



# AMERICAN BENEFITS COUNCIL

July 11, 2018

## THE AMERICAN BENEFITS COUNCIL'S WRITTEN STATEMENT FOR THE RECORD:

### U.S. SENATE COMMITTEE ON FINANCE SUBCOMMITTEE ON SOCIAL SECURITY, PENSIONS AND FAMILY POLICY HEARING ON EXAMINING THE IMPORTANCE OF PAID FAMILY LEAVE FOR AMERICAN WORKING FAMILIES

The American Benefits Council (“the Council”) commends the Senate Subcommittee on Social Security, Pensions and Family Policy for holding a hearing focusing on the importance of paid family leave for working families.

The Council is a public policy organization representing principally Fortune 500 companies and other organizations that assist employers in providing benefits to employees. The American Benefits Council’s members are primarily very large companies with operations across the country – often in all 50 states and numerous localities. The vast majority of large employers already sponsor 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.

As the Subcommittee discusses paid family leave, we ask you to recognize the challenge presenting by the increasingly complex myriad of state and local paid leave laws. We urge you to consider an approach to paid leave that provides a federal, uniform and voluntary paid leave option that will benefit employers and employees alike. 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 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.

We urge to policymakers to craft a federal solution that addresses the challenge faced by working families and also the complexity of often conflicting state and local leave laws. Accordingly, a national paid leave policy must be:

- **Practical:** Paid time off is a practical workforce issue and should be a nonpartisan issue. This benefit is already provided by employers across the United States. Any policy adopted should promote ease of communication and use for employees as well as ease of administration by the employer.
- **Voluntary:** A national paid leave policy needs to be voluntary on the part of the employer. Any regulation of paid leave should allow large companies to maintain uniform paid leave practices across the country by conforming to a single set of rules so long as they provide a specified level of paid leave to their workforce.
- **Uniform:** As noted, it is critical that companies have the ability, if desired, to design uniform paid leave policies that do not vary based on the state or local jurisdiction in which they operate. Uniformity allows for consistent treatment of employees and ease of mobility for workers. State and local mandates can still apply to businesses that do not provide paid leave, but those companies that choose to adopt a federal minimum standard should be deemed to satisfy all paid leave mandates.
- **Flexible:** Paid leave is distinct from the evolving world of flexible work practices whereby, for example, employees may be able to telecommute, share jobs, or work more during certain days or weeks and less during other days or weeks. A

national policy on paid leave should not disrupt the evolution of flexible workplace practices.

Thank you for your consideration of our comments. Please let me know how the Council can further assist in your efforts.

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