

PAID FAMILY AND MEDICAL LEAVE INSURANCE:



Options for Designing
and Implementing
a Minnesota Program
2019 Update

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2019 update of the legislatively
mandated design and implementation
study of 2016

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MINNESOTA PFML INSURANCE PROGRAM DESIGN

HF 1200 is structured as a **contributory social insurance program** (successful, proven model in eight US states and most countries)

- **Most employers and workers contribute** to a state fund based on wages
 - \$3 each per week for wage of \$50k/year
 - Employers with comparable benefits can provide their own program
 - Self-employed can choose to join program
- **Eligibility based on attachment to the workforce/earnings**; plus need for leave
- **Health care providers certify** need for leave and workers make claim to state fund

HF 1200 **builds on many Unemployment Insurance definitions** and processes to reduce employer burdens and help ensure more successful build out

BENEFITS OF A SOCIAL INSURANCE MODEL

Portable benefit

Not attached to a specific job. Workers receive income from the state fund during leave.

Broadest possible risk pool keeps costs low

Levels the playing field by geography and employer size and employee need for leave.

Durable and popular

Earned benefit with shared contributions.

MINNESOTA PFML INSURANCE PROGRAM DESIGN

Partial wage replacement during leave of *at least seven days* for:

- *Up to 12 weeks per year for a worker's **own serious health condition** (including pregnancy)*
- *Up to 12 weeks per year for **care of a family member** (including a foreign deployment, new child, violence or a serious health condition)*

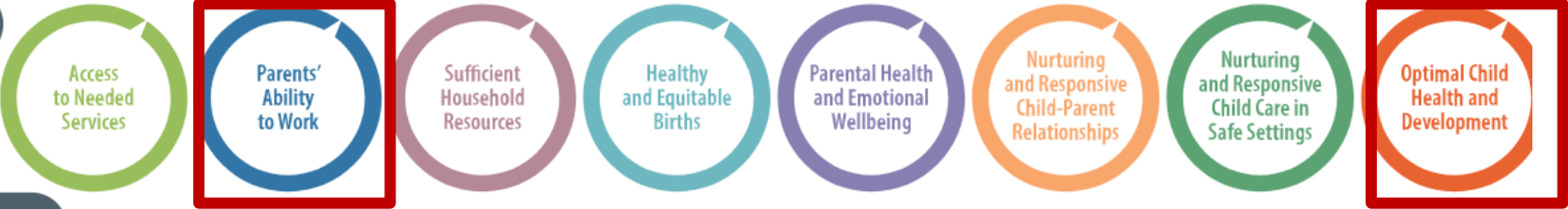
Data from other state programs and USDOL shows:

- **Vast majority of workers use fewer weeks than the maximum allowed.**
- Massachusetts allows up to 26 weeks: average use has been 10

PFML HIGH IMPACT POLICY DURING FIRST 1,000 DAYS

GOALS

To achieve a science-driven PN-3 goal:



POLICIES

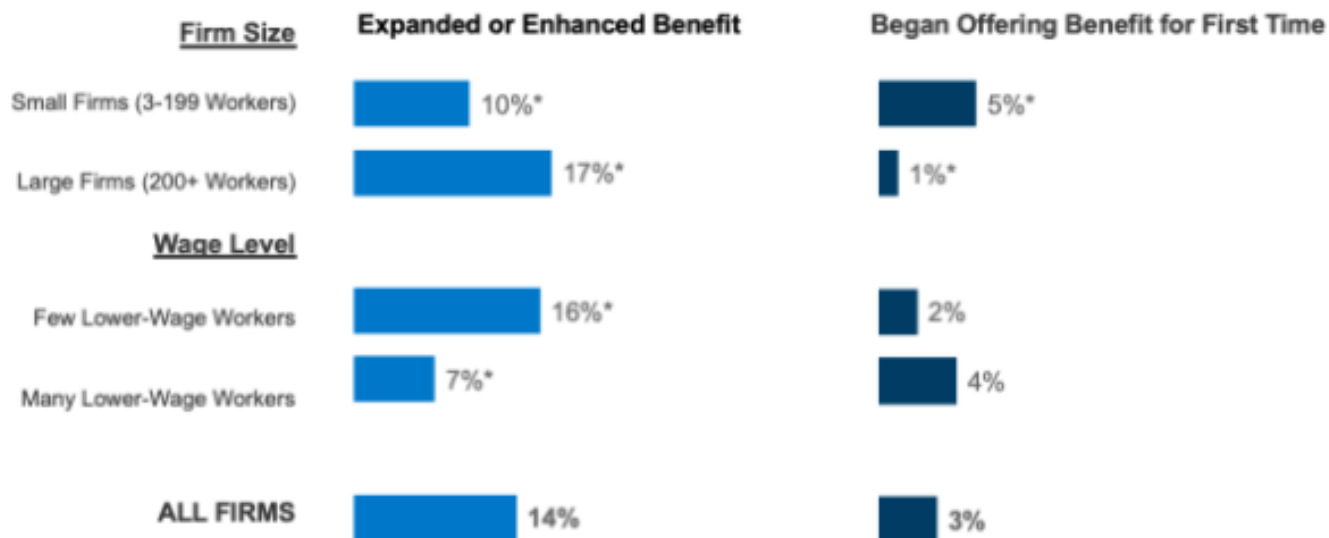
Adopt and fully implement the effective policies aligned with the goal

Expanded Income Eligibility for Health Insurance	●		●	●				
Reduced Administrative Burden for SNAP	●		●					
Paid Family Leave	●	●	●		●	●		●
State Minimum Wage			●	●				●
State Earned Income Tax Credit		●	●	●				

prenatal-to-3
policy IMPACT CENTER
 RESEARCH FOR ACTION AND OUTCOMES

EMPLOYER EXPANSION DURING COVID MODEST

Share of Workers at Firms That Began Offering Paid Family and Medical Leave Benefits for the First Time or Expanded Existing Benefits Since the COVID-19 Pandemic Began



* Estimates are statistically different from each other within firm characteristic and column.

NOTE: Firms with few lower-wage workers are those where less than 35% earn the 25th percentile or less of national earnings (\$28,000 in 2021). Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings. Fewer than 1% of workers are employed at a firm that reduced or eliminated this benefit.

SOURCE: KFF Employer Health Benefits Survey, 2021



STATE PFML INSURANCE DURING COVID

Five programs paying out benefits; considered a key tool in managing the pandemic for both employers and employees

Two comparable programs began operating at the beginning of or during COVID: 2022 premiums .6 and .68

Three longstanding programs increased benefit structures, while maintaining funds with marginally increased or dropping 2022 premiums