June 12, 2019

The Honorable Charles Grassley  
Chairman  
U.S. Senate Committee on Finance  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
U.S. Senate Committee on Finance  
Washington, DC 20510

Dear Chairman Grassley and Ranking Member Wyden,

As you work to examine temporary tax provisions through the Finance Committee’s bipartisan task forces, the American Benefits Council ("the “Council”) offers support for the Paid Family Leave Pilot Extension Act (S. 1628). This legislation, introduced by Senator Deb Fischer and cosponsored by Sens. Angus King and Susan Collins, extends the Paid Family Leave (PFL) tax credit from December 31, 2019, until December 31, 2022. We hope you will consider extension of PFL tax credit as set forth in the legislation to help employers offer solutions for the health and family needs of their employees. The Council commends the efforts of Fischer, King and Collins to address this important topic, and appreciates their consideration of changes to the legislation to better accommodate the needs of nationwide employers.

The Council is a Washington D.C.-based employee benefits public policy organization. The Council advocates for employers dedicated to the achievement of best-in-class solutions that protect and encourage the health and financial well-being of their workers, retirees and families. Council members include over 220 of the world’s largest organizations serving employers of all sizes. Collectively, our members directly sponsor or administer health and retirement benefits for virtually all Americans covered by employer-sponsored plans.

Extension of the program with technical corrections designed to facilitate participation by nationwide businesses with employees in multiple jurisdictions is useful for employers and working families alike. Notably, S. 1628 would allow employers seeking the tax credit to take into account payments for family and medical leave that is paid by a state or local law or required by state or local law with respect to the 50% wage requirement for all covered employees, although not counted towards the tax credit itself.
The Council’s members are primarily very large companies with operations across the country – often in all 50 states and numerous localities. Large employers understand the value of sponsoring excellent paid leave programs that enable employees to address their own, and their family members’ health needs, as well as to have personal, holiday or vacation time. These programs foster greater productivity and contribute to the success of the business.

As more states and political subdivisions enact paid leave laws, it has become increasingly difficult for large, multistate employers to consistently offer and administer paid leave. Many state and local mandates use completely different definitions of terms and have inconsistent recordkeeping requirements and thresholds that trigger coverage or accrual of benefits. As a result, employers have had to design their leave programs to meet administrative and other requirements, rather than meet employer and employee objectives.

The Council seeks legislative solutions to paid family and medical leave that recognize the challenge presented by the increasingly complex myriad of state paid leave laws. We support an approach to paid family and medical leave that provides a federal, uniform and voluntary paid leave option that will benefit employers and employees alike and allows flexibility for private plan solutions. Such an approach would enable companies to design uniform programs that benefit their employees and their families wherever they may live or work. Uniform, voluntary federal standards that foster private plan solutions would be both efficient and equitable. Multistate employers need the predictability and uniformity of a national paid leave solution, so they can maintain consistent policies for their entire workforce across different states and local jurisdictions. By having the option of a single, national standard for paid leave they can treat all their employees equally, rather than on a fragmented, jurisdiction-by-jurisdiction basis. Companies need programs that fit what have become increasingly mobile workforces. A voluntary national standard could make it easier to communicate available programs so that employees get full value and would limit complexity of administration for employers.

S. 1628 would extend tax credits that serve to incentivize employers, including multistate employers, to adopt paid family and medical leave programs that benefit working families. Clarity about extension of the program is important to its users and could spur even greater participation by employers. We urge Congress to prevent the expiration of these tax credits this year.

Thank you for the opportunity to inform your work examining temporary tax policies. We look forward to working with you on long-term solutions to address paid family and medical leave.
Sincerely,

Ilyse Schuman
Senior Vice President, Health Policy

cc: Senators Patrick Toomey (R-PA) and Robert Casey, Jr. (D-PA), co-leaders, Health Taskforce