PAID FAMILY & MEDICAL LEAVE

Family is part of our bottom line. At some point, most of us will need time off from work to care for a new baby, an ailing family member or ourselves. Small business owners want paid family and medical leave for themselves and their employees, but the private market doesn’t offer good, affordable leave policies. It’s time for policymakers to adopt a program that takes advantage of strength in numbers and makes paid leave a reality for everyone in the country.

THE FACTS: PAID LEAVE STRENGTHENS SMALL BUSINESSES

Paid leave contributes to reduced turnover and higher employee moral and loyalty, leading to productivity increases and significant costs savings for small businesses.

Evaluations of existing state programs demonstrate leave programs don’t increase costs for small businesses and implementation is manageable.

Paid leave laws help level the playing field between small businesses and large corporations, allowing small businesses to compete on more equal footing.

Paid leave provides critical financial security for small business owners themselves.

Paid leave dollars go back into the local economy, boosting consumer demand at small businesses, as working people spend their leave to cover basics.

THE SMALL BUSINESS CASE FOR PAID FAMILY AND MEDICAL LEAVE

Paid family and medical leave is a policy most people will need at one point or another, but only 17 percent of the country’s workers have access to paid family leave through their employers to care for a new child or sick family member, and fewer than 40 percent have employer provided personal medical leave to care for a personal illness.

Small businesses often lack the capital and the scale to provide benefits like paid family and medical leave, even when business owners want to provide those benefits. Only 9 percent of workers in firms with 100 or fewer employees have access to paid family leave, compared to 23 percent of workers in firms with 500 or more employees. Many very small businesses are unable to find any affordable options through private insurers.

Paid family and medical leave social insurance programs are a responsible way for small business to support and retain employees when serious family and medical needs arise. Such programs spread costs and minimize administrative requirements through a pool funded by small employer and employee contributions. While on qualifying leave, an employee or small business owner can draw income from the fund. During an employee’s leave, employers can use the pay the employee would have otherwise earned as they see fit; to hire temporary replacement, invest in their business, or save for another use.

GET IN TOUCH

For questions, please contact cynthia@mainstreetalliance.org or find us on the web at mainstreetalliance.org

Ricky Klein, Co-owner of Groenfell Meadery, Colchester, VT
A MAIN STREET SOLUTION FOR PAID FAMILY AND MEDICAL LEAVE

- Lets employees and business owners take **12 weeks of qualifying leave** each year to care for an ailing family member, welcome a new child, or take care of one’s own health needs
- Increases financial security by providing **wage replacement** to enable employees to take time off and meet their expenses
- Spreads the cost of leave through a self-sustaining **national insurance fund** with small employee and employer contributions (estimated at about $2 each week)
- **Covers freelancers** and the self-employed
- Provides leave to care for parents, children, spouses, domestic partners, and **other family**
- Gives **security to business owners** and employees alike
- Is **publicly administered** to ensure ease of administration by small business

**THE FAMILY ACT**

The FAMILY Act would provide paid family and medical leave for both employees and small business owners:

**What is paid family and medical leave?** Paid family and medical leave is a public policy that helps people take time away from work to recover from an illness, care for a sick family member, or welcome a new child by providing them income to help cover their needs.

**Who would qualify for paid family and medical leave?** Nearly all working people will be eligible, including small business owners and the self-employed.

**How long would someone be able to take leave for?** Individuals would be eligible for a combined maximum of 12 weeks of family and medical leave in a 12-month period. Shorter leave and part-time leave would also be available.

**How much would a person on leave earn?** People taking qualifying leave through this program would earn 66 percent of their monthly wages up to $4,000 per month.

**How is an employee who is on leave paid?** Employers would not directly pay employees who are on leave. A national paid family and medical leave fund would be established and administered by a new Office of Paid Family and Medical Leave. Individuals could apply to draw income from this fund during their leave.

**How would the fund collect revenue?** Revenue for the fund would be collected through employee and employer payroll contributions. Payroll contributions would cover both benefits and administrative costs.

**How much would the payroll contributions be?** Payroll contributions average less than $2 per employee per week, with each employee matching those contributions.

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