

October 2017 | Fact Sheet

# Paid Family Leave and Sick Days in the U.S.: Findings from the 2017 Kaiser/HRET Employer Health Benefits Survey

## INTRODUCTION

Workplace benefits are an important part of balancing work, family, and medical needs. Benefits such as paid family leave and sick days can help employees meet their personal and family health care needs, while also fulfilling work responsibilities. Yet there is no federal requirement for paid leave or sick days, which leaves many individuals, particularly low-income workers, to face tradeoffs such as taking time off while forgoing wages, going to work while sick, or paying for caretakers for their children and family members.

The federal Family and Medical Leave Act (FMLA) requires eligible employers to provide *unpaid* family leave. However, unlike most other developed nations, the U.S. does not have national standards on *paid* family or sick leave.<sup>1</sup> There have been a number of local and state initiatives to expand access to paid family leave and sick days in parts of the U.S. Employees not covered by these local laws must rely on voluntary employer policies, which can vary considerably. This is a particularly salient concern for women, who are often the primary caretakers for children and also comprise nearly half of the nation's workers.<sup>2</sup> Approximately seven in ten women (70.5%) with children under age 18 were in the labor market in 2016.<sup>3</sup>

This fact sheet summarizes state and local policies on paid family leave and sick days and presents new data from the 2017 Kaiser/HRET Employer Health Benefits Survey on the share of firms that offer paid parental leave and paid sick days benefits.

## FEDERAL, STATE, AND LOCAL POLICIES ON FAMILY LEAVE AND SICK DAYS

### FMLA AND UNPAID FAMILY LEAVE

Policies that address the balance of work and economic security with health and family needs have stalled at the federal level. The most recent national policy reform occurred in 1993, when the federal government passed the FMLA giving eligible employees up to 12 weeks of unpaid leave to care for seriously ill family members, the arrival of a child, and job protection when an employee returns from family or medical leave. The law applies to private employers with 50 or more employees, and public agencies. The law has provided job security to millions of workers who take time off to care for a critically ill family member or a new child in the family. However, only 60% of the workforce is eligible for FMLA protections<sup>4</sup> because small employers are exempt and even in covered worksites, not all employees are eligible.<sup>5</sup> Since 1993, 11 states and the District of Columbia have expanded *unpaid* leave benefits past FMLA standards by either increasing the amount of leave time offered or expanding the definition of an eligible family member.<sup>6</sup>

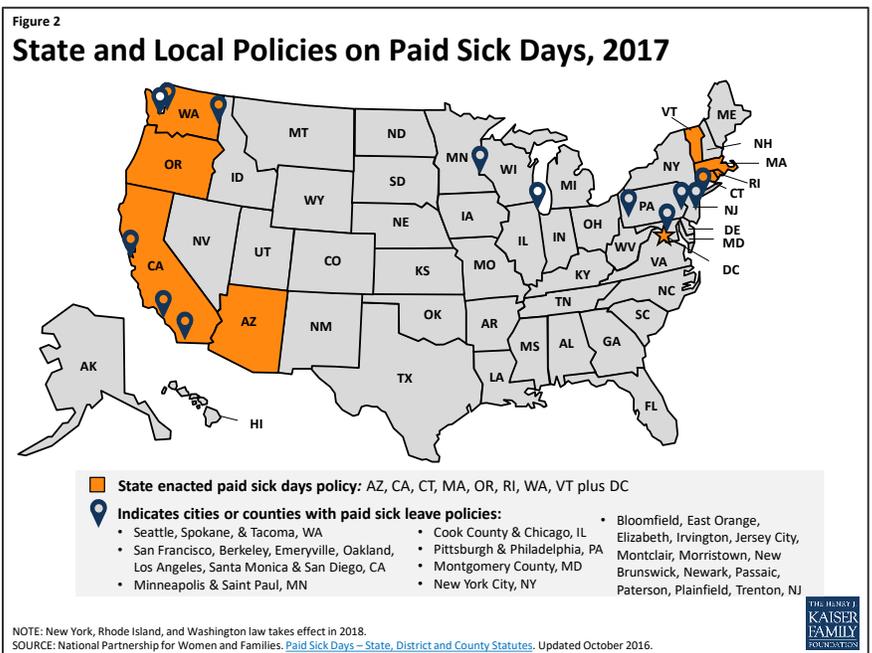
## PAID FAMILY LEAVE

On the *paid* leave front, there have been many attempts to build upon the FMLA and enact national paid leave policy, but no federal legislation has ever been passed. Proponents urge that paid leave would provide employees with greater financial security when they must take an extended leave for medical reasons or to care for an ailing family member or new child.<sup>7</sup> Opponents cite concerns about the impact of new federal requirements on local government and employers as well as the financial implications a new benefit would have on wages and employment.<sup>8</sup> President Barack Obama’s administration issued a [presidential memorandum](#) that provides six weeks of paid family and medical leave for federal employees. President Donald Trump’s [budget](#) for fiscal year 2018 includes a proposal that would require states to cover six weeks of parental leave for mothers and fathers after the birth or adoption of a child and allocated \$19 billion over the next 10 years to fund the program, but a formal proposal has not yet been issued by the Administration.<sup>9</sup>

Currently, five states – California, New Jersey, New York, Rhode Island, and Washington – as well as the District of Columbia (D.C.) have enacted laws offering paid family leave (**Figure 1**). These states administer and fund [paid leave](#) through their own disability programs to allow some workers to care for an ill family member or bond with a child. The programs are typically supported through employee and/or employer payroll taxes, and provide partial wage replacement up to a designated cap for employees in certain firms.

## PAID SICK DAYS

There is no federal requirement that employers allow employees to take sick days when they or a family member has a short-term illness that does not permit them to work. The Obama Administration issued an executive order that requires federal contractors to offer at least seven days of paid sick leave per year to their employees, on an accrual basis.<sup>10</sup> At the time of enactment, this applied to approximately 300,000 people



working on federal contracts. Furthermore, government employees have generally had access to paid sick days through employee benefits packages.<sup>11</sup>

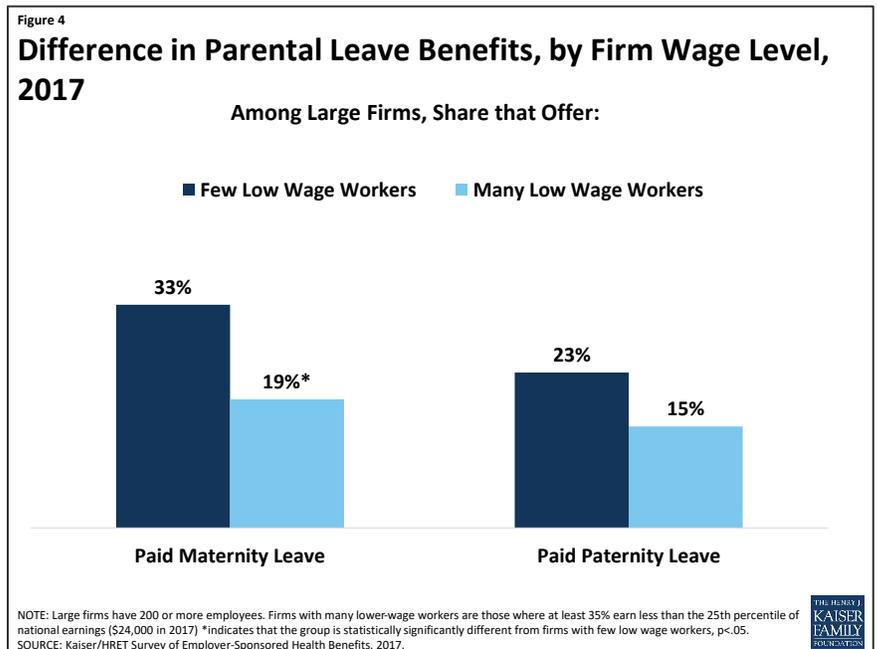
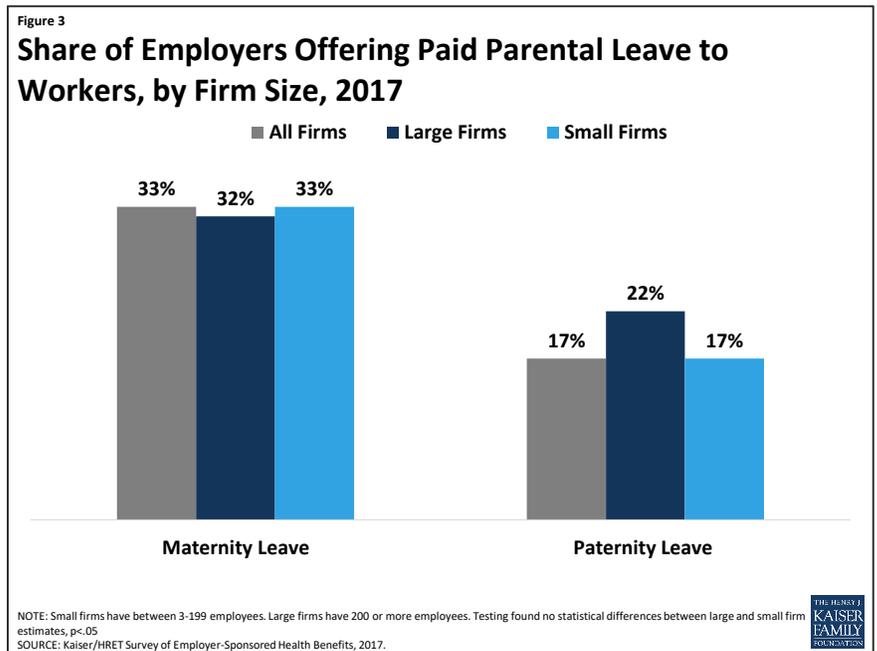
There has been more state and local traction on paid sick days policies (**Figure 2**). Since the first law was passed by voter initiative in 2006 in San Francisco, eight states plus D.C.,<sup>12</sup> 28 cities, and 2 counties passed laws requiring that eligible employees get paid time off to care for themselves or sick children. Several of these laws also specifically allow workers to use paid sick days for reasons related to caring for other sick family members, or in cases of sexual assault, harassment, or domestic violence. Current paid sick days laws generally work on an accrual basis, dependent on previous hours worked. The pay rate and the amount of paid sick time that can be accrued varies by [policy](#).

## EMPLOYER HEALTH BENEFITS

### PAID PARENTAL LEAVE

In the first half of 2017, the Kaiser/HRET survey<sup>13</sup> asked a nationally representative sample of non-federal public and private employers if they offered *paid maternity and paternity* leave for the birth or adoption of a child. One in three (33%) firms reported providing maternity leave and roughly half as many firms (17%) provided paternity leave. The rates are similar between large (200 or more workers) and small firms (3-199 workers) (**Figure 3**). Overall, roughly one in three workers (34%) are employed in firms that offer paid maternity leave and 21% are at a firm with paid paternity leave.

Among large firms, the share that offers paid maternity leave varies by firm wage level (**Figure 4**). Firms with many low-wage workers (at least 35% of workers earn less than the 25th percentile of national earnings) are less likely to offer paid maternity leave than firms with few low wage workers. There is no statistically different offer rate for paid paternity leave by firm wage level.



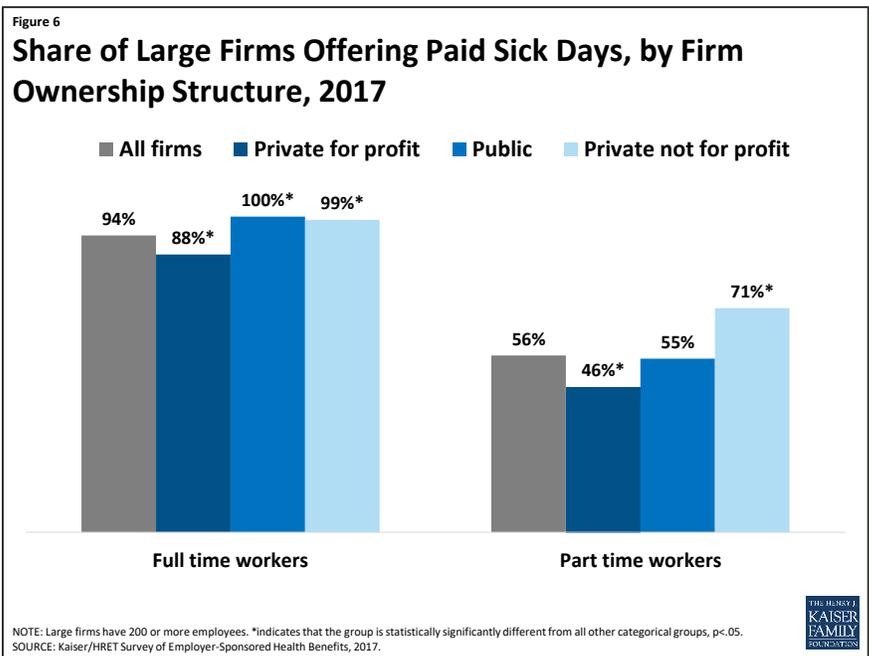
## PAID SICK DAYS

The Kaiser/HRET survey found that more firms provide paid sick days benefits than parental leave. About two in three firms (68%) provide their full time workers with paid sick days (**Figure 5**). Large firms are more likely to provide their full time workers with paid sick days (94%) compared to small firms (67%). While only a small fraction (1.7%) of firms in the U.S. are classified as large, they employ approximately 62% of the nation’s workforce.<sup>14</sup>

Employee benefits are far less prevalent for part time workers, but are more commonly found at large firms.<sup>15</sup> Over half of large firms (56%) provide paid sick days for their part time workers, compared to 26% of small firms. Within these breakdowns, there is variation between different sizes of small and large firms in the provision of paid sick days, for both full and part time workers

As a result, among non-federal employees, 87% work in firms that offer paid sick days to their full-time workers and 50% work in firms that offer the benefit to part-time workers. The lower likelihood of paid sick days for part-time workers has a disproportionate impact on women, who are more likely than men to hold part time jobs.<sup>16</sup> Women are also more likely than men to care for children when they are sick and have to stay home from school.

There are differences in availability of paid sick days between different kinds of firms. Large firms classified as private for-profit are less likely to offer paid days for their full time employees (88%) than public firms (100%) or private not-for-profit firms (99%). This is also the case for part time workers (**Figure 6**). This may be related to the presence of unions in firms, which also influences a firm’s benefits package. Large firms with at least some union workers are more likely to provide the benefit to their full time staff (98%), versus firms with no union workers (92%).



Between 2016 and 2017, the share of large firms offering paid sick days rose from 84% to 94%. The increase was greater among those who work in firms fewer low-wage workers (**Figure 7**). There was no change in share of firms offering paid parental leave.

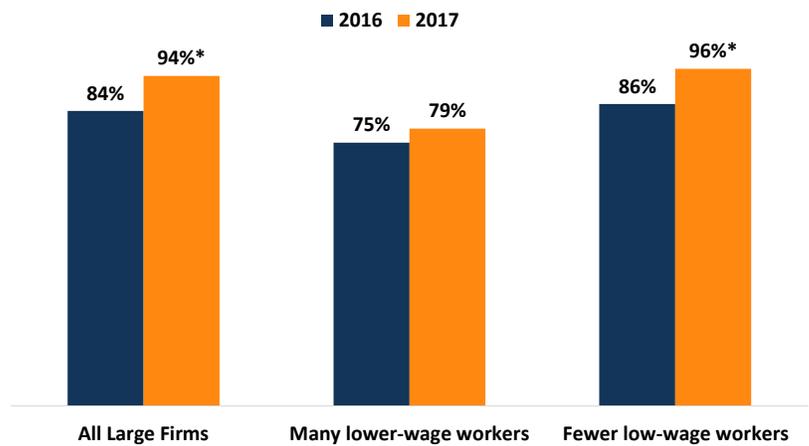
## CONCLUSION

Paid leave continues to be a significant national and local national policy issue. President Trump has spoken about the need for supporting working class Americans, and forwarded the framework for a proposal to require

states to offer six weeks of paid parental leave. At this point in time, the proposal lacks details and it remains to be seen whether Congress will take up this issue. Short of that, the movement for paid leave and paid sick days will likely continue to be centered on state and local policies or those voluntarily adopted by employers or negotiated through union contracts. Given that most people will need time off during their working lives to care for a personal or family illness, or for a new child, this issue will continue to be a salient concern for working families across the country in the years to come.

Figure 7

### Change in Share of Large Firms Offering Paid Sick Days to Full Time Workers, by Firm Wage Level, 2016-2017



NOTE: Large firms have 200 or more employees. Firms with many lower-wage workers are those where at least 35% earn less than the 25th percentile of national earnings (\$24,000 in 2017). \*Indicates that estimate is statistically significantly different from 2016, p<.05.  
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017.



# Endnotes

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- <sup>1</sup> Health Policy Brief: [Paid Family and Medical Leave](#). *Health Affairs*, November 2016.
- <sup>2</sup> United States Department of Labor, [Women in the Workforce in 2010](#).
- <sup>3</sup> Bureau of Labor Statistics. [Employment Characteristics of Families Summary](#). April 20, 2017.
- <sup>4</sup> National Partnership for Women and Families. [Paid Family and Medical Leave: An Overview](#). March 2015.
- <sup>5</sup> Abt Associates and Department of Labor. [Family and Medical Leave in 2012: Technical Report](#).
- <sup>6</sup> Hawaii, Maine, Minnesota, Washington, Wisconsin, Connecticut, Oregon, Virginia, New Jersey, Rhode Island, California and Washington DC have requirements for unpaid leave that are more extensive than FMLA standards.
- <sup>7</sup> National Partnership for Women and Families. [The Family and Medical Insurance Leave Act](#). February 2017.
- <sup>8</sup> National Federation of Independent Business. [Small Biz Voter Brief: Leave Policies](#).
- <sup>9</sup> Office of Management and Budget. [A New Foundation for American Greatness, Fiscal Year 2018](#). May 2017.
- <sup>10</sup> The White House, Office of the Press Secretary. [Fact Sheet: Helping Middle-Class Families Get Ahead by Expanding Paid Sick Leave](#). September 2015.
- <sup>11</sup> National Partnership for Women and Families. [Current Sick Days Laws](#). As of November 9, 2016.
- <sup>12</sup> National Conference of State Legislators. [Paid Sick Leave](#). As of February 8, 2017. Washington law takes effect Jan 1, 2018. Rhode Island [House Bill 5413](#) signed September 2017 and takes effect July 1, 2018.
- <sup>13</sup> Kaiser Family Foundation/ Health Research and Education Trust. [2017 Employer Health Benefits Survey](#). September 19, 2017.
- <sup>14</sup> Ibid.
- <sup>15</sup> The 2016 Kaiser/HRET survey asked employers whether they offered health benefits to employees working fewer than 30 hours.
- <sup>16</sup> National Women's Law Center. Employment Fact Sheet. [Part-Time Workers are Paid Less, Have Less Access to Benefits – and Two-Thirds Are Women](#). September 2015.