

75TH ANNIVERSARY



Workplace Flexibility and Leave

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.

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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.

As the voice of all things work, workers and the workplace, SHRM is the foremost expert, convener and thought leader on issues impacting today's evolving workplaces. With nearly 325,000 members in 165 countries, SHRM impacts the lives of more than 235 million workers and families globally. To learn more about SHRM's workplace flexibility and leave policy framework or other advocacy efforts, please contact governmentaffairs@shrm.org.