



# Paid Family and Medical Leave and Universal Long-Term Care: Two Programs We Need to Meet the Care Needs of 21st-Century Families

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## Introduction

The ways that our families live and work have changed dramatically over the past few decades, yet our family and caregiving policies are still stuck in the 1950s. Due to the lack of paid family and medical leave, most workers can't afford to take time off when a new child joins their family; to care for their own serious health conditions or disabilities; or to care for a loved one, including one's parents and grandparents, many of whom require additional and costly support as they age. The scale and scope of the care challenges facing families in America require new and bold solutions.

In recent years, state legislatures around the country have recognized this reality by passing paid family and medical leave (PFML) legislation that addresses workers' occasional need for leave. And now, advocates and elected officials in several states are calling for comprehensive solutions that include not only paid family and medical leave, but what's called "universal long-term care" – publicly funded social insurance programs that help families cover the costs of elder care as well as care for family members with disabilities.

Paid family and medical leave and universal long term-care (ULTC) are similar in that they are broad insurance programs. These programs can work together to ensure that the care needs of 21st-century families are met and that all of us are able to make the care choices that work best for us and our families.

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# Paid Family and Medical Leave and Universal Long-Term Care: A Comparison

	Paid Family and Medical Leave	Universal Long-Term Care
<b>Where does it currently exist?</b>	<p>Currently, five states (California, New Jersey, Rhode Island, New York, and Washington) and the District of Columbia have paid family and medical leave programs. Washington's premiums will go into effect in 2019, and the benefits will start being paid in January 2020. The District of Columbia's programs will go into effect in 2020. These programs are not uniform – for example, they vary on the percentage of one's wages that are reimbursed, the amount of leave one can take, and who pays into the program.<sup>1</sup></p>	<p>Legislation is currently moving in Washington and Maine, and a comprehensive long-term care study bill is being considered in Michigan. Caring Across is working with advocates in Illinois, California, New York, and Minnesota to explore similar ULTC legislation.</p> <p>In 2016, Hawai'i took a first step by passing legislation to enact a program that would provide assistance to full-time working caregivers to help cover the costs of care.</p>
<b>What is it?</b>	<p>Paid leave programs allow workers to receive a portion of their pay while they take time away from work to:</p> <ul style="list-style-type: none"> <li>• Address a serious health condition (including pregnancy) or disability;</li> <li>• Care for a family member with a serious health condition;</li> <li>• Address family circumstances arising from a military service member's active duty abroad; or</li> <li>• Care for and bond with a newborn, newly adopted child, or newly placed foster child.</li> </ul> <p>Depending on the state, workers can receive up to 50 weeks of paid medical leave and up to 12 weeks of paid family leave.<sup>2</sup></p>	<p>Universal long-term care would provide a new long-term care benefit for older adults and people with disabilities who need assistance with activities of daily living (ADLs). The legislation in Washington proposes a social insurance program that would cover the costs of long-term care up to \$100 per day, and, similar to Social Security, it would be funded through a payroll deduction.</p> <p>While proposals will vary by state, all will include a daily financial benefit to cover the costs of long-term care for older adults and people with disabilities. Fundamentally, this kind of program helps people afford the care they need to remain at home, and usually will cover care provided by someone outside of the family (i.e., a home care worker).</p>
<b>Who does it cover?</b>	<p>All eligible<sup>3</sup> workers (the definition varies by program) are able to make use of paid family and medical leave.</p>	<p>All workers over the age of 18 would pay in, and, once they are vested, all would benefit.</p>

<sup>1</sup> <https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/>

<sup>2</sup> <https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/>

<sup>3</sup> Eligibility requirements differ by state; however, employees must establish a "qualifying period" or work in their state prior to submitting a leave application.

	<b>Paid Family and Medical Leave</b>	<b>Universal Long-Term Care</b>
<b>Who does it cover? (cont.)</b>	Most programs allow people to take time off to care for themselves and a child, parent, spouse, or domestic partner. Increasingly, programs allow people to take time off to care for grandchildren, grandparents, siblings, and other loved ones.	A model program would also provide support to family caregivers and include a retention program for care workers.
<b>How is it paid for?</b>	Programs are funded by joint employer-employee contributions or solely by employee or employer contributions. Under most systems and proposals, special insurance systems are created, and workers' wage replacement is paid from these funds. <sup>4</sup>	Proposals include varying methods for funding, including a payroll tax for all workers. A model program would include sustainable funding that is protected from the state's general revenue spending.

### How Paid Family and Medical Leave and Universal Long-Term Care Work Hand-in-Hand:

Here are some examples that show how paid family and medical leave and universal long-term care programs would work in concert to meet the care needs of families:

- Your father is living on his own at the age of 72, but one day, he has a fall and fractures his hip. You use the paid family and medical leave program in your state to take two weeks off to coordinate his care and to help him move back home. Once he is back home, the two of you realize that he will now need the help of a home care aide to remain safe and independent at home. Your father can now apply for the state's long-term care program to cover the costs of having an aide come three times a week to his home.
- After the birth of your child, you and your partner are able to each take eight weeks of paid leave. A few years later, your child develops a physical disability and you now realize you need to hire a personal care aide to provide the assistance your child needs. You're able to use your state's universal long-term care program to help pay for the costs.
- Your mother's health has been declining, and you have taken several weeks off from work this year without losing pay – thanks to your state's paid family and medical leave program – while you help with her care. Recently, she was diagnosed with Alzheimer's and moved in with you and your family, and you know she now needs a higher level of care than you're able to provide. Through your state's long-term care insurance program, you're able to pay for a home care aide who specializes in Alzheimer's care to come to your home, providing her with the assistance she needs and allowing you to continue working at your job.

<sup>4</sup> <https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/>

# Why We Need both Paid Family and Medical Leave and Universal Long-Term Care:

The need for leave to care for an older adult is becoming an increasingly pressing workforce issue, and more working families are being personally affected by caregiving challenges that span child care to elder care.

- According to a Department of Labor survey, 18 percent of employees already need time off to help a parent, spouse, or child with health problems.<sup>5</sup> Almost half of all workers will become family caregivers at some point within the next five years.
- Existing paid leave policies, which include care for a parent, recognize this reality.<sup>6</sup> ULTC policies would support these workers by helping to defray the costs of this care.

Elder care costs are on the rise, squeezing working caregivers' and families' finances right at the time when they need more support.

- Several PFML programs guarantee job protection, and all provide financial support for working individuals who need to take time off to provide care for themselves or a relative (usually a child or parent). For those caring for elderly parents and other loved ones who need long-term care support, ULTC would provide critical additional financial support, as the benefits could be applied consecutively. With the average cost of elder care on the rise (one day at a nursing home costs anywhere from \$145 to \$800 a day<sup>7</sup>), PFML coupled with a long-term care benefit would provide much-needed relief to working families.

As women in particular are more likely to take on a caregiving role, combined PFML and ULTC policies would help support women staying in the workforce.

- Informal caregiving responsibilities typically fall on women – an estimated 66 percent of caregivers are women who provide 20 hours or more of unpaid care per week.
- The demands on a caregiver's time are substantial – 60 percent of women caregivers who are employed have had to make sacrifices at work.<sup>8</sup> One national study noted that 33 percent of women caregivers decreased their work hours, while 29 percent passed up training or a job promotion, and 20 percent switched from full-time to part-time hours.<sup>9</sup>
- The conflicting demands of caregiving and work, coupled with the rising cost of care, illuminate why a combined PFML and ULTC policy is vital, not least because it would ease the financial strain placed on women caregivers. Data shows that providing leave benefits makes women more likely to return to their jobs, thereby having positive effects on their employment and lifetime earnings.<sup>10</sup>

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<sup>5</sup> <https://www.forbes.com/sites/nextavenue/2018/02/07/5-things-family-caregivers-need-to-know-about-family-leave/#7a90447d4e61>

<sup>6</sup> <https://www.payingforseniorcare.com/longtermcare/resources/ca-paid-family-leave.html>

<sup>7</sup> <https://www.payingforseniorcare.com/longtermcare/costs.html>

<sup>8</sup> <https://www.aarp.org/content/dam/aarp/ppi/2017-01/women-and-long-term-services-and-supports.pdf>

<sup>9</sup> <https://www.caregiver.org/women-and-caregiving-facts-and-figures>

<sup>10</sup> <https://www.americanprogress.org/wp-content/uploads/issues/2012/04/pdf/BousheyEmploymentLeave1.pdf>