RESEARCH BRIEF

Family Medical Leave Act (FMLA)

Family Medical Leave Act (FMLA) is a federal labor law that requires all employers to provide job-protected unpaid leave for up to 12 work weeks during any 12 month period. Many states have created eligibility thresholds. In general, FMLA covers predetermined qualifying medical and family reasons such as pregnancy, adoption, foster care placement, personal and/or family illness, and family military leave. FMLA was created in 1993 and is overseen by the US Department of Labor’s Wage and Hour Division.

Currently, only 4 states have paid family medical leave. Five states have mandated pay for sick leave and about 20% of all states have some requirement for school/parental leave protecting parents from termination or allowing pay for attending school-related events and activities for their children.

Paid Family Medical Leave

Identifying the Financial, Workforce, and Wellness Outcomes

The Family Medical Leave Act (FMLA) allows employees to take up to twelve weeks of time off per year for qualifying events such as birth, to care for a seriously ill family member, an employee’s own health condition, or for a family member’s military leave or to care for a military family member. Only 59% of employees in 2012 qualified for FMLA.\(^1\) Access to FMLA is limited:

- Employer must have 50 or more employees or be a public agency or school,
- Employee must have worked for their employer for at least 12 months, AND
- Employee must have 1,250 paid hours to their employer during the last 12 months.

FMLA only secures an employee’s job during the 12 weeks off. Supplemental insurance purchased by the employer and/or employee must be purchased for pay during this time.\(^1\)

In the United States, 13% of employees have paid family leave.\(^2\) The majority of these employees work full-time, work in professionally trained jobs, or work for large companies. This means that part-time, entry-level employees are unlikely to have paid family leave.

The National Partnership for Women and Families found that employers with paid family leave saw little change in productivity, employee morale, or attendance.\(^3\) In fact, the research showed women were more likely to come back to work sooner. Families who used paid family leave were also less likely to use public assistance programs.

Additional research shows that policies that help balance work and family life can have positive outcomes for early childhood health, household income and job stability, productivity at work, and the greater public health. However, access to and use of work-family policies in the United States is very low.
A bill currently proposed in Montana, HB208 Establishing family medical leave insurance, would operate similar to the above states. This bill would provide a state fund for employees who take FMLA leave, giving employees 12 weeks of paid leave. Passage of HB208 would make Montana the second-longest state funded family paid leave state in the nation.4

**Examples from other states**

**California**

California offers 6 weeks of paid family leave through State Disability Insurance (SDI). Like other state regulated family paid leave programs, funding happens through payroll taxes. 7 years after implementation, the Center for Economic and Policy Research found:

- Paid family leave has had minimal cost or administrative burden for employers
- Employers found either no effect or a positive effect on productivity, profitability and employee morale.
- 91% of participating employers found no abuse of the new program
- An increase of 9% retention of employees versus employers not using the program.
- An increase of 20% positive effect of parents reported ability to care for a new child.
- 23% increase in ability to secure child care.
- Doubled the average length of breastfeeding.5,6

**New Jersey**

In New Jersey, 6 weeks of paid family leave is offered through a state Family Leave Insurance (FLI) implemented in 2009. The program was strongly opposed by employers who feared lower productivity, difficulty of implementation, and cost. A study of employers after the program was implemented found:

- Employers found no effect on productivity or turnover.
- 11% felt profitability decreased because of the program.
- Employee morale increased.
- Most employers increase in of paperwork to administer the program.
- There were no reports of abuse of the program by employees.5

**Washington**

Washington is the fifth state to offer paid family leave in the nation. The new Paid Family and Medical Leave introduces the longest state funded paid leave – up to 12 weeks for personal health issues, 16 weeks for family and personal health issues, and two additional weeks for qualifying pregnancy issues. Employers began paying premiums January 1, 2019 and employees are eligible to use the program beginning January 1, 2020.7

Hawaii, New York, and Rhode Island are the only other states in the nation to offer paid family leave, also through payroll taxes. These states have found similar results in employee morale and productivity, program administration and cost, and family wellness.8

**Additional Resources**

**US Department of Labor’s** Fact sheet on FMLA.

**US Department of Labor’s** Fact sheet on FMLA employee.