

Benefits of Paid Family Leave (PFL)

Children & Families

- Prevents child maltreatment^{1 2}
- Reduces interpersonal and domestic violence¹
- Reduces infant mortality^{3 4}
- Improves parental health^{5 6 7 8}
- Improves infant and child health^{5 9 10}

Business & Economy

- 62% of employers believe offering family-friendly policies and benefits helps attract and retain better employees¹¹
- Improves household economic security¹²
- Increases labor force participation¹³
- Decreases reliance on public assistance¹⁴

Cost Analysis of PFL in NC

In 2019, the Duke Center for Child and Family Policy, in collaboration with the Stanford School of Public Policy, published a report examining the costs and benefits of family and medical leave insurance in NC. In the report, the authors examine the structure and costs of two models for PFLI. The chart below provides an overview of average insurance premiums and benefits for covered employees under these models.¹⁵

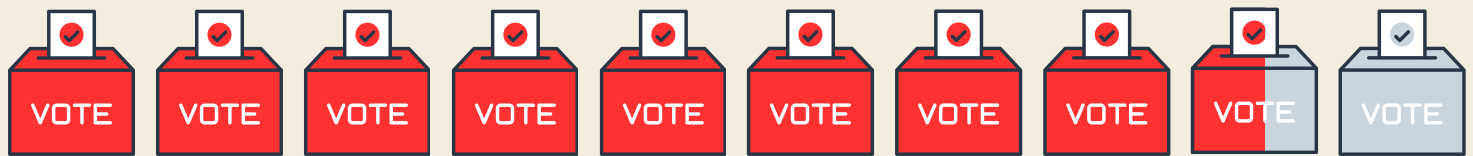
	NC PFLI Proposals			
	Proposal A		Proposal B	
	Model 1	Model 2	Model 1	Model 2
Covered employees per year (PY)	4,707,099	4,847,072	4,707,099	4,847,072
Number of covered employees taking PFLI leave PY	193,389	229,483	193,389	277,744
Average weekly PFLI benefit paid to employees taking PFLI leave	\$335	\$330	\$537	\$520
Total amount of PFLI benefits paid to all PFLI leave takers (\$millions) PY	\$360.3	\$496.6	\$865.2	\$1,156.6
Employee premium as a percentage of earnings PY	0.35%	0.54%	0.58%	0.89%
Average weekly premium cost per worker	\$1.47	\$1.97	\$3.52	\$4.59

Other estimates:

- NC Office of State Human Resources' 2021 Paid Parental Leave Report found that following Executive Order 95, the **average cost for PFL in fiscal year 2021 was \$5,342.64 per person.**¹⁶
- American Action Forum (2018) estimates that PFL in North Carolina would have a total **yearly cost of \$390 million** (0.18% benefits paid as a percentage of total wages).¹⁷

NC Paid Family Leave Insurance Act S.B. 564 (2021) & S.B. 418 (2023)

The NC Paid Family Leave Insurance Act was first proposed in April of 2021, where it passed its first reading and then was referred to the Committee on Rules and Operations of the Senate. The act was never brought up again to be voted on and died in this legislative session. The act was then proposed again in March of 2023, where it underwent the same process of passing its first reading and dying when referred to the Committee on Rules and Operations. It's not clear why it did not get re-calendared for a full vote; it is only clear that it never made it out of the referral process and was never voted on.¹⁸



*87 percent of North Carolina voters said they support paid leave following birth or adoption.*¹⁹

The NC Paid Family Leave Insurance Act:

- Requires the Division of Employment Security to establish and administer a family and medical leave insurance program.¹⁸
- Consider family and medical leave insurance benefits are payable to any individual meeting one of the requirements below.¹⁸
 - Is caring for a new child during the first year after birth, adoption, or child placement.
 - Is caring for a family member with a serious health condition.
 - Has a serious health condition.
 - Is caring for a covered service member who is the covered individual's next of kin or other family member.
 - Because of any "qualifying exigency leave" arising from the fact that the family member of the covered individual is on active duty in the Armed Forces.
- Establishes a maximum number of weeks during which family and medical leave insurance benefits are payable.¹⁸
- States that any covered individual who exercises their right to family and medical leave insurance benefits is entitled to be restored to the position held before leaving.¹⁸

Organizations in Support of PFL in NC



Sources

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