



Committee on Labor and Public Employees

Proposed House Bill No. 6566: *An Act Establishing a Tax Credit for Employers Who Provide Paid Family and Medical Leave in Excess of the Leave Required by Law*

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My name is Catherine Bailey and I am the Legal and Public Policy Director of the Connecticut Women's Education and Legal Fund (CWEALF). CWEALF is a statewide non-profit organization dedicated to empowering women, girls and their families to achieve equal opportunities in their personal and professional lives. For decades we have advocated for strategies to increase access for women to workplace policies that are fair and support their economic stability.

I also serve as co-chair of the Campaign for Paid Family Leave, a coalition dedicated to implementing a system of paid family and medical leave in Connecticut. Our coalition is made up of more than 50 organizations representing a variety of interests: women's health, long-term illnesses, special needs, pediatrics, labor unions, religious groups, and low-income advocacy organizations.

I am here to testify on Proposed House Bill No. 6566: *An Act Establishing a Tax Credit for Employers Who Provide Paid Family and Medical Leave in Excess of the Leave Required by Law*.

Currently, both the federal and state Family and Medical Leave Acts provide only unpaid leave to workers who have a serious illness, need to care for a family member with a serious illness, for the birth or adoption of a child, or to care for an injured member of the military. While these laws were a great first step in the early 1990s, they have significant gaps that need modern solutions to fulfill their intent.

First, these laws only apply to large companies, and therefore do not cover approximately 40% of the workforce.ⁱ This leaves a large portion of the population that can be fired if they become seriously ill.

However, even people who *are* covered by the law often do not use the unpaid time from work because they simply cannot afford it. Workers who take unpaid leave risk failing to pay their bills and their medical expenses, a higher incidence of bankruptcy and reliance on public assistance, and economic devastation for their families. In fact, new mothers with paid leave are 39% less likely to use public assistance, 40% less likely to need food stamps, and 54% more likely to experience a wage increase in the following year.ⁱⁱ

While the Campaign applauds the Committee's recognition that unpaid leave is insufficient, a tax credit for employers will not fully meet the needs of Connecticut workers who need a meaningful expansion of this program. Currently, only 12% of private sector workers have paid family and medical leave through their employers,ⁱⁱⁱ and this bill is unlikely to change that number dramatically. This bill would allow a company to receive a tax credit for only providing a single day of paid leave. But when you're faced with cancer, a father with Alzheimer's, a military spouse injured during service, or the birth of a new child, a single day is not enough. Aside from the benefits to workers and families, paid family and medical leave has significant benefits for businesses and the economy. It fosters greater attachment to the labor force participation, increases morale in companies, boosts productivity, lowers the time and expense of turnover costs, and allows small businesses to offer better benefits packages and compete for top-notch workers.^{iv}

For these reasons, we urge you to consider instead Proposed Senate Bill No. 798 or Proposed House Bill No. 5862, which would create an employee-funded leave system that would create a meaningful vehicle for workers when they are faced with one of these very common situations.

ⁱ "The Family and Medical Leave Act at 22: 200 Million Reasons to Celebrate and Move Forward," National Partnership for Women and Families, February 2015.

ⁱⁱ Houser, Linda and Vartanian, Thomas P., "Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses, and the Public," Rutgers Center for Women and Work, January 2012.

ⁱⁱⁱ "Not Enough Family Friendly Policies: High Stakes for Women and Families," National Partnership for Women and Families, January 2015.

^{iv} "Paid Family and Medical Leave: Good for Business," National Partnership for Women and Families, July 2014.