

**Testimony of Suzan LeVine**  
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**Submitted to the U.S. House Ways & Means Committee**  
**Hearing on Paid Family and Medical Leave: Helping Workers and Employers Succeed**  
**May 8, 2019**

Thank you, Chairman Neal, Ranking Member Brady, and members of the committee, for the opportunity to testify on Paid Family and Medical Leave and how it helps workers and employers succeed. I am proud to lead the Washington State Employment Security Department – the state agency currently implementing the latest and one of the strongest and most generous paid leave programs in the United States.

From Washington state to Washington D.C. and everywhere in between, paid leave is an issue that brings even the most diverse group of lawmakers and advocates together, and has the support of families, workers and business owners alike. This is because the need for Paid Family and Medical Leave is fundamentally a human one – we all have to give or receive care at some point in our lives. We all get sick or injured, need to care for our children, our parents and our spouses, and whether we are an employer or a worker, no one wants to choose between paying their bills and caring for themselves or their families. Not having to choose between income and caring for our loved ones makes us all stronger, both at work and at home, and especially provides critical financial stability to lower-wage and middle-class workers who often face going into debt or taking public assistance when hit by a health crisis.

I am encouraged that the House is highlighting the importance of Paid Family and Medical Leave in this hearing. As the commissioner of an agency working to stand up this great new program, I can tell you the work is challenging – but it is absolutely possible to build a strong program that works for families and industry alike. Nearly every day I hear from businesses and workers how important paid leave is to them. In a statewide employer survey my department conducted on this topic in February 2019, one small business owner said, “Glad that the state is doing this. It is an important benefit that my very small business could otherwise not afford.” And in a March 2019 worker survey, one person said simply, “Life happens, and you shouldn't be punished for it.”

Developing a Paid Family and Medical Leave program that works for both employers and employees is no easy task, but our state is proof it can be done. When our law passed, the Legislature was under split-party control, and until the eleventh hour of the longest legislative session in state history, its fate was tenuous. Yet, throughout the process, a core group of bipartisan lawmakers worked with business, labor and family advocates to see this program through. Having everyone at the table and staying focused on the enormous good this program would do for the people and economy of Washington means paid leave passed with strong bipartisan support.

Just like the Washingtonians with whom I speak every day, I am personally affected by this program. As a parent, spouse and child there have been times in my life I could have used Paid Family and Medical Leave. Even though I worked for excellent employers, I still had to cobble together maternity leave, sick leave, disability, vacation, and unpaid leave to get the time I needed when my babies were born. And now, with an 81-year-old mother, I need to be there for her if and, hopefully a long time from now,

when her health declines. Balancing work and family is hard no matter who you are, and I feel so lucky to live in Washington state where, starting in 2020, I'll have access to paid family and medical leave if and when I need it. Unfortunately, 83 percent of Americans<sup>1</sup> have no access to paid family leave at all. That means four in five American workers today cannot spend sufficient time with their new babies or seriously ill parents without facing the loss of income or even their job.

States are leading on the issue of paid family and medical leave, but it is not enough. A federal program that balances the needs of employers and employees, similar to Washington state's, would mean that where someone lives wouldn't determine if they have to choose between a paycheck and caring for themselves or a loved one. It would mean small and medium-sized businesses all across the U.S. could compete with big businesses to attract and retain the best workers. And it would bring our nation into better alignment with much of the rest of the world as the global marketplace grows increasingly interconnected and workers choices of where they live and work expand. Finding the balance for workers and employers is a challenge, but Washington state provides an excellent model for how it can be done.

### **Washington Paid Family and Medical Leave: A model for the nation**

In addition to the bipartisan support Washington's program received, we were able to benefit from the best practices and lessons learned of the four other states that came before us. This allowed us to develop one of the strongest and most generous Paid Family and Medical Leave programs in the nation for both employers and employees. The key aspects of our program include:

- **Generous allotment of leave:** Washington has one of the most generous benefits of any Paid Family and Medical Leave program in the nation. Workers are allowed up to 12 weeks off for either family or medical leave, or 16 weeks if they experience both events in a given year. In exceptional cases, up to 18 weeks are allowed for those who have complications in pregnancy that results in incapacity. Most workers won't need the full 12 weeks<sup>2</sup> but Washingtonians will have the peace of mind that the time is there if they need it.
- **Higher wage replacement for lower-wage workers:** Other states with paid family leave found low-wage workers often could not afford to take the benefit because the wage replacement was too low<sup>3</sup>. A minimum wage worker with family responsibilities often struggles to get by on their full salary. Therefore, a benefit that offers significantly less is often inaccessible. Progressive wage replacement, where lower-wage workers receive a higher percentage of their income while on leave, is a cornerstone of Washington's program. The average worker in Washington will receive up to 90 percent of their weekly wage when they take Paid Family and Medical Leave.
- **Portable benefit:** The number of Americans who work multiple jobs to make ends meet is on the rise<sup>4</sup>. Paid Family and Medical Leave in Washington is portable – ensuring all hours worked count toward eligibility, and the benefit isn't lost if you change jobs.

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<sup>1</sup> [US Dept. of Labor, Bureau of Labor Statistics](#)

<sup>2</sup> [Washington paid leave preliminary estimates modeling](#). Randy Albelda and Alan Clayton-Matthews. 2016.

<sup>3</sup> [California Paid Family Leave Market Research](#). Andrew Chang & Co. Sacramento. 2015.

<sup>4</sup> [U.S. Dept. of Labor, Bureau of Labor Statistics](#). August 2017. (Reported by [Business Insider](#))

- **A great new benefit for military families:** Washington state has the sixth highest population of active duty military personnel in the nation<sup>5</sup>, and this program offers a great new benefit for their families. Paid Family and Medical Leave can be used for military connected events like pre- and post-deployment activities, military ceremonies, time to spend with the servicemember on R&R and to care for a family member injured in the line of duty.
- **Businesses with their own plans can keep them:** If employers have existing paid medical and/or family leave plans, they can turn it into a voluntary plan. These plans must meet the minimum thresholds of the state plan, including covering all employees, but this option allows employers to administer the program themselves, providing greater flexibility to their businesses.
- **Business Assistance Grants:** Available for medium-size business with 150 or fewer employees as well as for small businesses that choose to pay the employer share of the premium, these grants of up to \$3,000, ten times per year, help cover costs associated with an employee being out on leave, including paying overtime or the hiring of a temporary worker. When you consider that an employer pays roughly \$1,470 per year in premiums on a \$1 million payroll, grants of up to \$3,000, up to ten times per year, is significant.
- **Cost savings and incentives for small businesses:** Small businesses under 50 employees are exempt from paying the employer share of the premium. However, they are eligible for the business assistance grants if they opt-in to pay the employer portion.
- **Shared cost by employers and employees:** The program is funded by a small premium (0.4 percent of an employee's wage) that is shared by the employer and employee – similar to health insurance. Employees pay roughly two-thirds of the total premium while employers pay about one-third.
- **Medical and family leave in one:** Ours is the first Paid Family and Medical Leave program in the U.S. to be built without an existing temporary disability program in place. Ensuring coverage for both personal medical and family reasons ensures workers can take paid leave when they need to care for themselves or those they love.
- **Smart start-up funding:** With bipartisan and executive support for this legislation, adequate funding was allocated, in the form of a short-term loan, to stand up this vital program. This funding enabled building out modern technology, robust outreach and education, and customer-focused operations to provide a high-quality product to meet Washingtonians expectations.
- **Sustainable funding:** The program does not rely on the state general fund or borrowing from other programs or benefits to operate. Premiums collected for Paid Family and Medical Leave are used to pay benefits and self-sustain the program operations, just like private insurance.
- **Raising awareness to encourage use:** We've learned from other states that paid leave is not a "build it and they will come" program. Low awareness or confusing messages about their programs has led to low usage rates, particularly in marginalized communities<sup>6</sup>. Therefore,

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<sup>5</sup> [Washington State Dept. of Commerce](#)

<sup>6</sup> [A guide to implementing paid family leave: lessons from California](#)

Washington’s Paid Family and Medical Leave statute requires an outreach program to be established to ensure both employers and employees know their rights and responsibilities under the law. We have taken these lessons and the law to heart and are investing in outreach and communications that are research-based and timely. We have conducted surveys of employers and employees, are holding focus groups within key communities and deploying a variety of communications tactics using messages that have been tested with customers. Our goal is to reach the broadest audience, but with targeted messages that encourage them to capture the program’s full benefit – whether they are an employer or an employee.

### **Time matters: Why Paid Family and Medical Leave is good for everyone**

Washington workers who need time to heal or recover from their own illness, bond with a new child or take care of a loved one will have this program to support them during these times. The benefits of this program also extend beyond workers to their children, parents, spouses and loved ones. Even if they aren’t in the workforce, they are cared for by those that are. In short, if you are living in Washington after Jan. 1, 2020, chances are you’ll benefit from Paid Family and Medical Leave in some form or another.

In addition to the ongoing need to care for ourselves through illness and injury, the landscape of family caregiving is vast and complex. The majority of American households are dual-earner<sup>7</sup>, and fathers are increasingly sharing in the caretaking of children early in life<sup>8</sup>. With 10,000 baby boomers retiring each day, the so-called silver tsunami is in full force<sup>9</sup>, putting more adult children in the position of caring for their own children and their aging parents at the same time. And while women in middle age remain the largest population of caregivers, the largest generation in the workforce today — millennials — are increasingly taking on the responsibility of balancing family caregiving and working<sup>10</sup>.

Evidence shows that the small investment in paid time off for workers pays big in terms of more stable workforce participation and better financial stability for families<sup>11</sup>. Time off after giving birth also shows improved health outcomes for babies and parents<sup>12</sup>, as well as having improved health outcomes for the elderly when they have a family member helping with their care<sup>13</sup>. The benefits to employers and businesses have also been well-documented. The median cost of replacing an employee is estimated to be about 21 percent of that employee’s annual salary.<sup>14</sup> Retaining employees, rather than losing them when they need to take leave, represents a significant cost-savings to businesses. In Washington, small

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<sup>7</sup> [The Time-Squeeze in American Families: From Causes to Solutions](#). Marin Clarkberg, Cornell University/U.S. Dept. of Labor.

<sup>8</sup> [Pew Research](#). June 2018.

<sup>9</sup> [The Sandwich Generation](#). Pew Research Social Trends. 2013.

<sup>10</sup> [Millennials: The Emerging Generation of Family Caregivers](#). AARP Public Policy Institute. May 2018.

<sup>11</sup> [Economic Benefits of Paid Leave: Fact Sheet](#). Joint Economic Committee. U.S. Congress.

<sup>12</sup> [Paid Parental Leave in the United States: What the data tell us about access, usage, and economic and health benefits](#). Institute for Women’s Policy Research. 2014.

<sup>13</sup> [Best Care at Lower Cost: The Path to Continuously Learning Health Care in America](#). Smith M, Saunders R, Stuckhardt, L. National Academies Press. Washington, D.C. May 2013.

<sup>14</sup> [There Are Significant Business Costs to Replacing Employees](#). Heather Boushey and Sarah Jane Glynn. Center for American Progress. 2012.

and medium-sized businesses access an additional financial benefit by taking advantage of the business assistance grants included in our state's Paid Family and Medical Leave program.

A few short weeks gives time to bond with a new little one, a chance to say goodbye to a loved one and peace of mind to care for yourself in life's most challenging times. A paycheck is essential, but time to care for yourself and your family is irreplaceable. Paid Family and Medical Leave means Washingtonians won't have to choose between the two, and employers won't have to lose workers when life happens.

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For better and worse, we are all familiar with circumstances that necessitate Paid Family and Medical Leave. There is no good time to require emergency back surgery, get breast cancer, or care for a dying parent, and even the joy of welcoming a new child into the home comes with significant challenges. Having financial stability in these times is immensely critical for family and statewide economic health.

I want to thank you again for the opportunity to testify on behalf of Washington state. As a national model for Paid Family and Medical Leave is considered, we hope you'll look to Washington, where a program was developed by individuals from across the political spectrum coming together to craft something that works for families, workers and business owners alike.

I look forward to answering any questions you may have.