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**Permanent Commission on the Status of Women**

*The State's leading force for women's equality*

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**Testimony of  
The Permanent Commission on the Status of Women  
Submitted to the  
Labor and Public Employees Committee  
March 8, 2016**

**Re: S.B. 221, AN ACT CONCERNING PAID FAMILY AND MEDICAL LEAVE**

Senators Gomes and Hwang, Representatives Tercyak and Rutigliano, and distinguished members of the Labor and Public Employees Committee, my name is Carolyn Treiss and I am the Executive Director of the Permanent Commission on the Status of Women (PCSW). I am joined by Jillian Gilchrest, PCSW's Senior Policy Analyst. Thank you for this opportunity to provide testimony on behalf of in support of S.B. 221, An Act Concerning Paid Family and Medical Leave.

Over two decades ago Connecticut led the way in implementing the nation's first system of family and medical leave (FMLA) that was essentially a jobs protection act. It assured workers the security of knowing they could not be fired if they had to take extended leave to care for themselves, a child or a parent. In subsequent years, the law was expanded and became the blueprint for landmark federal law. Today, however, 78% of those eligible for FMLA don't take it because it is unpaid and many employees aren't even eligible for this unpaid leave because their employer doesn't meet the size threshold.

S.B. 221 takes the next step and creates an entirely employee-funded system of paid family and medical leave and follows the example of California, New Jersey and Rhode Island, all of which have paid family and medical leave systems in place and operating in their states. Some of the key features of the program proposed in the bill are as follows:

- Employees may take up to 12 weeks of paid leave for the birth or adoption of a child, to care for a family member suffering from a serious illness or to care for one's own illness.
- Participation is mandatory and all employees – state, municipal and private – are eligible for the benefit.
- Employees pay into a trust fund through payroll contributions.
- Employees taking leave receive 100% of their wages up to a maximum of \$1000 per week.
- Employees have the right to return to their jobs after the leave.
- The program is entirely self-sustaining with administrative costs to run the program paid out of contributions to the fund.

S.B. 221 is the result of four years of research, conversations, and compromise. In 2013 the General Assembly created a Task Force to study family medical leave insurance. The Task Force was chaired by the PCSW and brought a diversity of partners to the table including Connecticut lawmakers, the Connecticut Business and Industry Association, AARP, small business representation, and advocates for individuals with chronic illness, parents, and other key constituencies. The Task Force made recommendations which informed 2015 paid family and medical leave legislation.

One of the fundamental components of Connecticut's proposed paid family and medical leave legislation, that the program be entirely employee-funded, was strongly recommended by the business community during Task Force deliberations and remains in the proposal today. It is important to note that New Jersey's current paid family & medical leave program is both employer and employee-funded and that the Massachusetts legislature is currently considering an entirely employer-funded program.

The 2015 legislation was voted out of this Committee with bipartisan support and out of the Appropriations Committee. Although the bill didn't pass, the budget implementer required the Department of Labor, State Comptroller, Treasurer's Office, Department of Administrative Services, and Revenue Services to contract with a consultant for an implementation plan and actuarial analysis.

There are a number of key components of the S.B. 221, as well as findings of the implementation plan and actuarial analysis that we would like to address in greater depth. First, with regard to length of leave, under the proposal before you, employees are eligible for up to 12 weeks. This brings our program in line with the federal FMLA. In addition, while California and New Jersey both offer 6 weeks for parental or family caregiving and Rhode Island offers 4 weeks, this time is in addition to these states' temporary disability benefits, which include pregnancy related leave. In California, employees are eligible for up to 52 weeks for this type of leave, in New Jersey, up to 26 weeks and in Rhode Island, up to 30 weeks. Thus, the length of leave proposed in S.B. 221 is quite modest in comparison to the other states with these programs already in place.

Furthermore, our proposal requires individuals seeking to use paid family and medical leave, to provide medical certification for their time out of work, just as is currently required under FMLA. While those requesting time for maternity or paternity leave may take the full 12 weeks, those requesting time for their own serious illness or the serious illness or care of a loved one will only be allowed the medically necessary time out of work as determined by their doctor. Based on the experiences of Rhode Island, the average length of time being used to care for oneself or a loved one is just 4 weeks.<sup>1</sup>

Sufficient wage replacement is an essential factor in determining whether workers will be able to access the program. Thus, the proposal before you recommends 100% wage replacement up to \$1000 per week. We feel this level of wage replacement is necessary for the program to be meaningful, especially for low wage workers, who are the least likely to be able to afford time off and most at risk for leaving the work force.

A key feature of the program that makes the program work best for employees is the portability of the benefit. In other words, the program is not dependent upon the employer but rather follows the employee regardless of where she works. A system that is portable, that doesn't tie a worker to any one employer based on the amount of time off they have accumulated or paid leave benefits they are offered, is one step we can take toward narrowing the gender pay gap. We all know of women who have passed up on a better opportunity with better pay at a different company because they had accumulated time off at their current position and they didn't want to lose that time.

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<sup>1</sup> Glynn, Sarah Jane, et.al. Implementing Paid Family and Medical Leave Insurance, Connecticut. February 2016.

We have all heard about some of the more high profile decisions by companies such as Netflix, Amazon, and Hilton Hotels, to name a few, to offer paid leave to their employees. Notably, however, Hilton is the only one to offer the benefit to all employees, rather than only those in high paying, upper-level positions. In fact, the data show that the highest-paid workers are more likely to have paid leave – 1 in 5 of the top 10 percent of earners as compared to 1 in 20 in the bottom quartile. By linking the system to employers and relying on employers to do the right thing, we maintain the status quo – an uneven playing field where a few fortunate employees have access to leave and most do not.

What these high profile announcements do indicate, however, is the recognition by some employers that offering paid family and medical leave to their employees is good business. It helps attract millennials, supports a skilled workforce that is increasingly serving in family caregiving roles, increases job tenure and retention, and improves employee morale and commitment. A global survey conducted by Ernst and Young in 2015 found that millennials are looking for workplace policies that allow for greater flexibility and in fact, 38% said they would move to another country with better parental leave benefits.<sup>2</sup> If we are truly concerned that Connecticut is losing young workers, perhaps a way to attract and keep them would be to offer statewide policies that meet their needs. And rather than constantly beating the drum that paid family leave is “bad for business” perhaps we should consider the possibility that it could, in fact, make Connecticut business more competitive, better able to attract and retain talent, and boost Connecticut’s reputation as an attractive place to live and work.

Another component of the proposal that is addressed in the actuarial analysis that we wish to highlight is the cost to the employee. Based on the findings of the actuarial analysis, the proposal before you would require an employee contribution of 0.54% of earnings. For a worker earning \$40,000 per year, this would cost a little over \$4.00 per week, or \$215 per year. We feel this is a small price to pay for a large benefit.

A system of paid family and medical leave will benefit everyone – men, women, families – and of all ages – those starting new families, those caring for aging parents and those of any age experiencing a serious illness. Of course, the PCSW is primarily interested in the effects of such a system on Connecticut’s working women and their families. Women in their mid-20s to early 40s are the demographic employers seek most often, and these are the same women who remain the primary caregivers in times of need, whether for a newborn, an aging parent, or sick child or loved one.

Women have children in the middle of their peak earning period and their earnings are crucial to the economic stability of their families. If a woman takes time out of the workforce to care for a new child without pay, her long term economic security and that of her family is greatly impacted. In fact, for women under 35, the wage gap between mothers and non-mothers is greater than the gap between women and men.<sup>3</sup> Stepping out of the labor force for a period of time or cutting back on hours of paid work negatively impacts women’s earning potential and reduces their Social Security and pension benefits in retirement.<sup>4</sup>

The PCSW fields calls from both women and men, having just received the news that they are expecting a baby and that their employer doesn’t offer paid leave. They call seeking assistance and are shocked to discover that FMLA is unpaid. For those families who cannot afford unpaid time out of work, they must forgo medically necessary recovery time and important bonding with their newborn for a paycheck. A recent study conducted by

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<sup>2</sup> Fondas, Nanette. Millennials Say They’ll Relocate for Work-Life Flexibility. Harvard Business Review, May 7, 2015.

<sup>3</sup> The Effects of Paid Family and Medical Leave on Employment Stability and Economic Security. Center for American Progress, 2012.

<sup>4</sup> PCSW and Institute for Women’s Policy Research. The Status of Women in Connecticut’s Workforce. November, 2014.

the US Department of Labor found that one in four new moms were back at work within two weeks of having a new baby.<sup>5</sup>

Unpaid leave also impacts women who must take time out of work to care for an aging parent. As the generation of baby boomers ages, the number of older Americans and the need for caregivers is also increasing.<sup>6</sup> Nearly 7 in 10 working caregivers report making work related accommodations because of caregiving responsibilities such as arriving late or leaving early, taking time off, cutting back on work hours, changing jobs or stopping work entirely.<sup>7</sup> A system of paid family and medical leave will allow women to remain connected to the workforce, improving their lifetime earnings and economic security in retirement for women.

As you consider this proposal we ask you to think about the woman who has complications during her pregnancy and must take time out of work before she gives birth, using up the little time off she's accrued before her child is even born; or the young woman diagnosed with breast cancer needing time out of work for treatments; or the mother in her mid-forties who must take on caregiving responsibilities for her mother with Alzheimer's; or the young mother who saved and then used all of her accumulated paid time off for maternity leave only to give birth to a newborn with health complications that take her out of work.

These aren't hypotheticals; they represent the reality of working women across Connecticut every day. A system of paid family and medical leave will bring Connecticut in line with the rest of the developed world in supporting public policy that helps working people achieve success in the workplace and at home.

Thank you for your thoughtful consideration of this important issue that will likely touch each of us at some point in our lives.

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<sup>5</sup> [http://www.huffingtonpost.com/entry/nearly-1-in-4-new-mothers-return-to-work-less-than-2-weeks-after-giving-birth\\_us\\_55d308aac4b0ab468d9e3e37](http://www.huffingtonpost.com/entry/nearly-1-in-4-new-mothers-return-to-work-less-than-2-weeks-after-giving-birth_us_55d308aac4b0ab468d9e3e37)

<sup>6</sup> Feinberg, L. Choula, R. Understanding the Impact of Family Caregiving on Work, AARP Public Policy Institute, 2012.

<sup>7</sup> The Effects of Paid Family and Medical Leave on Employment Stability and Economic Security. Center for American Progress, 2012.