

— TOP TAKEAWAYS —

# Avoiding Paid Leave Pitfalls

## UNDERMINING EXISTING PAID LEAVE BENEFITS

- A majority of workers have paid leave benefits thanks to employer-provided programs, state and city-based programs, and private disability insurance. Businesses are increasingly expanding benefits for workers, including those working part-time.
- A federal program could get in the way of this trend and disrupt existing options.

## GOVERNMENT PAID LEAVE PROGRAMS HURT POORER WORKERS AND WOMEN

- Low-income workers are hurt most by payroll taxes taken from earnings to fund paid leave entitlements and are less likely to take benefits.
- They are also more likely to lose job opportunities: As employment costs go up, employers will seek to minimize their costs and exposure by reducing staff.
- One-size-fits-all government programs will discourage the creation of flexible options, such as telecommuting, job sharing, and part-time arrangements.
- Employers may also see women, who are statistically more likely to use paid leave benefits, as less attractive hires, especially for management positions.

## THERE ARE BETTER APPROACHES TO EXPAND PAID LEAVE

- Any federal paid leave effort should target support to workers who need help, but not disrupt the employment contract of every working American.
- Workers could put pre-tax earnings, up to a maximum, into **Universal Leave Accounts** and then those funds could be used to “pay” for their leave time when it’s needed. Employers, charities, and even the government could also contribute to these accounts.
- Existing programs, such as **Social Security** or Child Tax Credits, could be reformed to offer workers the choice of using benefits to provide paid leave.
- The government could encourage more workers to obtain private disability insurance, rather than creating a government “insurance” or entitlement program.
- At a minimum, any new federal paid leave entitlement program should be *voluntary*. Workers shouldn’t be forced to pay into a system if they think it is a poor value

Click [here](#) to read the full policy focus and learn more about innovative and more flexible approaches to paid leave.