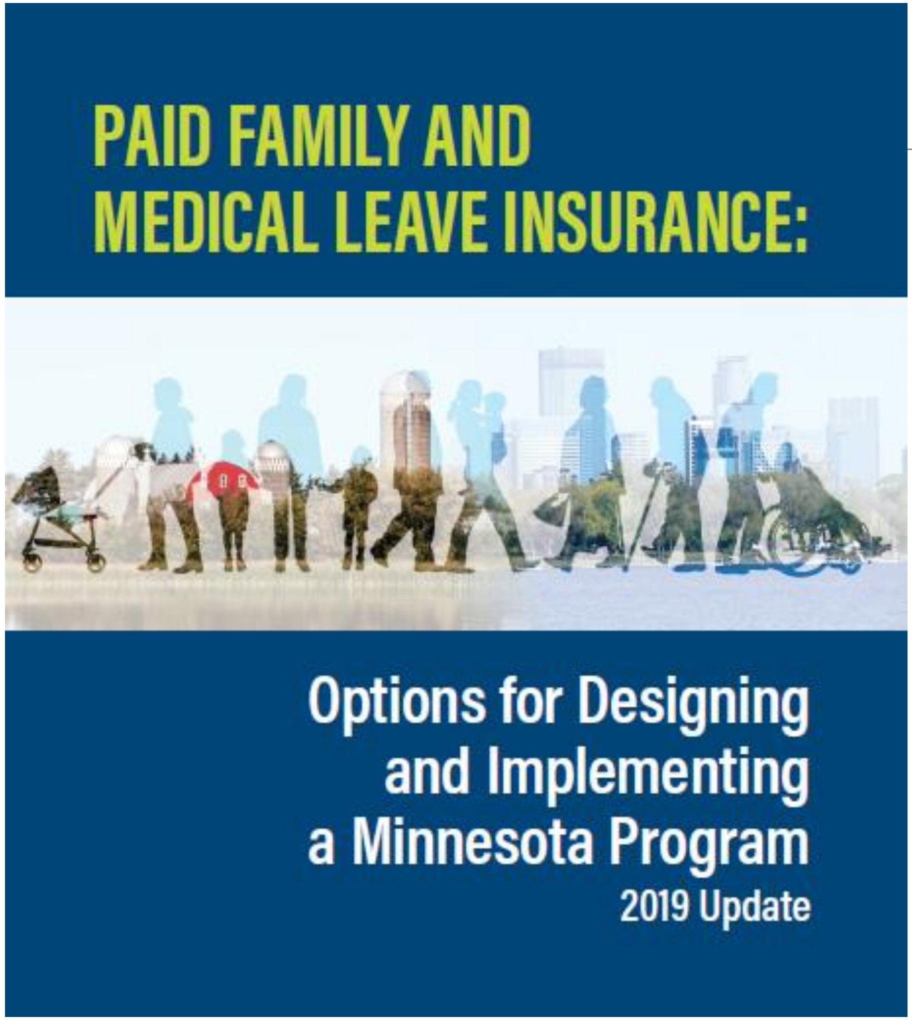


# DEBRA FITZPATRICK

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

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# MINNESOTA PFML INSURANCE PROGRAM DESIGN

HF2 is structured as a **contributory publicly administered insurance program** (successful, proven model in nine US states and most countries)

- **Most employers and workers contribute** to a state fund based on wages
  - $3.50 each per week for wage of $52k/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

SF2 **builds on many Unemployment Insurance** processes as well as those in other states to reduce employer burdens and and help ensure more successful build out

# BENEFITS OF HF2 INSURANCE MODEL

**Portable benefit**

Not attached to a specific job.  Workers receive income from the state fund during leave.

**Broadest possible risk pool keeps costs low**

Levels the playing field by geography and employer size and employee need for leave.

**Earned benefit that workers and employers can count on from year to year**

# MINNESOTA PFML INSURANCE PROGRAM HF2 DESIGN

**Partial wage replacement during leave of *at least seven days* for:**

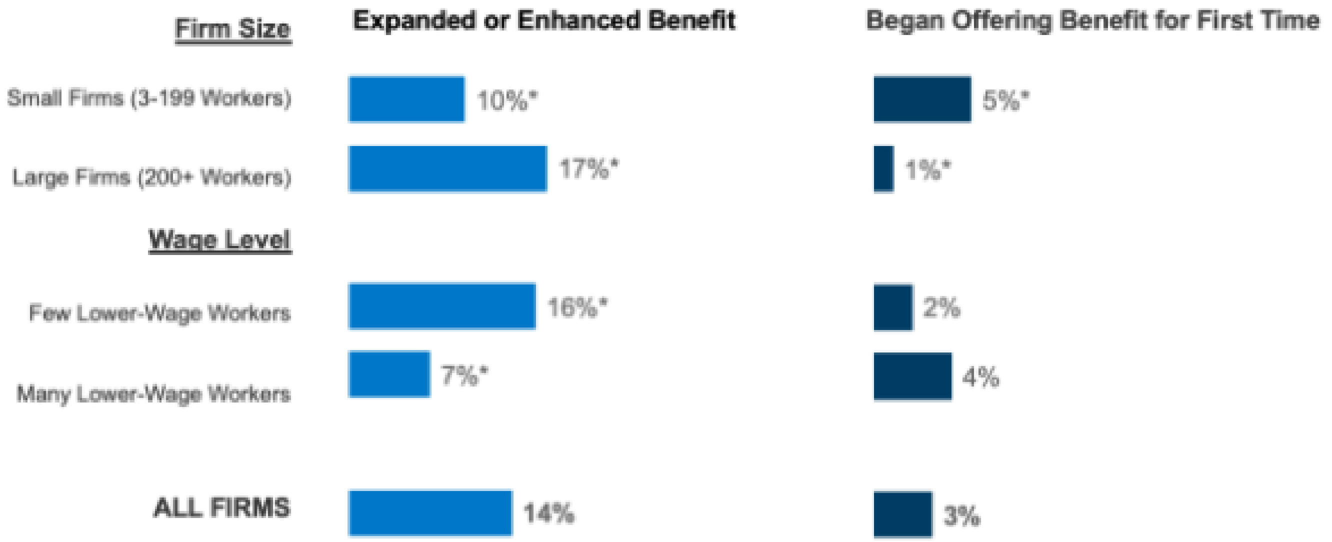
- *Up to* 12 weeks per year for a worker's **own serious health condition** (including pregnancy)
- *Up to* 12 weeks per year for **care of a family member** (including a foreign deployment, new child, violence or a serious health condition)

**Data from other state programs and USDOL shows:**

- **Vast majority of workers use fewer weeks than the maximum allowed.**
- Massachusetts allows up to 26 weeks: median has been 12
- Washington allows 12-16; average is 7 weeks

# EMPLOYER EXPANSION HAS BEEN MODEST

Share of Workers at Firms That Began Offering Paid Family and Medical Leave Benefits for the First Time or Expanded Existing Benefits Since the COVID-19 Pandemic Began




* Estimates are statistically different from each other within firm characteristic and column.
NOTE: Firms with few lower-wage workers are those where less than 35% earn the 25th percentile or less of national earnings ($28,000 in 2021). Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings. Fewer than 1% of workers are employed at a firm that reduced or eliminated this benefit.
SOURCE: KFF Employer Health Benefits Survey, 2021

KFF

# STATE PFML INSURANCE ACROSS US

Eight programs paying out benefits; considered a key tool in managing the pandemic for both employers and employees

Two comparable programs began operating at the beginning of or during COVID with premiums similar to SF2

Three longstanding programs have increased benefit structures, while maintaining funds with marginally increased or dropping 2023 premiums