CONNER STRONG

Legislative Update

July 14, 2009

Introduction to Family Income to Respond to Significant Transactions Act and Healthy Families Act (Federal Paid Family Leave and Paid Sick Time)

Mid-June the House Committee on Education and Labor Subcommittee on workforce protections met with various organizations to hear the pros and cons of the potential paid family and medical leave and paid sick leave legislations that members of Congress are working diligently to pass. By name, these Acts are known as the “Family Income to Respond to Significant Transactions Act” and the “Healthy Families Act.”

Family Income to Respond to Significant Transactions Act

The “Family Income to Respond to Significant Transactions Act” if passed into law as currently written, will establish a program that supports States’ initiatives in providing partially or full paid leave for new parents, in order to provide more time for the new parents to spend time with the newborn or newly adopted child, as well as to other employees for other family needs.

Under the program, a State will provide partial or full wage replacement for not less than 6 weeks or some lesser period as determined by the Secretary during a period of leave during any 12-month period to an individual. The benefit may be distributed either directly, via a State insurance program such as temporary disability or unemployment, through a private insurance plan or through another approved vehicle or management. This leave will coincide with an employee’s leave entitlement granted under Federal Family and Medical Leave Act. Also referred to as H.R. 2339 and introduced May 7, 2009, this bill provides grants to states to implement new paid family leave programs. States with paid leave programs would receive grant funding to improve their existing programs.

Currently only three states; California, Washington and New Jersey, offer some form of paid family leave. As of 2008, fourteen other states were weighing such measures in their legislative sessions. These states include Alaska, Arizona, Connecticut, Hawaii, Illinois, Indiana, Main Massachusetts, Michigan, Minnesota, Missouri, New York, North Carolina, and Pennsylvania.

Healthy Families Act

Introduced over 3 years ago by Senator Edward Kennedy, and re-introduced May 19, 2009, the “Healthy Families Act” (H.R. 2460) mandates paid sick time for up to 56 hours per year for employees of public and private employers with 15 or more employees. Employees who work 30 hours or more per week would earn one hour for every 30 hours worked up to a total of 56 hours (seven days) annually of full paid sick time. A pro- rated number of hours would be given to employee working less than 30 hours per week. Paid sick time under H.R. 2460 immediately accrues with the beginning of employment and employees may begin to use the time off 60 days after employment commences.

The paid leave would cover:

- Recovery from routine illness or care for an ill family member
- Doctor's appointments and other preventative care
- Time spent seeking help and services for victims of domestic violence, stalking, or sexual assault

Closing

While opponents of the paid time off laws fear employee abuse and are concerned with limiting employers' flexibility in benefit program design, supporters for the bill communicate that most workers do not take advantage of the Federal Family Leave Act or take time off when ill simply because they can not withstand the economic consequences of doing so.

Although both bills are in the preliminary stage of the legislative process, if passed, these laws will undoubtedly have a major impact on employee benefit programs, their design and administration.

Please contact your Conner Strong representative with any questions, toll-free at 1-877-861-3220.

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