The Family Leave Insurance Act of 2008

Introduced by Representatives Pete Stark, George Miller, Lynn Woolsey, and Carolyn Maloney

The Family Leave Insurance Act would provide 12 weeks of paid benefits to all workers who need to take time off of work to care for an ill family member, a new child, or because of their own illness. Workers will receive benefits from a new "Family Leave Insurance Fund," which is funded by premiums paid equally by employers and employees.

Eligible Employees

- All employees that have paid into the fund for at least 6 months will be covered.
- Employees must have worked at least part-time for the last 6 months for their current employer.
- Self-employed workers can also opt-in by paying both the employer and employee premiums.
- Employers can voluntarily opt-out of the program if they offer a plan that affords equal or greater rights and benefits to their employees.

Benefits

- **12 weeks of paid leave** over a 12-month period for employees taking time off for any of the following reasons:
  (1) Birth of a child;
  (2) Placement of an adopted or foster child;
  (3) Caring for a child, parent, spouse, domestic partner, sibling, grandchild, or grandparent who has a serious medical condition; or
  (4) Because of a serious medical condition that makes it impossible for the employee to perform his or her job functions; or
  (5) Exigencies arising from the deployment of a member of the armed forces.
- Benefits are progressively tiered based on wages and will be indexed for inflation using the Social Security wage index:
  * 100% of weekly earnings to $20,000
  * 75% of weekly earnings to $30,000
  * 55% of weekly earnings for $30,001-$60,000
  * 45% of weekly earnings for $60,001-$97,000
  * For those earning above $97,000, 40% of the weekly earnings of a $97,000 yearly income
- Employees may use other leave to supplement Paid Leave benefits.
- There is a five-day waiting period (can be fulfilled non-consecutively) prior to receiving benefits.
- Health insurance will continue uninterrupted.
- Job protections under FMLA remain the same.

Financing
- Costs are shared between employers, employees, and the federal government. Employers and employees will each pay a premium equivalent to 0.2% of each worker's earnings.
- For a worker making the national median income, the premium amounts to approximately $80 per year or less than $7 per month.
- Employers with less than 20 employees will pay a 0.1% premium.
- The program is designed to be self-financing.

Coordination with State Programs
- States with Temporary Disability Insurance programs or paid leave programs will be allowed to opt out of the federal program if they provide materially equivalent or better benefits.
- Companies with materially equivalent or better benefits can also opt-out and self-insure their employees.

Administration
- The Department of Labor will contract with states to administer the program.
- If the state chooses not to administer, the Secretary of Labor may make an interagency agreement with the Social Security Commissioner to administer the program (similar to how the SSA carries out its disability program).