



Understanding the Universal Paid Leave Amendment Act as passed on 12/20/16

Who's Covered: Anyone working in DC's private and nonprofit sectors will be covered, including part-time workers, tipped workers, and self-employed residents. This means roughly 65% of working DC residents will now be covered. Approximately 25% of DC residents work for the Federal or District government and 10% commute outside the city for work. None of these groups are covered under the revised bill (District workers already receive paid family leave benefits and there are legal hurdles involved in covering Federal workers; in future years, we do hope the program will include an opt-in mechanism for reverse commuters). Covering as many people as possible is essential to program success, not only to ensure people get benefits they need, but also because the more revenue that comes into an insurance pool, the cheaper the program is for local businesses and their employees. Further, paid family and medical leave insurance that universally covers the workforce gives DC businesses a nationally competitive edge in talent recruitment and retention and prevents low-road employers from discriminating against DC residents when hiring. Another key provision of a universal bill is that benefits are "portable," i.e., individuals can change jobs (within DC) without losing coverage. Overall the bill's approach to DC workforce coverage is smart, fiscally-responsible policy.

What Types of Leave are Covered: Under this program, an people can take leave to care for a their own or a loved one's illness, injury, impairment, mental health condition, or other serious condition requiring in or out-patient care for more than a week (e.g. chemotherapy, surgeries, end of life care, pneumonia, et al). Leave can also be taken to bond with a new baby or child. In the final passed legislation, paid leave can be taken intermittently in increments of one day, assuming the qualifying condition merits long term, ongoing care for a serious health condition.

Length of Leave: People can take up to 2 weeks of paid leave to treat their own personal health issues and up to 6 weeks of leave to support a loved one who is seriously ill or dying. New parents will have access to up to 8 weeks of paid parental leave. DC will be the first state to provide to equal parental leave to all moms and dads regardless of whether parents are adoptive, foster, or birth parents. (Other states allow birth mothers to combine family and medical leaves together to create longer maternity leave.)

How the Program is Funded: The Universal Paid Leave Act will be funded by a 0.62% payroll tax on employers. This represents a significant reduction from the 1% in the original bill. We believe a 1% tax is a very reasonable cost: an employer would pay less than \$4/week to cover a full-time employee earning the minimum wage. The Council should consider restoring the 1% tax in order to establish longer lengths of leave to better meet the District's health needs.

What Benefits Will the Program Pay: People earning up to 1.5 times the minimum wage, which will be \$15 an hour in 2020, will receive 90% of their average weekly wages when on leave. Those who earn more will receive an additional 50% of their remaining average weekly wages, up to a cap of \$1,000/week:

<i>If you earn this much a year...</i>	<i>Which is about this much a week...</i>	<i>Your weekly benefit will be...</i>	<i>Or, this percent of your usual pay...</i>	
\$31,200	\$600	\$540	90%	<i>Working full time at the 2020 minimum wage of \$15/hour.</i>
\$46,800	\$900	\$810	90%	<i>Working full time at 1.5 times the 2020 minimum wage.</i>
\$50,000	\$962	\$841	87%	
\$60,000	\$1,154	\$937	81%	
\$66,560	\$1,280	\$1,000	78%	<i>This is the earning level which reaches the maximum benefit</i>
\$70,000	\$1,346	\$1,000	74%	
\$80,000	\$1,538	\$1,000	65%	
\$100,000	\$1,923	\$1,000	52%	

DC will be the first state to implement a progressive wage replacement structure from the start of its program, enabling lower income families to truly afford to take paid leave.

Who Counts as Family: Family caregiving leave covers spouses and domestic partners, children (of all ages, including adoptive, foster, step, and other forms of legally recognized custody), parents (including adoptive and step-parents, and in-laws), siblings, and grandparents. The final passed bill represents the most inclusive family definition of any paid leave law in the nation yet it lacks coverage chosen family (e.g. a non-married partner, close friends, or roommates) who are often times next-of-kin equivalents for single and LGBTQ people and we hope the Council will include these relationships in the future.

How Does One Apply for Leave: Individuals will need to submit proof of medical condition – certified by a health care provider – and describe the need for leave before accessing benefits. For the birth, adoption, or foster placement of a child, within a year of birth or placement, parents can submit birth certificates and/or legal placement paperwork to qualify for leave. The bill currently imposes a one week unpaid waiting period which we encourage the Council to revise to follow the model of other states that do not require unpaid waiting periods. There is no longer a requirement in the legislation that people spend down accrued sick or vacation days before applying for paid family or medical leave, but they can if they choose to and if an employer approves.

How Does the Program Get Started: DC’s Chief Financial Officer estimates it will cost \$40 million in one-time startup funds - primarily in staffing and technology needed to administer benefits - over two years to create DC’s paid leave insurance program, which will then launch in 2019. The program is designed (and has been certified) to be self-funding for both benefits and overhead in out years. Chairman Mendelson set aside \$20 million in the FY2017 budget to begin implementation in the new year. Because vulnerable residents need to be able to access these benefits as soon as possible, and because of the program’s numerous benefits for local businesses and our city’s economy, we urge the Council and Mayor to work together to fully fund the remaining startup costs in the FY18 budget.

What is the Impact on DC’s Economy: According to [extensive research prepared by the Council’s Budget Office](#), the Universal Paid Leave Amendment Act will not harm the upward trajectory of DC’s economy. It will, however, improve the quality of life of DC’s working families in ways that cannot begin to be measured.