As SHRM marks its 75th anniversary, the organization is looking towards its centennial year by advancing policy recommendations that will make the world of work better. SHRM calls on Congress to adopt a national paid leave framework that would increase access to compensated leave for workers while achieving continuity of benefits for employers operating in different states and jurisdictions.

The 30th anniversary of the FMLA creates an opportunity for Congress to expand access to paid leave to more workers, provide flexibility to employers in program design and increase regulatory consistency for multi-state employers.

A Commonsense Approach to Paid Leave

Congress should support legislation that creates a voluntary national paid family and medical leave insurance market to enable cost pooling and ensure regulatory consistency for participating employers. Under this approach, participating employers would be required to meet minimum benefit requirements.

“If you are an hourly employee living check to check, having unpaid leave is tantamount to no leave, so we believe we should expand access for all workers.”
- Johnny C. Taylor, Jr., SHRM-SCP, President and Chief Executive Officer, SHRM

Why this approach works:

✓ The creation of an insurance market for paid family and medical leave could increase the availability of such programs for independent workers and small employers that lack the ability to self-fund.

✓ The use of a voluntary insurance-based approach would expand access to paid family and medical leave by allowing the financial burden to be shared among a group of employers instead of being borne by a single employer.

✓ The implementation of regulatory consistency would reduce administrative costs, increase participation by large employers and insulate the market from risk.

✓ The adoption of an “actuarially equivalent standard” with appropriate safeguards would allow for flexibility in benefit design at the organizational level.

SHRM’s paid leave proposal provides a balanced approach with bipartisan appeal. It offers a path to expand access to paid family and medical leave for workers, provide flexibility in the design of benefit programs and increase regulatory consistency for multi-state employers.
Organizations that seek to thrive in the increasingly competitive talent market look to benefit from offerings that attract and retain top talent. SHRM research indicates that providing paid leave has a positive effect on an organization’s ability to compete for talent and on employee productivity. SHRM has also found that many employers look to paid leave benefits as a powerful tool in fighting burnout and supporting employee well-being.

“By advancing our recommendations, Congress can remove barriers to access for workers caring for loved ones and help employers who are unable to fund their own plans and provide this vital benefit to workers.”
– Emily M. Dickens, J.D., Chief of Staff, Head of Public Affairs, and Corporate Secretary, SHRM

SHRM offers the following guidelines for inclusion in any national proposal moving forward:

✓ Expand Meaningful Access to Compensated Paid Leave to U.S. Workers
✓ Provide Flexibility to Organizations in Benefit Design
✓ Increase Regulatory Consistency for Multi-State Employers
✓ Address the Patchwork of State and Local Laws
✓ Adopt an “Actuarially Equivalent Standard” With Appropriate Safeguards
✓ Create a Shared Market for Employers To Tap Into Pooled Resources
✓ Mitigate the Burdens Associated With Self-Funding
✓ Reduce Administrative Costs Associated With Compliance
✓ Accommodate for Differences in Work Environments, Industries and Organizational Size

According to SHRM’s 2022 Employer Benefits survey, leave remained among the top-ranked benefits that employers felt an organization should offer. However, despite its strongly ranked importance, leave provided to new parents (beyond what is required by law) has returned to pre-pandemic levels. Although many employers want to offer this benefit, many report that high costs associated with self-funding are a major impediment. The United States lags behind other countries on paid family leave because of a failure to reach bipartisan consensus on a plan that represents all stakeholders — employees, employers and taxpayers.