The California Experience: Lessons From 20 Years of California's Paid Family Leave Program

September 2021

BAY AREA COUNCIL
ECONOMIC
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About this Report

This report was prepared by the Bay Area Council Economic Institute with support from the Blue Shield of California Foundation.

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The authors would like to thank those who shared their time and expertise through interviews and throughout the drafting process with feedback, guidance, and comments.

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Executive Summary

California's Paid Family Leave (PFL) program provides millions of California's with access to paid leave to care for family members, bond with new children, or provide support during a family member's military deployment. The program, which was initially passed two decades ago, has subsequently been expanded through five other bills aimed at increasing access to and use of the program. The bills have focused on various aspects of the legislation, including extending the length of leave, increasing the wage replacement rate, expanding what a "family member" is defined as, and most recently, providing job protection to more individuals who are eligible for and paying into the program.

As the longest standing PFL program in the nation, the California PFL program provides a unique view into the impacts and effectiveness of PFL legislation. As such, there is a growing body of research examining the first two decades of the program, including the Bay Area Council Economic Institute's previous report focused on California's program. Published prior to the most recent expansion of the program, that report presents data on program usage and impacts of the program on California businesses. The research found that take up rates were growing, the program increased employment among new mothers, and the impact to businesses was positive.

Other key findings include:

- PFL participation has grown on average 5 percent per year between 2004 and 2018.
- Male participation in the PFL program is increasing. Males only made up 16 percent of bonding claims in 2004, but have since grown to account for 38 percent of the claims as of 2018.
- PFL does not appear to increase firm exit rates (i.e., firms ceasing operations). Exit rates, defined as the likelihood that a firm will cease to operate within the next four quarters, are higher among all firms than just among firms with PFL use.`
- Small firms experience a reduction in labor costs when workers use PFL. Firms employing 25 or fewer workers experience, on average, a 14 percent decrease in per worker labor costs when workers use PFL.
- Use of PFL is concentrated among large firms. Just 7 percent of firms employing 25 or fewer workers ever had any worker use PFL, compared to 93 percent of firms employing 250 or more workers.

Expanding PFL was a priority for Governor Gavin Newsom when he took office. He successfully executed on this priority through the passage of Senate Bill (SB) 83, which extended the maximum length of leave from six to eight weeks, and through SB 1383, which expanded job protected leave to nearly six million more Californians. Prior to the most recent expansion, which went into effect in January 2021, the California PFL legislation did not include any job protections. Some Californians were eligible for protection through other laws – but the PFL legislation itself did not protect claimant's jobs – leaving many who were paying into the program at risk of losing their job if they took leave. Stakeholder interviews completed for this report reveal insights into the political process surrounding the passage of this newest expansion that added job protection to the program:

- The most salient piece of advice gleaned from the interviews was to build trust and align policy priorities among a diverse set of stakeholders who are all in support of expanding paid leave at the onset of the legislative process. This was done through the Paid Family Leave Task Force that Governor Newsom convened and tasked with expanding PFL legislation.
- All the task force members interviewed noted that having advocates from varied organizations representing wide-ranging sets of interests aligned prior to pressure mounting from opposition was key to the successful passage of SB 1383.
- The task force being directed from a high place in government (i.e., the Governor's office in this case) was another key input in the success. It resulted in all task force members making their participation in the task force a priority.
- Many also noted that having data-backed research on the business impacts of PFL was an essential tool in successfully expanding the legislation.

The expansion of job protection through SB 1383 was a huge success in opening access to paid leave to millions more Californians. However, there is more work to be done in expanding PFL access to some of the state's most vulnerable populations. As the program is currently structured, it still has limitations that were identified through the stakeholder interviews and analysis of program use:

- The wage replacement rate for low-income Californian's is not high enough. To be able to afford to utilize the program, low-income workers need higher wage replacement rates than what is currently offered in California: $50 per week for the lowest earners and 70 percent replacement for those earning between $929 and $5,741 a quarter. Many other states with PFL programs have higher wage replacement rates for the lowest earning individuals.
- Californians employed at small businesses (less than five employees) still do not have access to job protected leave despite paying into the program.
- The job tenure limitation on job protection excludes more than anticipated because of COVID-19. Within the current legislation, job protection eligibility is tied to having worked a certain number of hours and having a certain tenure with a current employer. However, due to employment disruptions caused by the pandemic, the group eligible for job protection may be lower than expected when the legislation was designed.

Introduction

It has now been nearly two decades since California passed the first paid family leave program in the nation. The program, funded through worker payroll deductions, provides over 18 million working Californians with benefits that allow them to bond with a child, care for an ill family member, or provide support during a military deployment to a foreign country. Since its creation, several other states have implemented similar programs, and California has made significant changes to its program several times since the initial program was put in place.

This document is intended to be a resource for those interested in the California Paid Family Leave (PFL) program, how it is structured, and the lessons that can be learned from California's experience over nearly 20 years. Here we examine the structure of California's program, how it differs from programs in other states, and how the state ended up here from a political perspective.

As the largest economy in the country, and the fifth largest in the world, the California experience shows that such a program can be implemented without a negative effect on the economy. In fact, recent Economic Institute research found take up rates were growing, the program increased employment among new mothers, and the impact to business was positive.

Of course, the effectiveness of any public program depends on the details. California owes its success to the advocates, stakeholders, and policymakers that put in the immense time and effort required to design a successful program. Significant compromises were required, and the program will likely continue to evolve in the future. However, the lessons learned from California's experience hold great value to other states and the federal government as they look to design their own programs. To share that knowledge, this report summarizes the details of the passage, structure, and outcomes of California's current PFL program.

California's PFL Program

Understanding the history, structure, financing, and benefits of California's PFL program and comparing it to PFL programs in other states.

Structure

In 1946, California enacted the State Disability Insurance program, creating a funding structure that would later be leveraged to create the first paid family leave program in the nation in 2002 with the passage of Senate Bill 1661. Currently, the California Paid Family Leave (PFL) Program provides up to eight weeks of partial wage replacement to cover workers who need time off to care for a seriously ill family member, bond with a newborn, adopted, or foster child, or provide support during a family member military deployment overseas.[1] Since the inception of the program, several expansions and changes have been made; a few of the most significant changes include:

- **Senate Bill 770 (2013):** The program was expanded to include parents-in-law, grandchildren, grandparents, and siblings. Effective July 2014.
- **Assembly Bill 908 (2016):** The wage replacement rate increased from 55 percent to 60 or 70 percent depending on income level. Effective January 2018.
- **Senate Bill 1123 (2018):** The program was expanded to include employees who need to take time off due to a military deployment of a family member overseas. Effective January 2021.
- **Senate Bill 83 (2019):** Extended PFL from six weeks to eight weeks for both bonding and care claims and created a task force to develop a proposal to extend benefits to six months per child by 2022. Effective July 2020.
- **Senate Bill 1383 (2020):** Expanded access to 12 weeks of job-protected unpaid leave for Californians who work for an employer with five or more employees, who have at least 1,250 hours of service with the employer in the previous 12-month period, and who have worked for the employer for at least one year. Also expands the family members an employee can take job-protected leave to care for to include grandparents, grandchildren, adult children, and siblings.[2] Effective January 1, 2021.

Eligibility

All private sector employees are covered, self-employed individuals can opt in, and some public employees are covered.[3,4] Californians who are eligible to receive PFL benefits must meet both monetary requirements and qualifying conditions of eligibility.

- **Monetary requirements** stipulate that qualifying individuals must:
    - o Be attached to the labor market prior to their period of leave. To be attached to the labor market individuals must be:
        - Employed;
        - Looking or registered for work;
        - Or have an active unemployment insurance claim within the last 90 days from last day of work.

- o Have a loss of wages as a result of the family leave;
- o And have earned at least $300 from which State Disability Insurance deductions were withheld in their "12-month base period," which is the period five to 18 months prior to their period of leave.

- **Qualifying conditions** dictate who is eligible for Paid Family Leave for a period of up to eight weeks per year.
  - o Caregiving claims are available to people who need to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner.
  - o Bonding claims are available to parents with a new child joining the family through birth, adoption, or foster care placement within the past 12 months.
  - o Military exigency claims are available to people who need time off work to participate in a qualifying event because of a family member's military deployment to a foreign country.
- **Eligibility for job protection** under SB 1383 has different eligibility requirements than the PFL program. Some employees who meet the monetary and qualifying conditions for the PFL program and are paying the payroll deductions are not offered legal job protection. To qualify for the 12 workweeks of unpaid job protected leave under the California Family Rights Act (as amended by SB 1383), employees must:
  - o Have worked at least 1,250 hours in the previous 12-month period with their current employer;
  - o Have worked for their employer at least one year; and
  - o Be employed at an employer with five or more employees.

Financing

The California Paid Family Leave Program is financed through the State Disability Insurance Program. Unlike unemployment insurance, which is a federal-state partnership, financing for the California Disability Insurance Program does not involve the federal government. The Disability Insurance Program is funded by employee payroll deductions referred to as "State Disability Insurance contributions," which are made by all workers covered by the program. The contributions are deposited into a dedicated fund that is used to pay eligible workers and finance the program's operating costs. The same payroll deduction covers both Disability Insurance claims and Paid Family Leave claims.

Annual Contribution Rate

An annual contribution rate is calculated based on covered workers' wages to determine how much each worker pays into the State Disability Insurance Fund. The contribution rate is calculated based on conditions of the fund from the previous 12-month period (October to September). The calculation includes variables that consider changes in how much money has been dispersed from the Fund and changes in the Fund balance to ensure the contribution rate covers the cost of the program without accumulating excess funds. There is a range that the contribution rate must stay between – it cannot exceed 1.5 percent or be lower than 0.1 percent. The Director of the California Employment Development Department may also increase or decrease the rate that results from the calculation by 0.1 percent if they determinate the adjustment is necessary for the stability of the Fund.

Taxable Wage Ceiling

There is also a taxable wage ceiling, which limits the maximum amount of an individual's wages that are subject to the contribution rate. This wage ceiling is also adjusted annually based on the maximum weekly benefit amount at the time. When the maximum weekly benefit amount changes, it triggers an increase in the taxable wage ceiling, allowing the State Disability Insurance program to generate the additional revenue necessary to pay for the higher weekly benefit amount.

For example, as of 2021, the contribution rate is 1.2 percent for all wages earned up to $128,298, making the maximum amount a worker pays into the Fund approximately $1,539.58 per year.

Adequacy Rate

The adequacy rate for the State Disability Insurance Program measures the solvency of the Fund to ensure there is sufficient revenue to pay claims. The adequacy rate states that the balance of the Fund should equal 25 to 50 percent of the prior 12 months of disbursements to remain solvent through different economic conditions and fluctuations in revenue and benefit volume. To keep the Fund within those target percentages, the Director of the Employment Development Department can use their authority to increase or decrease the contribution rate by 0.1 percent.

Benefits

The Paid Family Leave program provides up to eight weeks of paid benefits based on an individual's past earnings and their income level. Higher income earners get a slightly lower percentage of their past earnings than low-income earners, and the amount paid to claimants is calculated using their earnings reported in the base period (five to 18 months prior to their period of leave). The quarter within the base period with the highest earnings is used to calculate the weekly benefit. In 2020, depending on the highest quarterly earnings, the benefit amount was calculated as follows:

- Below $929 earned in highest quarter, $50 a week;
- Between $929 and $5,998.57 earned in highest quarter, 70 percent of weekly earnings;
- Above $5,998.57 earned in highest quarter, 60 percent of weekly earnings (with a maximum of $1,357 per week).

The eight weeks of benefits can be used consecutively or split over 12 months if an individual chooses to work part-time or intermittently while caring for a family member, bonding with a new child, or addressing a military exigency. Benefits are paid to individuals participating in the program every two weeks.

Comparing PFL Programs in Other States

Since California passed the inaugural PFL policy in the U.S., six other states and the District of Columbia have put paid family leave programs in place that are already paying benefits to individuals, and three other states have enacted legislation that has yet to fully take effect. A detailed summary of programs in states that have enacted PFL programs that are effective and paying out benefits is provided in Appendix A, but a few key points about how California's program differs from other states' programs are provided in this section.

Benefit and wage replacement levels

At $1,357 per week, California has the highest maximum benefit amount out of any state with a PFL program. However, most other states with PFL programs have higher wage replacement rates than California, particularly for low-wage workers.

Of the programs already in effect, the State of Washington and Washington, D.C. have the highest wage replacement rates for low-income earners, both matching 90 percent of earnings for low-wage workers, compared to California's 70 percent wage replacement rate for low-income workers. Among states that have a minimum payment, California also ranks lower, providing those earning less than $929 per week with $50 per week. Other states that have a minimum benefit, including Rhode Island (minimum of $107 per week) and New York (minimum of $100 per week if an employee's wages are more than $100, if an employee's wages are less than $100, they are paid their full weekly wages), have higher wage replacement for the lowest earning workers than California.

Employers covered

Like most other states, all private sector employees (except those employed at companies that opt in to a voluntary plan) are automatically covered by the PFL program in California. In California, some public sector employers have the option to opt in to coverage, but they are not automatically covered. Many other states do cover certain public sector employees automatically. Massachusetts, Oregon, Colorado, New Jersey, Washington, and Connecticut all cover state employees automatically. Additionally, Massachusetts, Connecticut, and Colorado also allow local governments to opt in to coverage under varying circumstances.

How the benefit is funded

California's PFL program is funded fully through worker contributions, which is typical across all state PFL programs with a few exceptions. California has a single payroll deduction for both PFL and Disability Insurance, which is currently (as of 2021) set at 1.2 percent of wages (with the deduction not applying to wages above $128,298 per year). Rhode Island operates with this same model, with a slightly higher contribution rate (1.3 percent of wages) and lower taxable wage ceiling ($74,000 per year). Most other states with PFL programs have a worker funded payroll deduction specific to paid family leave. There are five states (New Jersey, New York, Washington, Massachusetts, and Connecticut) that operate this way with the deduction levels ranging from 0.13 percent to 0.75 percent of wages. Two states fund their PFL programs with a combination of employer and employee contributions. Colorado has a contribution rate that is currently set at 0.9 percent that is split 50/50 across employees and employers, and Oregon has a contribution rate that has yet to be set but will not exceed 1 percent and is paid 60 percent by employees and 40 percent by employers.

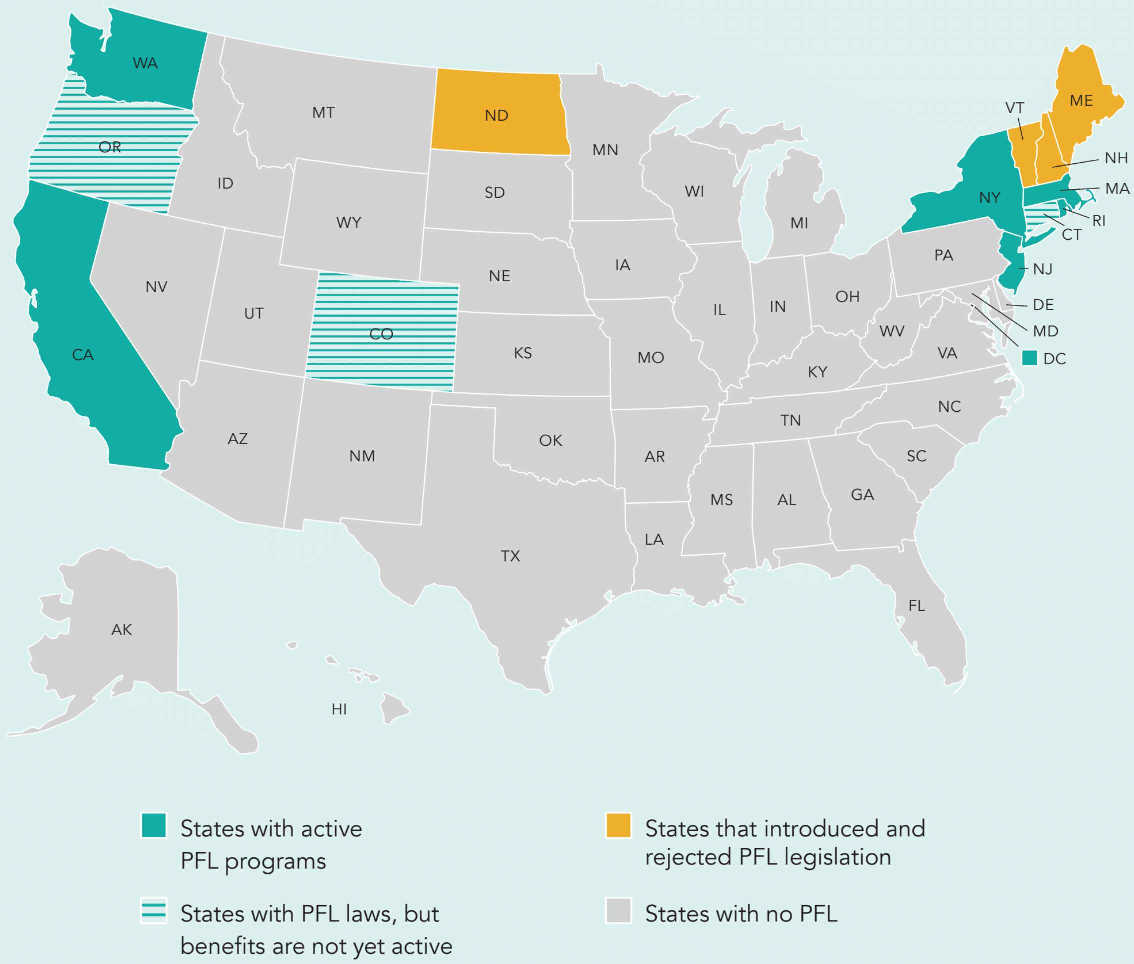
Job protection

In California, since SB 1383 went into effect in January 2021, many more individuals are offered job protected family leave. All employees who work at employers with five or more people, who have worked for one year and at least 1,250 hours with their current employer in the last 12-month period are eligible for 12 weeks of protected family leave. This law in tandem with the state PFL program offers most employees working within the private sector job-protected paid leave, but it excludes those working for very small employers, some part-time workers, and employees who have been working at their current company for less than one year.

Massachusetts, New York, and Rhode Island both provide job protection to all eligible workers regardless of size or tenure at their employer. Other states that offer job protection have slightly different job protection eligibility requirements than California. Most states that do offer job protection within the PFL legislation have a shorter tenure required for job protection eligibility than California (which requires employees to have been employed with their current employer for a year prior to their period of leave), but a higher employer size requirement. Oregon offers job protection to individuals working at employers with at least 25 employees, employed for at least 180 days (approximately 6 months) at their employer. Colorado's newly passed law also includes job protection for individuals who have worked at least 180 days at the same employer. Connecticut offers job protection for those who have been employed for three months at their current employer prior to their period of leave.

Some other states have laws that offer job protection to some people who are eligible for leave through other policies, but do not include job protection in the PFL legislation itself. In New Jersey (under the New Jersey Family Leave Act) and Washington, D.C. (under the District of Columbia Family and Medical Leave Act) if you have been employed at a company for at least one year, working at least 1,000 hours in the past 12 months, you are eligible for job-protected leave if the employer has over 30 employees (in New Jersey) and 20 employees (in D.C.). Other states with programs do not offer job protection, but some employees (those who work at an employer with 50 or more employees who have worked at least 1,250 hours in the last 12-month period) are covered under the federal Family and Medical Leave Act (FMLA).

Status of Paid Family Leave Laws



Length of leave

California provides up to eight weeks of paid family leave over a 12-month period.[5] Most other states with programs provide a longer period of paid leave, including New Jersey, New York, Washington, Massachusetts, Connecticut, Oregon, and Colorado which all provide up to 12 weeks of paid family leave. Two states have programs that offer a shorter period of leave than California: Washington, DC (which offers six to eight weeks depending on the type of leave) and Rhode Island (which offers four weeks).

Timeline for states with PFL laws that are enacted but benefits are not yet active:

Connecticut – Enacted in 2019, contributions begin in 2021, benefits begin in 2022.

Oregon – Enacted in 2019, contributions begin January 2023, benefits begin September 2023.

Colorado – Approved by voters on 2020 ballot, contributions begin 2023, benefits begin 2024.

States without PFL programs, which are looking to adopt them

New Hampshire & Vermont – Governor Chris Sununu of New Hampshire and Governor Phil Scott of Vermont introduced a twin state voluntary leave plan in 2019, which created a bi-state voluntary paid family leave program. The program creates a private insurance product that covers state employees, and private sector employers can opt in with rates that are anchored to the state rate and specified by various categories of employers.[6] While this program does not offer publicly funded paid family leave, it reveals there is political interest in expanding access to paid family leave among lawmakers in the two states, showing a possible inroad to enacting publicly funded programs in the future.

Virginia – In 2018, Governor Ralph Northam used executive authority to grant paid family leave to state workers. In January of 2020, state lawmakers introduced SB 770 and HB 825, which sought to establish a paid family leave program that covers 80 percent of an employee's average weekly wages for up to 12 weeks.[7] The bill did not pass in the 2020 legislative session but shows there is interest toward enacting paid family leave legislation among some of the state's lawmakers.[8]

Maine – The Maine State Legislature approved a paid family leave bill in 2018, but it was vetoed by then Governor Paul LePage. In 2019, advocates hoped that under newly elected Governor Janet Mills there could be renewed interest and ability to pass paid family leave legislation. A bill (LD 1410) was introduced in the House that sought to cover 95 percent of an individual's average weekly wages for 12 weeks of paid family leave.[9] The bill died in the House in November 2020, but some speculate the state legislature may look to resurrect the bill in 2021.[10]

Outcomes

Analysis of statewide data, breaking down how the California Paid Family Leave Program has functioned thus far and what the impact has been on business and health.

Who Takes Leave?

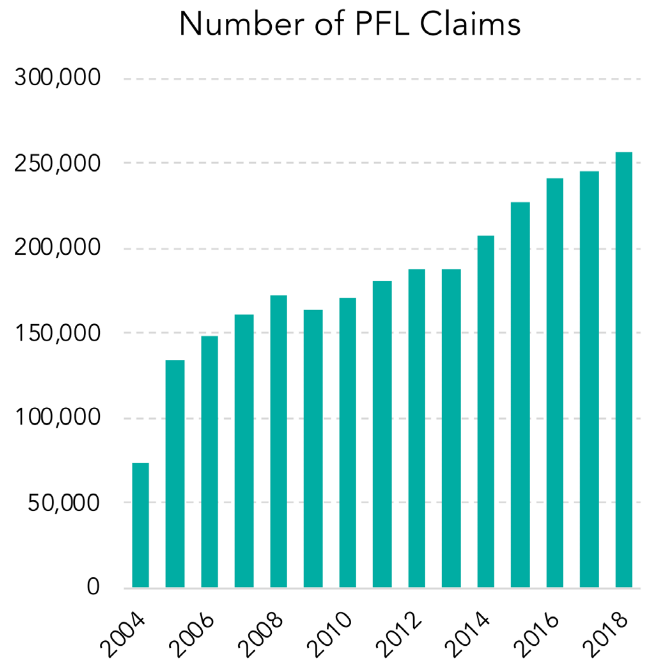
The success of the California PFL Program is exemplified by the consistent year-over-year growth in the number of people taking PFL in California since the implementation of the program in July 2004. The first full calendar year with the program in place (2005) saw over 134,000 claims. Since then, utilization of the program has nearly doubled, with 256,000 claims in 2018. This includes both care and bonding claims:

Bonding claims: time off work for eligible workers to bond with a new child entering the family by birth, adoption, or foster care placement. Bonding claims account for about 90 percent of all PFL claims in California.

Care claims: time off work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner.

PFL participation has grown on average 5 percent per year since 2005. The most significant growth was among males taking bonding leave, which increased at a compound annual rate of 11.2 percent in the 14 years since the policy was implemented, totaling over 85,000 claims in 2018. Over its lifetime, the program has supported 2.7 million leave claims. In 2018, spending for the program totaled $951 million, expending 0.5 percent of the state's total budget.

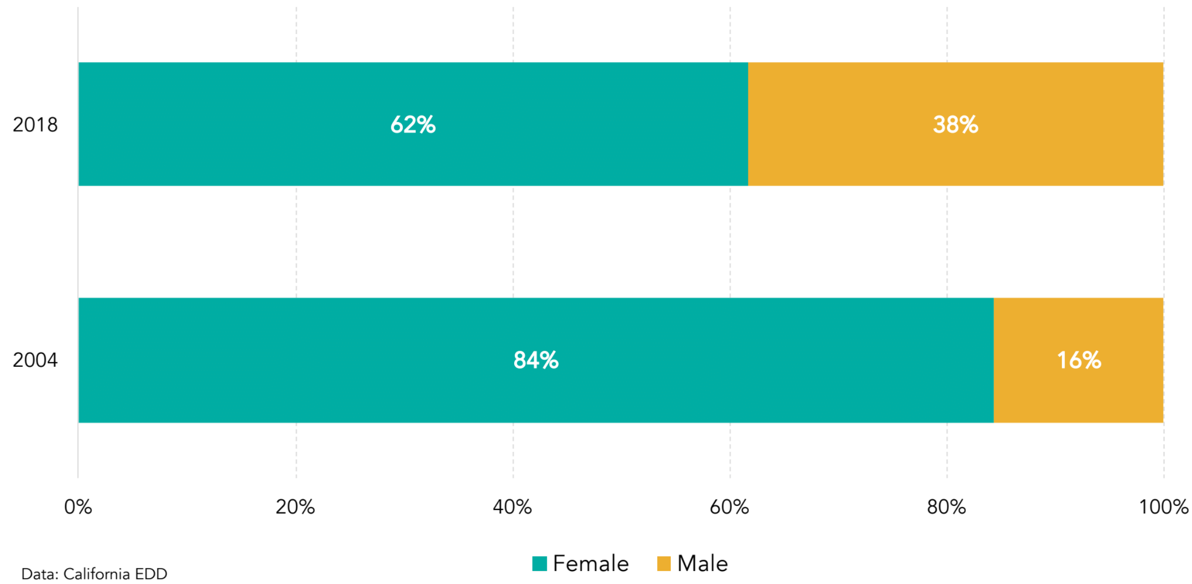
The PFL program has been highly successful at providing fathers with more access to paid time off to bond with new children. Bonding PFL participation rates (defined as the number of bonding claims divided by the number of new parents each year) have increased for both females and males since the implementation of the program.



Data: California EDD

	2005	2018	Compound Annual Growth Rate (2005-2018)
Female			
Bonding	96,516	138,157	2.8%
Care	12,312	21,738	4.5%
Male			
Bonding	21,628	85,796	11.2%
Care	3,967	10,229	7.6%

Share of male versus female bonding PFL claims when PFL was implemented versus 14 years into the Program



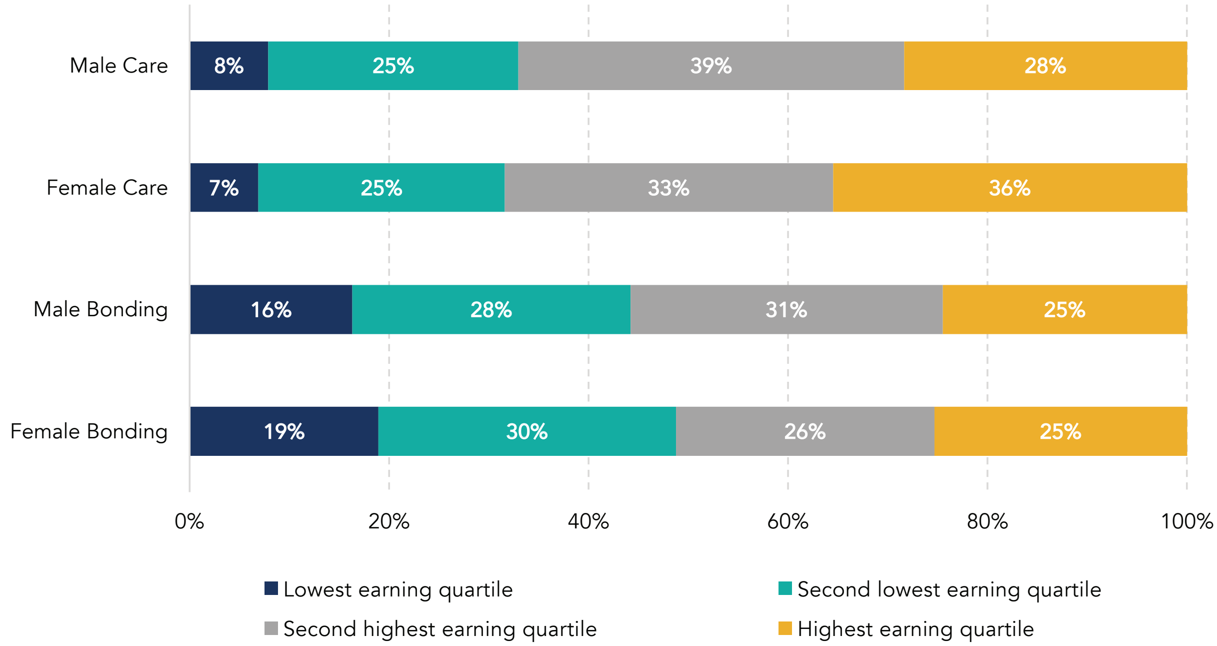
Data: California EDD

The share of bonding PFL claims is also trending toward a more even distribution by gender over time. Males only made up 16 percent of the claims in 2004, but have since grown to account for 38 percent of the claims as of 2018. The participation rate for females was about 16 percent in 2005 and has since risen to 25 percent in 2018. For males, the participation rate rose from less than five percent in the first full year of the program to 16 percent in 2018. If this growth continues, the number of males participating in PFL will be the same as females in 2025.

Use of the PFL program has grown among all age groups, but the program is most utilized by parents age 35 and older. Bonding leave participation also increases with age for both fathers and mothers. Among fathers and mothers, participation increased over time between 2004 and 2018 for all age groups. As age increases, so do participation rates among females. The highest female participation rate in 2018 was 37 percent for mothers ages 40 to 44. Among fathers, those between 35 and 39 years old are the most likely to take bonding PFL, and the participation rate among that age group rose from six percent in 2005 to just over 20 percent in 2018.

The length of leave has increased over the life of the program, again led by growth among males on bonding leave. For that group, average PFL length increased from 31 days in 2004 to 37 days in 2018. Among females taking PFL, the average length has remained consistent, increasing from 40 days in 2004 to 41 days in 2018 for bonding claims. The average length among care claimants has fluctuated, ranging from 32 to 35 days among females and 30 to 34 days among males.

Share of PFL Claims by Earning Quartile, Claim Category, and Gender



Note: Data represents the share of total PFL claims taken within each category between Jan 2005-Dec 2014.
Data: Bana, Sarah Et. Al., "Trends and Disparities in Leave Use under California's Paid Family Leave Program: New Evidence from Administrative Data," American Economic Association, 2018.

Over the first 10 years of the program, lowest earning workers have not utilized the PFL program at the same rate as higher earners. An analysis of the first 10 years of claims found that the lowest earning quartile made up the smallest share of claimants among males and females for both bonding and care claims. The researchers also estimated the share of the eligible population falling into each of the earning quartiles based on the number of employed individuals with a child that is less than a year old who had some positive income in the previous year (for the bonding claims benchmark) and those age 18 to 64 who have positive income (for care claims benchmark). They found that the bottom quartile of earners was underrepresented in PFL claims as compared to the share of individuals that are eligible in each category. For example, based on the estimations, 33 percent of female Californians eligible for bonding PFL leave between 2005 and 2014 were in the bottom earning quartile, yet only 19 percent of the total female bonding claimants during that time fell into the bottom earning quartile.

The disparities in PFL use among low-income workers reveals that the program's initial design is not serving the lowest income workers in California as well as it is serving middle- and high-income workers. The underrepresentation of individuals in the lowest income bracket who are utilizing the PFL program highlights a weakness in the program's ability to provide wage replacement rates and qualification for job protection that sufficiently support California's most vulnerable workers. Additionally, the wage level at which workers can access the higher 70 percent wage replacement rate is too low. In fact, even full-time minimum wage workers are left out of receiving the 70 percent wage replacement rate, which is intended to offer lower earning workers more financial support and enable them to take leave. Due to higher local minimum wage requirements in certain jurisdictions, some minimum wage workers who are not employed full time are not receiving the higher wage replacement rate intended for low-income workers.

Another factor at play in the underrepresentation of low-income workers is lesser awareness of PFL among certain groups. A survey conducted in 2009-10 found that awareness of PFL in California was 36 percent among households with income under $30,000 per year, 41 percent among households earning $30,000-$80,000 per year, and 66 percent among households earning over $80,000. The research found similar disparities in awareness across racial and ethnic groups, with only 34 percent of Latinx respondents reporting awareness of PFL compared to a range of 55 to 68 percent of respondents among white, Asian, and African American respondents.

What is the Effect of Leave Taking on Employers?

Workers at larger firms are overrepresented in PFL participation. While firms with 100 or more employees employ 65 percent of all workers in California, they employ 76 percent of bonding and 85 percent of care claimants. In addition, the average total number of workers at firms with PFL use was 528 while the average number of workers across all firms was 19. Lastly, while firms that employ between one and five workers make up 71 percent of all firms, they comprise only 6.9 percent of all firms with an employee utilizing PFL. This finding is likely connected to some degree to the lack of job protection for employees at smaller companies for the first 20 years of the program.

Firms with PFL use have higher earnings per worker compared to all firms. The average per worker quarterly earnings across all workers (not just the earnings of the PFL claimants, but earnings across all employed at a company with at least one employee on leave) at the firms that had PFL use between 2004 and 2018 was $15,010 compared to $10,304 average quarterly per worker earnings across all firms.

As firms get larger, the percent of quarters in which they have employees using PFL increases. Firms with less than 25 employees have on average roughly one quarter every four years with PFL use. Firms with 250 or more workers have employees on PFL 55 percent of all quarters. At the highest level, firms with over 1,000 employees have PFL use in 72 percent of all quarters, corresponding to roughly three quarters out of every year.

Industries with generally higher wages see higher PFL use. Public administration has the highest PFL use at 62 percent of all firms. Utilities, education, manufacturing, mining, and management of companies and enterprises, all have PFL use at between 20 and 25 percent of all firms in these industries.

Exit rates, defined as the likelihood that a firm will cease to operate within the next four quarters, are higher among all firms than among firms with PFL use. Between 2004 and 2018, across all quarters for all firms the exit rate was 0.199%. In comparison, across just the quarters during which firms have PFL use, the exit rate was lower at 0.052%. This trend holds true across all industries and all firm sizes except for firms employing one to five people. In this narrow subset of firms, PFL use is associated with an increase in the exit rate of 2.5 percentage points.

This effect is driven by firms employing only one or two workers, for which PFL use is associated with a small increase in exit rates. Among firms with only one or two employees the likelihood that the person taking leave is at least a partial owner of the business is high. As a result, the increased exit rate at this firm size, at least in part, reflects small business owners deciding to pause their business when they become a new parent, rather than a reflection that increased exit rates at this firm size are solely a result of employees taking paid leave.

Small firms experience a decrease in per worker wage costs when workers use PFL. On average, firms employing 25 or fewer people see a 14 percent decrease in per worker labor costs when workers use PFL. The smallest firms experience the greatest percentage-based reductions in labor costs. Larger firms see no change in per worker labor costs when workers use PFL.

Research has found that California PFL has increased labor force attachment and the likelihood that certain groups who take leave will return to their pre-claim employers. California PFL has increased mothers' probability of being employed nine to 12 months after childbirth.[11] In addition, PFL has led to an increased probability that workers in low-skilled jobs return to their pre-claim employers. Workers who remain in the labor force four quarters after taking PFL are more likely to be at their pre-claim employer than a different employer.[12,13]

What Has Been the Effect on Labor Force Participation and Wages?

Increased labor force participation among new mothers. Before PFL was implemented in 2004, the employment rate among new mothers – defined as those who gave birth within the last 12 months – was 50 percent, compared to 70 percent of non-new mothers. Since 2004, employment among new mothers has increased by 5.4 percent, with particularly strong impact for those 30 to 34, among whom employment has increased by 8.5 percent.[14]

No impact on employment levels among new fathers. PFL did not have a significant impact on employment rates among new fathers after it was implemented in 2004. However, the research did reveal that new fathers have higher employment rates than non-new fathers, while the opposite is true for women.

Lower average wages for PFL participants. On average, total quarterly earnings for PFL participants (calculated based on earnings form the four quarters prior to leave) are lower than other workers. Average total quarterly earnings were $10,021 for bonding PFL participants and $13,428 for care claimants, compared to $15,699 for all workers.

Research has found that PFL has increased employment among workers age 45-64 who have a disabled spouse. Estimates suggest that the PFL program increased employment for people 45-64 years old with a disabled spouse in California by about 1.4 percent among women and 0.8 percent among men.[15]

What Has Been the Effect on Health?

While our previous research focused on how California's program has been used and what impacts have been on business, a growing body of work has focused on the effects that the California PFL Program has on the health of new mothers and their children. Research efforts are just beginning to better understand how critical the connections are between early-life interventions and overall health outcomes, but early evidence suggests that paid leave increases these interventions and therefore improves outcomes in a host of ways. Studies done on programs across the globe have found measurable increases in birthweights, reductions in preterm births and infant mortality rates, and improvements in overall health outcomes among children.

Studies of California's PFL Program have found access to paid leave has numerous health impacts:

- Research has found that after the implementation of California's PFL Program, rates of breastfeeding through the first three, six, and nine months of infancy increased between 10 and 20 percentage points.[16]

- A study examining infant hospitalizations after the passage of PFL found a decline in infant admissions that were concentrated in causes that are potentially affected by closer childcare and breastfeeding, suggesting that access to PFL could have contributed to the decline in infant hospitalizations.[17]

- One study that examined several long-term child health measures, including reduced rates of obesity, attention deficit hyperactivity disorder (ADHD), and hearing related problems, found that since the implementation of PFL there have been improvements in these health outcomes among elementary school children in California. The study also found that these improvements are driven by children from less advantaged backgrounds.[18]

Other studies examining paid parental leave outside of California have found various health impacts associated with access (or lack thereof) to paid leave:

- One study investigating paid maternity leave in the U.S. found that paid leave for mothers reduced the share of babies born at low birth weight by 3.2 percent and decreased the likelihood of early term birth by 6.6 percent. The same research also found that paid maternity leave has particularly large impacts on the children of unmarried and Black mothers.[19]
- Another study found maternal work hours to be positively associated with depressive symptoms and parenting stress and negatively associated with self-reported overall health among mothers with six-month-old infants.[20]

Access to Paid Leave is Particularly Important for Domestic Violence Victims

Victims of domestic violence are often controlled through a complicated web of psychological and physical mechanisms designed to keep victims dependent on their abuser. These includes attacks on an individual's livelihood – either through direct sabotage or indirect means – and in 60 percent of cases victims end up losing their job and therefore become more dependent on the abuser.[21] Paid leave offers individuals the flexibility to help family members navigate these extremely challenging circumstances when they have experienced domestic violence that has caused mental or physical injury that meets the "serious health condition" qualifications.

In addition, research suggests that maternal access to paid family leave helps reduce the odds of domestic abuse. A study conducted in Australia found that women working during early pregnancy who qualified for paid maternity leave had reduced odds of experiencing physical or emotional intimate partner violence (IPV) in the first 12 months of postpartum than women not working. While that study examined employer provided leave, the finding suggests that access to job protected PFL on a statewide scale in California may also be protective against IPV among new mothers.[22]

While the research surrounding the impacts that paid family leave specifically has on domestic violence victims is somewhat limited, providing greater economic stability is an important aspect of helping people who are suffering from domestic violence, and the California PFL Program is part of the support system in place to help survivors gain economic support and care.

Experience

Lessons from enacting California's most recent expansion of job-protected paid family leave.

To understand the nuances behind California's success in gaining political support for passing and expanding PFL, this chapter provides a qualitative case study of the process of enacting SB 1383, the most recent expansion of California's PFL Program, which was passed in September 2020. The new law provides job-protected leave to six million more Californians by expanding job protection for individuals working at employers with at least five employees who have worked for their employer for one year and a minimum of 1,250 hours in the 12-month period leading up to their period of family leave.

The information was gathered from a set of interviews conducted with stakeholders involved in the process. All the information gleaned from the interviews has been anonymized. The details from discussions with individuals who were instrumental to the expansion of the program provide rich details on how PFL became a political priority across a diverse set of advocates and how that aided the path to enactment. This chapter can serve as a guide to other parties interested in expanding PFL programs to other states or at the federal level.

Building a Diverse Coalition

At the onset of the California PFL expansion process in 2019, the Governor's Administration convened a task force that was responsible for creating a set of policy recommendations to guide the expansion of PFL. The task force was made up of a diverse set of stakeholders that formed a unified coalition representing a wide range of interests. Task force members included groups representing the policy area from the perspective of public health, domestic violence, immigrants' rights, racial justice, business, low-income workers, etc. The group also heard from parents that had used PFL and employers who had gone through the system to further inform their recommendations from the experiences described by the parents and employers.

While the policy priorities of the members of the coalition did not initially align perfectly, the convening of the group allowed for a consensus to be reached on policy priorities among a diverse group of advocates early in the process. This created a unified yet diverse voice dictating the PFL policy priorities, which coalition members agreed was key to the legislation's eventual success. All members of the task force articulated that the unity of the task force was remarkable and essential to the success of the PFL expansion.

Members of the coalition also expressed that the coalition's ability to combat disinformation from opposition groups through research, financial modeling, and accurate representation of the business standpoint on the topic was key to the successful passage of the legislation. Additionally, members of the coalition all expressed that the early trust built across the coalition was important. The group had already been in the same room for over a year before the political pressure mounted, which allowed them to respond to opponents and challenges with a unified front. Many of the task force members are also members of the longstanding California Work and Family Coalition, which provided key leadership in the passage of the initial PFL law in 2002. The membership of this group has made passing job protection a priority ever since then, and their continued advocacy also played an important role in the passage of SB 1383.

Why is PFL a Political Priority?

Those interviewed stated various reasons as to why expanding PFL was a policy priority for them or the organization they represent. In general, the stakeholders were interested in framing PFL as something that is good for business to garner support for the topic and expand PFL benefits to more people, including low-income workers and those employed at smaller-sized businesses. Specific goals for the most recent expansion included:

- Offering competitive high-quality benefits at small businesses without over burdening those businesses with costs.
- Expanding access to family benefits for low-wage workers.
- Expanding PFL and other birth-to-five childcare policies, because it is good for business.
- Providing a remedy for the tradeoff women often must make between work and family care.
- Expanding PFL at the state level to help create a culture where families are more important than work, and where you do not have to sacrifice one for the other. PFL is a policy solution that helps people reconsider how to think about work, and a step toward creating policy infrastructure that supports the work-to-live mindset.

Specific Policy Priorities Stakeholders Wanted to Address in the PFL Expansion

Each stakeholder had a different set of priorities that they considered the most important aspects of the PFL policy to change or fine-tune. Most stakeholders agreed that under the existing policy, the biggest barriers limiting some Californians from taking PFL was the lack of job protection and the level of wage replacement. The level of wage replacement under the program prohibited many low-income workers from being able to afford to use the program even though they were paying into it. This resulted in lower-income individuals subsidizing the program for higher-income workers. As such, many stakeholders' top priorities were ensuring that those who take leave can return to their jobs after their period of family leave (through job protection) and offering a level of wage replacement that allows people across the income spectrum to be able to afford to take leave (through higher wage replacement rates, particularly for low-paid workers).

Some of the stakeholders also prioritized creating a policy that safeguarded the stability of the fund and including protections for small business that offset some of the economic challenges that small businesses face due to the PFL policy. Even with these economic considerations in mind, stakeholders generally wanted to maximize the policy to provide the longest period of leave, with the highest wage replacement, and job protection for the largest number of Californians possible, while limiting exclusions surrounding who qualifies for the program and maintaining the support of the business community.

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The Importance of High-Level Political Leadership

Members of the coalition who spoke of the vital role that the coalition played in the expansion of PFL also noted that the Governor's leadership in convening the task force was key to the success of the legislation. Coalition members noted that the Governor and his administration brought the right set of individuals and organizations to the table at the onset to build a broad-based coalition. The fact that the coalition was driven from such a high place in government caused all the task force participants to make the work and input a priority, making the coalition highly efficient and agile. Many members also noted that the resources that were brought to the table by the Packard Foundation were essential to the strength of the coalition and ability to fund necessary research and resources to combat opposition.

Overcoming Opposition

There were three key elements that coalition members noted as essential to overcoming the opposition to the PFL expansion. The first was the unity of the coalition, which was stated as an important factor of success across all the members who were interviewed. The second was having business well represented on the coalition, which helped combat other business-backed opposition. The third was having data and research on the business impact of PFL, which helped to neutralize the opposition and convinced policymakers across the aisle of the importance of expanding PFL. The research pointed to the proven track record that California's PFL Program does not have a negative impact on business. A few members of the coalition noted that having business groups advocate for job protection was particularly important.

Compromises

When asked about what compromises were made in the process, most members pointed to the fact that the fund remains entirely employee funded. While not all coalition members wanted the fund to continue to be entirely funded by employees, most interviewees noted that the compromise was essential in keeping business and labor aligned, which they felt was key to the success of the legislation. Coalition members also noted that many public employees are excluded from the PFL program, and that companies with five or fewer employees are not covered by the job protection piece of the legislation, which many considered significant compromises in the process.

Outcome

In general, the members of the coalition saw the outcome of the PFL expansion as a major success. Coalition members said the outcome was a "generational win that will help millions of families," stating that "the coalition did phenomenally" and that they were "thrilled with the outcome." Many also expressed that the achievement was particularly impressive considering the legislation was passed amidst the COVID-19 pandemic. Many also noted that in addition to the success of the bill itself, the set of recommendations for future consideration that the coalition created is also a great achievement. One point that coalition members interviewed agreed was a loss was the fact that job protection was not universal for all individuals who are eligible for PFL. In addition to the work of the coalition, the outcome was also tied to the work of many groups that did not participate in the task force but supported the goals of expanding job protection and access to PFL. These groups were also instrumental in the successful passage of SB 1383 and included childcare groups, parent advocates, civil rights groups, caregiving groups, and others.

Is There More Work to be Done?

Most of the interviewees expressed that they still see room for expansion and improvement of the PFL program in addition to the newly passed legislation. Many noted a desire to expand job protection universally (regardless of tenure and hours worked), to businesses smaller than five employees and to public employees. Lower-income workers in particular need strong job protections to be able to access the same health and safety benefits that higher-income workers see. Another priority moving forward for some members is to create a larger fund for small business mitigation. Additionally, several people stated that improving the efficiency of the California Employment Development Department is an important step to improving the effectiveness of the PFL program itself.

Within the recent legislation, job protection eligibility is dependent on having worked a certain number of hours and having a certain tenure with your current employer to be eligible for job protected leave. It was noted that due to the employment disruption that many Californians experienced during the COVID-19 pandemic, this eligibility limitation may impact more people than initially thought. It was also noted that the COVID-19 pandemic has underscored the strain that being a caregiver can have on the mental health of parents and other family caregivers, highlighting the importance of access to a PFL policy.

Several of the members interviewed also noted that continuing to expand the message among the business community that PFL and other birth-to-five childcare policies are good for business is an important priority going forward. The general sentiment was that California has been a leader on this topic, and that there is an opportunity for the state to continue to lead in this area in advocating for PFL legislation in other states and at the national level. Especially considering that California's economy is seen as an enviable asset, there is an opportunity to show that PFL programs can be an economic advantage, not a hindrance to business.

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Lessons and Recommendations

What does California's experience tell us about how states and the federal government can adopt best practices to ensure robust and diverse take-up rates (especially among low-income workers), support from business, and reliable funding mechanisms?

Twenty years ago, California's PFL Program was a singular achievement. Now, six other states and the District of Columbia have active programs, and three additional states have passed enabling legislation. As programs continue to be implemented across the country, California's experience as the oldest and longest-running program in the nation remains relevant. There is also much we can learn from other programs, some of which now offer more generous benefits in certain areas than California's program.

These recommendations are intended to be applicable to any paid leave program, whether it be state-based or federal, new or existing. It is our hope that through the research compiled in this document, policies continue to evolve to accommodate as many individuals as possible.

Ensure wage replacement rates are adequate to support workers and to encourage full program utilization, particularly among lower-wage workers.

Low-wage workers are not utilizing California's program at the same rate as higher-wage workers, despite directly contributing to the program. Boosting wage replacement rates in the state for lower-wage workers will provide them the financial stability needed to take leave, spend much needed time bonding with a new child or caring for a family member, and realize the multitude of benefits described throughout this report.

Design job protection eligibility requirements that accommodate a wide range of employment situations.

California's eligibility requirements for PFL are generous. Individuals only need to be "attached" to the labor market – that is, be employed, looking for work, or have an active unemployment claim – and have earned at least $300 in the five to 18 months prior to taking leave. However, job protection is not universal for all workers who are eligible and paying into the program. With research beginning to better understand how critical the connections are between early-life interventions and overall health outcomes, access to paid leave must be a priority and available as widely as possible. Existing and potential programs should examine eligibility requirements for job protection and work to expand job-protection eligibility to all who are covered by the PFL program regardless of employer size or tenure at employer.

Consider expanding PFL eligibility to public employees.

Public employees are not automatically covered under California's PFL Program. While some employees do have access to an employer-funded PFL program, it is not universal and the benefits are less generous. Many other states that have implemented PFL programs automatically provide coverage to state employees and provide ways for local public employees to opt in to PFL coverage. California should explore the possibly of expanding coverage to state employees and other public employees.

Provide resources for the implementation of outreach and education programs aimed at improving PFL participation among lower-wage workers and those employed at small businesses.

Public programs are often difficult to navigate, particularly for the less affluent, those with limited English proficiency, and immigrant populations. A survey of PFL awareness found it to be particularly low among low-income (less than $30,000 per year in income) and Latinx Californians. Low-income Californians are underrepresented in PFL participation, and the lower level of program awareness undoubtedly plays a role in the disparities between high- and low-wage worker participation in the program. PFL participation is also concentrated among large firms, just 7 percent of firms employing 25 or fewer workers ever had any worker use PFL, compared to 93 percent of firms employing 250 or more workers. Though the job protection offered through SB 1383 will help address this disparity, pairing that with sufficient outreach resources is important. Making additional resources available for outreach and education to populations and employer sizes that are underrepresented in PFL participation, particularly in a variety of languages, is a cost-effective way to boost program participation.

Modernize administrative systems to allow for robust data collection and program analysis by both staff and outside experts.

Insights gained from the examination of administrative data on California's Paid Family Leave Program have been instrumental in understanding how the program is working, who is using it and where, and how changes might be best structured to achieve the desired outcomes. There are still, however, gaps in the research. For example, data on the race and ethnicity of PFL claimants is not collected. Modernizing employment and benefits tracking systems and the type of data used by government entities, as many of the interviewed task force members noted was essential for the California Employment Development Department, would allow for further examination of these types of programs.

Appendix A: Detailed Information on Paid Family Leave Policies in Other States

New Jersey	
Enacted	2008
Effective	2009
Reason for leave	Bonding with a new child, care for family with a serious health condition, or need arising from family member being the victim of domestic or sexual violence.
Family member definition	Child, parent, parent-in-law, spouse, domestic partner, civil union partner, sibling, grandparent, grandchild, any person related by blood, or any person with whom employee has close association that is equivalent of a family relationship.
Eligibility	Employee must have worked 20 weeks earning $200 or more each week over the past four quarters or have been paid $10,000 or more in employment during the same four quarter base period.
Maximum length	12 weeks that can be taken continuously or non-continuously.
Funding mechanism	Funded by employee contributions. 2020 contribution rate: 0.16 percent on first $134,900 in taxable wages.
Benefits	Claimants are paid 85 percent of their average weekly wage during the base period, with a maximum weekly benefit of $881 per week.
Type of employer covered	All private sector employees (excluding contractors). All public sector employers (excluding federal government employees).
Job protection	Under the New Jersey Family Leave Act if you work for an employer with more than 30 employees and you have been employed at the company for at least one year (working at least 1,000 hours in the past 12-months) you are eligible for job-protected leave.

Source: New Jersey Department of Labor and Workforce Development Division of Temporary Disability and Family Leave Insurance

Rhode Island	
Enacted	2013
Effective	2014
Reason for leave	Bonding with a new child or care for family with a serious health condition.
Family member definition	Child, parent, spouse, domestic partner, or grandparent.
Eligibility	Employee must have been paid at least $13,800 during the base period, defined as the first four of the last five quarters. Workers who have earn at least $2,300 in one of the base period quarters, have earned a total of at least 150 percent of their highest quarter's earnings during the base period, and have earned at least $4,600 in total during the base period are also eligible.
Maximum length	Four weeks that must be taken consecutively.
Funding mechanism	Funded by employee contributions. *2020 contribution rate: 1.3 percent on first $72,300 in taxable wages.*
Benefits	Weekly benefits are 4.62 percent of wages paid in the highest quarter of base period. $887 is the maximum, $107 is the minimum.
Type of employer covered	All private sector employers, only some municipal employers (federal and state employers are exempt), non-incorporated self-employed workers are except.
Job protection	Job protection to all eligible workers regardless of size or tenure at employer.

Source: Rhode Island Department of Labor and Training

New York	
Enacted	2013
Effective	2014
Reason for leave	Bonding with a new child, care for family with a serious health condition, or need arising from a family member being on active military duty.
Family member definition	Child, parent, spouse, domestic partner, grandparent, or sibling.
Eligibility	Full-time employees must be employed by a covered employer at least 20 hours a week for 26 or more consecutive weeks. Part-time employees working less than 20 hours a week are eligible after working 175 days which do not need to be consecutive.
Maximum length	Length of leave was phased in over a four-year period, starting at eight in 2018 and ending at 12 in 2021. Leave can be taken continuously or non-continuously. Must be taken in full-day increments.
Funding mechanism	Funded by employee contributions. *2020 contribution rate: 0.27 percent on first $72,569 in taxable wages.*
Benefits	Weekly benefits were phased in over a four-year period, starting at 50 percent of employee's average weekly wages and capped at 50 percent of the statewide average weekly wage in 2018 and ending at 67 percent of employee's average weekly wage and capped at 67 percent of the statewide average weekly wage (currently at 60 percent of employee's average weekly wage, with a cap of 60 percent of statewide average weekly wages in 2020). If an employee's wages are more than $100 the minimum weekly wage is $100, if an employee's wages are less than $100, they are paid their full weekly wages.
Type of employer covered	Most private sector employers, self-employed individuals can opt in, certain public employers, the state government, and public employees represented by an employee organization can opt in.
Job protection	Job protection to all eligible workers regardless of size or tenure at employer.

Source: New York State Paid Family Leave

Washington	
Enacted	2017
Effective	2019 (contributions); 2020 (benefits)
Reason for leave	Bonding with a new child, care for family with a serious health condition, or need arising from a family member being on active military duty.
Family member definition	Child, parent, spouse, domestic partner, grandchild, grandparent, or sibling.
Eligibility	Individuals who have worked a minimum of 820 hours during the qualifying period, which is the previous year.
Maximum length	Length of leave varies based on the qualifying event. Most workers are eligible for up to 12 weeks of paid family leave a year. If a worker has more than one qualifying event, they are eligible for up to 16 weeks of leave in a year, and if someone experience a condition in pregnancy or birth that results in incapacity, they may be eligible for up to 18 weeks of leave. Leave can be taken continuously or non-continuously within one year. Must be taken in full-day increments.
Funding mechanism	Funded by employee and employer contributions. Employees pay 63.33 percent and employer pays 36.67 percent of contribution. Businesses with fewer than 50 employees are not required to pay the employer portion, but they must collect employee premiums. *2020 contribution rate: 0.4 percent of the first $137,700 in taxable wages.*
Benefits	Weekly benefits are calculated using individuals average weekly wages and the statewide average weekly wages. Those making under 50 percent of the statewide average receive 90 percent of their average weekly wages, those making over the 50 percent of the statewide average receive 90 percent of their average weekly wages up to 50 percent of the statewide average plus half of their average wages that are more then 50 percent of the statewide average. The maximum weekly benefit is $1,000 and will be adjusted annually to equal 90 percent of the statewide average wages.
Type of employer covered	All employers are covered, self-employed individuals and independent contractors can opt in. Federal employees, employees of businesses located on tribal land, employees covered by certain collective bargaining agreements (such as unions that have agreements that have not been renegotiated) are not eligible for family leave.
Job protection	Only offers protection given through FMLA – If you have 50 or more employees, your employees are eligible for job protection for the duration of their leave, provided they have worked for you for 12 months or longer and have worked 1,250 hours in the year before they take Paid Leave.

Source: Washington Paid Family & Medical Leave

Washington, DC	
Enacted	2017
Effective	2020
Reason for leave	Bonding with a new child or care for family with a serious health condition.
Family member definition	Child, parent, spouse, domestic partner, grandparent, sibling
Eligibility	Individuals who have spent 50 percent of work time in DC working for a covered employer for some or all the 52-week period prior to their covered event.
Maximum length	Eight weeks to bond with a new child, six weeks to care for a family member. You can receive benefits for multiple events, with a maximum of eight weeks on a 52-week period. Leave can be taken continuously or non-continuously.
Funding mechanism	Funded by employer contributions. The rate of 0.62 percent of an employee's wages up to $137,700 has remained unchanged since the program's start.
Benefits	Average weekly wages calculated using the past five completed quarters, the lowest earning quarter is dropped and the average weekly wages over the remaining four quarters is used to calculate benefit. Benefit is 90 percent of average weekly wages for individuals earn less than $900 per week. Individuals earning more than $900 per week receive benefits equal to their average weekly wages, minus $900, plus $810. If that value exceeds $1,000, benefits paid are $1,000.
Type of employer covered	All private sector employers, self-employed can opt-in, employees of the City of DC and the federal government are not covered.
Job protection	The District of Columbia Family and Medical Leave Act (DCFMLA) requires employers with 20 or more employees to provide eligible employees with 16 weeks of unpaid family leave if they have worked at least 1,000 hours in the last 12 months.

Source: DC Department of Employment Services

Massachusetts	
Enacted	2018
Effective	2021
Reason for leave	Care for a family member with a serious health condition. Bond with a child during the first 12 months after the child's birth, adoption, or foster care placement. Care for a family member who has developed a serious health condition in line of duty in the Armed Forces (including National Guard or Reserves) or to manage family affairs when a family member is on active duty in the Armed Forces.
Family member definition	Spouse or domestic partner, child (biological, adopted, foster, through legal guardianship or loco parentis, and/or stepchildren), spouse or domestic partner's parents, grandchildren, grandparents, siblings (biological or adopted).
Eligibility	Self-employed individuals can opt-in.
Maximum length	Up to 12 weeks each benefit year (which is defined at the 52 weeks following the week you start any period of leave).
Funding mechanism	Both employee and employer contributions. If employers have fewer than 25 covered individuals in the state, they are exempt from the employer contribution. Employers can apply for exemption if they are able to show that family leave benefits, they offer are greater or equal to benefits the state offers.
Benefits	Benefit amount is determined based on the average weekly wage of the worker and the average weekly wage of workers across the state. The portion of an individual's average weekly wage that is less than or equal to 50 percent of the average weekly in Massachusetts is covered at 80 percent, and the part of an individual's average weekly wage that is greater than 50 percent of the average weekly wage across the state is covered at 50 percent. The maximum amount is $850 per week – but that level is reevaluated annually to be 64 percent of the states average weekly wage.
Type of employer covered	All private sector employers, some self-employed workers are automatically covered, and some can opt-in, some public sector employees are automatically covered, and municipalities can vote to opt-in.
Job protection	Job protection to all eligible workers regardless of size or tenure at employer.

Source: [Massachusetts Department of Family and Medical Leave]

Endnotes

1 Though it is not part of the PFL program, in addition to the eight weeks provided to each parent through the PFL program, parents who give birth are eligible for partial wage replacement through state disability insurance both before and after delivery. Typically, the parent who gives birth receives four weeks of disability benefits before the due date through six weeks post-partum (or eight weeks in the case of a c-section); however, disability benefits can be extended if there are complications. In a two-parent family with an uncomplicated vaginal delivery, in which the two parents take leave sequentially, they can collectively receive a total of 4 weeks prenatal State Disability Insurance (SDI) benefits and 22 weeks of post-natal wage replacement benefits (6 weeks post-partum SDI + 8 weeks of PFL + 8 weeks of PFL).

2 Prior to SB 1383, California law provided job protection for some individuals on family leave, but only covered employees working at establishments with 50 or more employees (for care claims under the California Family Rights Act) and 20 or more employees (for bonding claims under the now-repealed New Parent Leave Act). This caused many employed Californians who were paying into the SDI Fund and technically eligible for PFL benefits, to be unable to use the PFL program due to the lack of protection from being fired for taking time to care for a family member or bond with a new child. This most recent expansion of job protection addressed some aspects of that limitation.

3 Some private employers have voluntary plans instead of participating in SDI/PFL program, which they must apply to get approved by the state showing they provide a disability insurance and family leave plan that offers the equal or greater benefits at a cost that is not more than what the state program would cost employees.

4 Self-employed individuals who opt in are covered through a separate program called the Disability Insurance Elective Program, which has different eligibility requirements.

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