



Wider Opportunities for Women

## Policy Brief on Family-Friendly Workplaces June 30, 2009

Updating our workplace policies to provide for a flexible work place is critical to our collective wellbeing. Each and every one of us is affected by family-work balance issues whether it is to care for a child, elder parent or sick relative, manage an illness for yourself or a loved one or enable an elder to stay in the workforce; none of these actions should come with financial penalty. Wider Opportunities for Women is committed to public policies that best accommodate today's changing workforce. We urge support of legislation that supports families across the generations as they work on pathways to economic security.

### Removing Leave Penalties

The landmark federal Family and Medical Leave Act (FMLA) has benefitted millions of workers since it became law in 1993. However, its effectiveness is inhibited by its narrow coverage and because millions of workers cannot afford to take leave without pay. Seventy-eight percent of workers who are entitled to FMLA don't take it and report that they cannot afford to do so because FMLA leave is unpaid. The United States stands nearly alone among industrialized nations in lacking a national paid leave policy in connection with childbearing. Researchers studied 173 countries around the world, and found that all but five offered guaranteed paid leave to women for childbirth. For today's workplace to provide the needed flexibility it must address issues important to workers that would expand protections and benefits.

- **Provide guaranteed paid sick days.** The **Healthy Families Act** would guarantee seven paid sick days per year for workers at businesses with 15 or more employees to recover from routine illness, care for a sick family member, or seek services to recover from domestic violence.
- **Support State efforts to provide tailored leave to workers.** The **FIRST Act** would offer grants to States to support paid leave to workers for the birth or adoption of a child, to recover from serious illness, or to care for a seriously ill family member.
- **Guarantee parental leave.** The **Family and Medical Leave Enhancement Act of 2009** would amend the FMLA to clarify that leave may be taken for routine family medical needs, to assist elderly relatives and for other purposes without penalty.
- **Protect employees from retribution.** Employees should be able to request changes in terms and conditions of employment, including work hours and times, without fear of retribution, as is proposed in the **Working Families Flexibility Act**. The proposal would also require the Secretary of Labor to carry out a research, education, and technical assistance program for employers, labor organizations, and the general public regarding these and other provisions.

### Part time workers

Almost a quarter of American workers, three – fourths of them women -- have part-time jobs. These workers experience the lowest access to employer-sponsored retirement plans, pension plans they and overwhelmingly lack paid leave. Family members often choose to work time in order to give themselves the flexibility to deal with family matters. This leaves them at a distinct disadvantage in terms of proportional pay and benefits compared to their full-time colleagues. Part-time employees also need flexibility when family demands beyond their control occur within

their usual work hours. Other industrialized countries manage to develop policies that meets address the needs of part-time workers and their employers.

- **Provide access for part-time workers to paid leave.** The **Family Fairness Act** accomplishes this by amending FMLA to eliminate the requirement that employees work 1250 hours in the 12 months immediately preceding their FMLA leave to be eligible.
- **Remove barriers for older workers.** As the population ages, many older workers find a need for reduced work hours, often to care for a loved one. **The Older Worker Opportunity Act of 2009** would give a tax credit to employers to diminish the disadvantages to part-time work for older workers such as the loss of health coverage and decreased pension benefits. The credit would go to employers that employ workers age 62 and over in flexible work programs.
- **Update Unemployment Benefit Program.** Only 12% of unemployed part-time workers receive unemployment benefits. The **Recovery Act** give incentives to states that increase cover eligibility of part-time workers, low-wage earners and those whose work histories are recent. If the incentives were increased or made permanent, states that have refused to take advantage of these provisions would no longer have the excuse that they are only temporary.
- **Amend retirement policies.** Employers who wish to develop phased retirement programs often face actual legal obstacles under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code, primarily in workplaces where employers offer defined benefit plans. Both ERISA and the tax code restrict employees from receiving distributions from their defined benefit plans until they have fully severed employment or have reached the age of 62. This prevents individuals from partially retiring and working a flexible work arrangement and receiving a portion of their pension benefit to supplement their reduced income.
- **Utilize the One-Stop System.** One-stops should be encouraged to include information about part-time or seasonal work in the job data bases.

### Caregiving

Long-term care, whether provided in homes, assisted-living residences or nursing homes, relies on dedicated people rendering hands-on assistance. More than 50 million people provide care for a chronically ill, disabled or aged family member or friend during any given year. The demand on a caregivers time can range from a few hours a week to 40 or more hours per week. This often translates to out-of-pocket costs and lost pay that interferes with the caregiver's ability to save for immediate needs as well as retirement needs. Caregivers thus experience income losses as well as other disadvantages at all stages of the life course.

- **Amend the tax code to support caregivers.** For example, the **Social Security Caregiver Credit Act of 2009** would credit prospectively individuals serving as caregivers of dependent relatives with deemed wages for up to five years of such service.
  - **Convert the Child Care Tax Credit to a Caregiver Tax Credit** to assist anyone who gives necessary care to family members of blood or choice regardless of age.
  - **Make the credit fully refundable** so those who do not owe taxes obtain a refund.
  - **Increase the value of the credit** enabling it to more closely resemble the actual cost of giving care.

### Support Older Workers in the Workforce

Access to health care, flexible work options and training are critical to allowing older workers to remain in their current job or pursue new flexible employment options. For many seniors, continuing to work is, and will increasingly become, necessary to assure they are able to make ends meet. Without appropriate action, older adults who need employment in order to meet their basic needs will be unable to do so.

- **Assure Access to Health care.** Assure access to health care by expanding the availability of COBRA health insurance benefits from eighteen months to thirty six months for workers age 62+ who phase into part-time work or reduce their hours such that they can no longer participate in an employer-sponsored plan.
- **Increase Training Opportunities.** Amend the Workforce Investment Act by incorporating language that ensures “older persons” unique training needs are addressed along with other special populations. In addition, require states to report on the participation of seniors in WIA training programs.

### Comprehensive Packages

Two bills contain a range of proposals, some mentioned above, to create family-friendly workplaces.

- **The Family and Workplace Balancing Act** expands FMLA family definitions and lowers the firm size threshold to 15 employees, allows for unpaid school leave, and provides funding for state paid leave demonstration programs, child care, and after school programs, and promotes family-oriented workplace policies such as tele-work. It would require employers to provide pro-rated health, pension and family leave benefits to part-time workers.
- **The Family and Medical Leave Expansion Act** establishes paid family leave programs for private employers and paid parental leave for federal employers, amends the FMLA to allow unpaid leave for school activities and unpaid leave for victims of domestic violence, and reduces the firm size threshold to 25 employees.

### Modeling and Best Practices

- An information clearinghouse is needed to provide information on the wide variety of possible workplace policies and to catalyze employer action. Studies are needed to demonstrate the benefit to employers and economic impact of family-friendly policies. A best practice Web site is needed to highlight successful models benefiting low-wage workers as well as their employers.