



# The global landscape of paid family leave

*How does paid family leave policy progress over time and what can we expect to see across the U.S. in the next 5-10 years?*

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It may be a slow shift, but it's a notable one: Paid family leave policies in the U.S. and across the world are changing to meet the needs of a modern workforce. Domestically, the most noticeable movement is seen at the state level and in the private sector, although changes are happening at the federal level as well — particularly with the heightened attention from the effects of the coronavirus (COVID-19) and its impact on workforces everywhere.

## CHANGE IS COMING

On December 20, 2019, the White House signed the National Defense Authorization Act (NDAA) for the Fiscal Year 2020. Traditionally, Congress passes an updated version of the bill every year with the federal law outlining the

budget, expenditures and policies for the country's Department of Defense.

What set this year's NDAA apart from past years was its provision for paid family leave for federal employees. With it, most federal employees

may take up to 12 weeks of paid parental leave for the birth, adoption or foster-care placement of a child. It's a groundbreaking new law, and it leaves one to wonder: Could a larger shift be coming when it comes to paid family leave in the U.S.?





## FEDERALLY SPEAKING

Perhaps the most familiar family leave statute is the Family and Medical Leave Act (FMLA), enacted in 1993. With the FMLA, eligible employees are entitled to up to 12 weeks of job protection — albeit unpaid — for the following reasons:

- The birth, fostering or adoption of a son or daughter
- To care for a spouse, child or parent with a qualifying health condition
- For a serious health condition that renders them unable to perform their essential job functions
- For any qualifying difficulty as a result of a spouse, child or parent being called to active military duty.

While these protections cover 60% of the workforce, evidence suggests that many eligible employees do not take leave when they need it because they cannot afford it. Even with this evidence at hand, surprisingly few updates have been made since the labor law's initial passing. Reviewing [the policy on its 25th anniversary](#), TLNT explains:

Over the last 25 years, the statute itself has received only relatively minor amendments, although hundreds, if not thousands, of federal court cases have changed how it applies to certain situations. Additionally, the U.S. Department of Labor (which enforces the FMLA) has issued many rules and regulations to further define how the FMLA applies to specific employers and employees.

## UNITED STATES, DIVIDED LAWS

When reviewing the current landscape of paid leave laws, it's important to point out the varying complexity — and the patchwork — of state paid leave laws. While many states can be applauded for taking their workers' health and well-being into their own hands, each are enacting their own laws, and each state's law is different. In fact, as states work to implement paid leaves, they often find themselves competing with one another for the "best" and most comprehensive leave packages. Imagine the confusion that must create for multi-state employers and those administering their own leave programs. An overarching federal paid leave policy could ease the burden — or cause even further complexity.



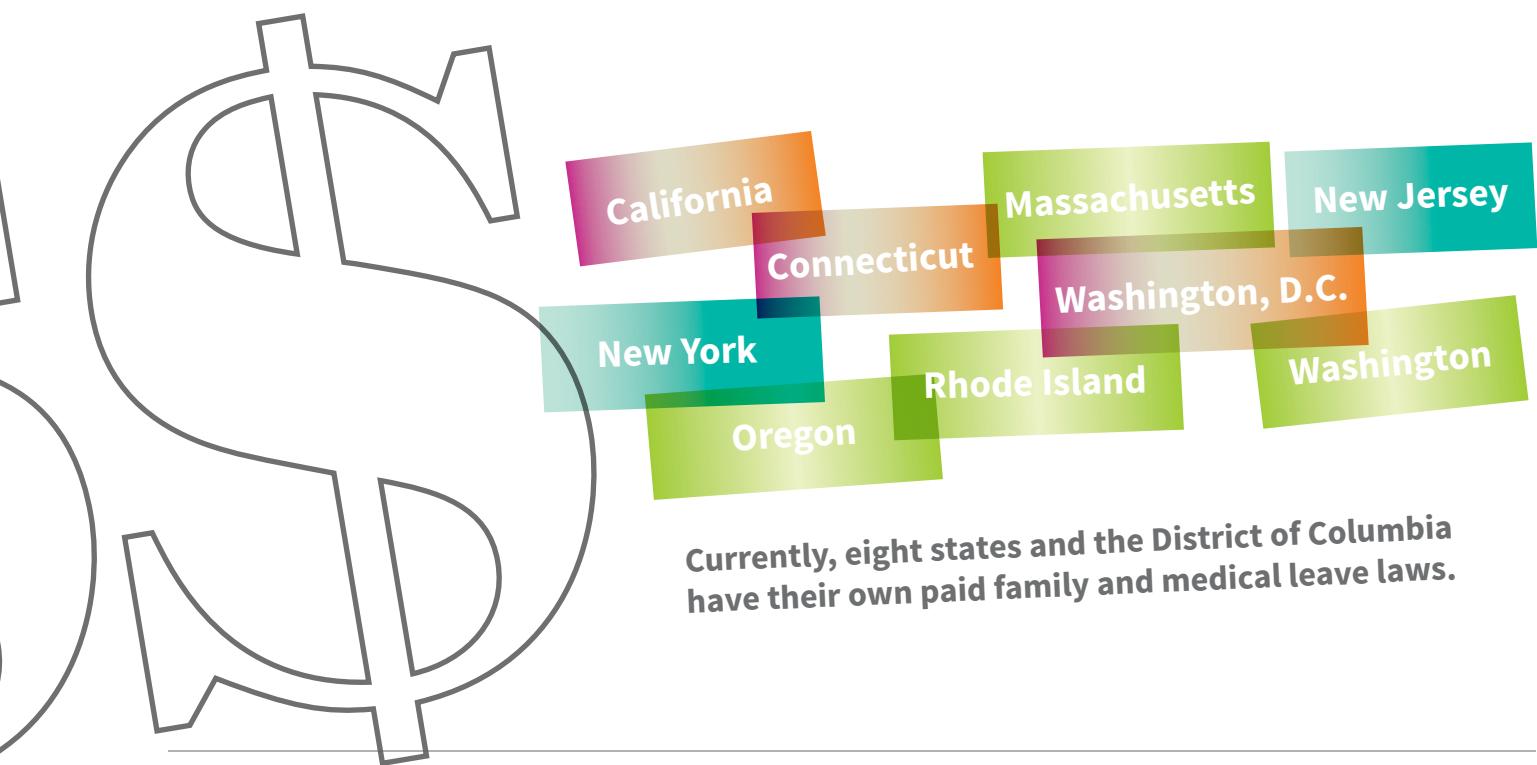
At a minimum, state and federal laws influence the conversation and present a possibility of change — and state laws most certainly influence one another. As one state implements new protocols, other states are quick to look for lessons learned and opportunities to improve on what they offer their own residents.

Oftentimes, states wishing to enact leave legislation are left to weigh the pros and cons on their own. In the “anything is better than nothing” camp, you have legislators who

recognize that any benefit they can provide to workers in their state is a step in the right direction. On the other hand, it's a tremendously complex issue for companies with locations in multiple states that need to understand multiple regulations rather than one federal law. Employers can determine whether they apply policy to employees across every state based on where paid leave is most generous, or if they'll adhere to different leave laws in each location. That can be troubling for companies focused on creating a singular employee experience.

Without more comprehensive federal mandates on paid leave, states with a population base demanding the benefit are working hard to find a budget for it. States like Rhode Island, California, New Jersey and New York were among the first to provide disability benefits as well, and are responding in kind to their residents' desire and demand for a suitable leave policy.

You can see an in-depth comparative chart of paid family and medical leave laws by state [here](#).





## LEAVE IN THE PRIVATE SECTOR

On an even more micro level, we can look to U.S.-based companies and how they're taking on the responsibility of ensuring great paid leave coverage for their employees as a competitive benefit. Many progressive organizations are focused, not simply on following the letter of the law, but on making sure their employees have strong coverage; they're influencing broader change in the marketplace. As larger companies begin offering more robust paid leave plans, they set the example and the wheels in motion for a larger conversation on the private sector's role in advancing paid leave policy.

It's a competitive workforce, and businesses that are clamoring for employees must also be competitive with their reputation for employee support. The country's most innovative, influential companies are challenging themselves to offer the best employee experience in their respective industries — which, naturally, includes benefits. For that reason, we're seeing more and more generous leave policies come about, setting the bar for others and influencing companies across all industries and verticals. No one wants to fall short or be viewed unfavorably. One of the most common asks in consulting? Tell me what everyone else is doing.

## **U.S. VS. THE WORLD**

Candidly, the U.S. is not providing the same benefits – rate, pay or length of leave – on a federal level as comparative first- (or even second-) world countries. By all accounts, the U.S. lags behind most of the developed world when it comes to paid leave, especially parental leave. America is currently the only country among 41 nations that doesn't mandate any paid leave for new parents, according to data compiled by the Organization for Economic Cooperation and Development. The smallest amount of paid leave required in any of the other 40 nations is about two months; conversely, nations like Norway and Poland have generous parental leave policies offering new parents as much as 26 weeks of leave with 100% of their pay.

There's great debate about why, exactly, this is true. Culturally, it is thought that Americans are more work-oriented than other countries – that we don't take time or assign value to more leisurely, self- or family-centered activities. Case in point: Europeans often take two to three weeks of vacation

at a time, while most working Americans are hard pressed to take that much time total throughout a year. And, if we're being honest, a lot of us are working to some degree throughout that "time off" anyway.

Is there any wonder, then, that we see such stark differences between how government and corporations handle paid family leave in the U.S. and those abroad?

## **PFL AND COVID-19**

What few people saw coming was how the global COVID-19 pandemic would capsize the standard way of doing business for organizations of every size, function and country of origin.

Current COVID-19 regulations and leave changes – short-term adjustments and quick fixes – may very well play out in future conversations and trends for the global workforce; many see it as a foot in the door for a federal paid leave policy as states scrambled to fill the gaps for employees across the country who fell ill, had to care for a sick family member, or who simply could not transition their role to a work-from-home function for an extended period of time.

As we go to print, COVID-19 is still affecting us all, to varying degrees, in some way or another. Lower-paying jobs, many of which were hourly or part-time to begin with, are being reduced or eliminated. Will this experience, with its myriad associated costs, empower employee advocates to push harder for a continuation of the benefits of which they've gotten a taste? Or will it push lobbyists to work harder against future regulation at the federal level? Both could surely happen, depending on how extensive and drawn out the economic impact this pandemic will have on our economy. Either way, COVID-19 is shedding new light on an old issue, which is a necessary first step to spur new regulations or stipulations on additional, future family leave allowances. It remains to be seen whether all of these elements will actually bring forth changes in federal paid family leave law – but clearly the conversation has come to the forefront.