

PAID FAMILY AND MEDICAL LEAVE INSURANCE:



Options for Designing
and Implementing
a Minnesota Program
2019 Update

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2019 update of the legislatively
mandated design and implementation
study of 2016

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MINNESOTA PFML INSURANCE PROGRAM DESIGN

SF2 is structured as a **contributory publicly administered insurance program** (successful, proven model currently operating in eight US states and most countries)

- **Most employers and workers contribute** to a state fund based on wages
 - \$3.50 each per week for wage of \$52k/year
 - Employers with comparable benefits can provide their own program and use a private insurance project under some cases to do so
 - Self-employed can choose to join program
- **Eligibility based on attachment to the workforce/earnings**; plus need for leave
- **Health care providers certify** need for leave and workers make claim to state fund

SF2 **builds on many Unemployment Insurance** processes as well as those in other states to reduce employer burdens and help ensure successful build out

BENEFITS OF SF2 INSURANCE MODEL

Portable wage replacement benefit

Not attached to a specific job. Workers receive income from the state fund during leave.

Broadest possible risk pool keeps costs low

Levels the playing field by geography and employer size and employee need for leave.

Earned benefit that workers and employers can count on from year to year

SF2 PFML PROGRAM DESIGN

Partial wage replacement during leave of *at least seven days* for:

- *Up to 12 weeks per year for a worker's **own serious health condition** (including pregnancy)*
- *Up to 12 weeks per year for **care of a family member** (including a foreign deployment, new child, violence or a serious health condition)*

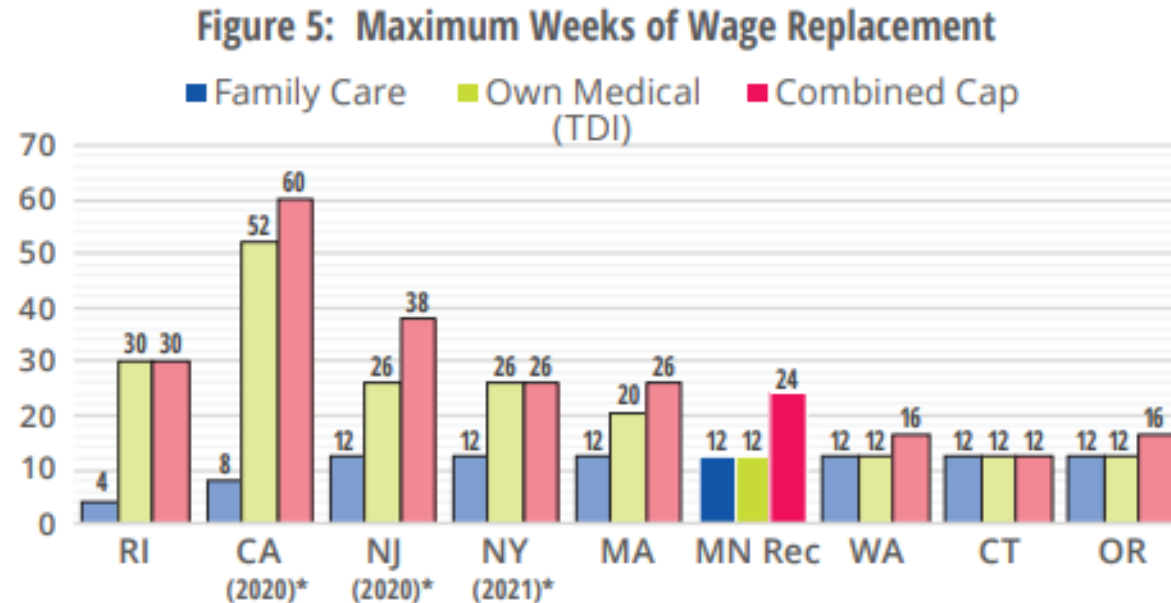
Data from other state programs and USDOL shows:

- **Vast majority of workers use fewer weeks than the maximum allowed even with full pay.**
- WA allows 12 weeks; average less than 8
- MA allows 26; median is 12

SF2 IN CONTEXT OF OTHER STATES

SF2 was designed to balance a variety of policy elements to produce a balanced bill.

There is not a single major policy element in SF2 that is not matched or exceeded by other US states offering a similar program. For example, five of the eleven states with programs have longer combined leave entitlements



* California and New Jersey adopted an expansion of family leave effective in 2020 and New York's program is being implemented in phases with family leave duration increasing each year to 12 weeks in 2021.