



Impact of Paid Family and Medical Leave in Pennsylvania

An Analysis of the Pennsylvania Family and Medical Leave Insurance Act

Created with ATTIS

Chantel Boyens, Karen E. Smith, Katherine Hueston, and Lauren Simpson
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In this brief, we present estimates of benefits, costs, interactions with other means-tested programs, and impact on poverty for the proposed **Pennsylvania Family and Medical Leave Insurance Act (FAMLI) of 2023 (H.B. 181)** as part of the Department of Labor (DOL) Women’s Bureau study, “Understanding Equity in Paid Leave through Microsimulation.”¹ Using an enhanced version of the Department of Labor’s Worker Paid Leave Usage Simulation (Worker PLUS) model, in concert with the Urban Institute’s Analysis of Taxes, Transfers and Income Security (ATTIS) model,² we examine the following questions:

- How much would workers have received in benefits, and how would they have been distributed by demographic group and benefit type under the Pennsylvania FAMLI Act?

¹ For more information on the “Understanding Equity in Paid Leave through Microsimulation” study and to access related reports and resources, please see “Understanding Equity in Paid Leave through Microsimulation Analysis,” Women’s Bureau, U.S. Department of Labor, accessed September 24, 2024, <https://www.dol.gov/agencies/wb/Understanding-Equity-in-Paid-Leave-Microsimulation-Analysis>.

² For more information on Worker PLUS, see “Microsimulation Model on Worker Leave,” Office of the Assistant Secretary for Policy, U.S. Department of Labor, accessed September 24, 2024, <https://www.dol.gov/agencies/oasp/evaluation/completedstudies/Microsimulation-Model-on-Worker-Leave>.

For more information on ATTIS, see “ATTIS Microsimulation Model,” Urban Institute, accessed September 24, 2024, <https://www.urban.org/research-methods/attis-microsimulation-model>.

- Would benefits under the FAMILI Act have reduced poverty overall and for families who took benefits? By how much? How would taxes and participation in other safety net programs have been affected?

To answer these questions, we simulate the impact of the Pennsylvania FAMILI Act as if it had been operational in 2018, the most recent year for which we have data and modeling capabilities in Worker PLUS and ATTIS. We find the following:

- In 2018, Pennsylvania's FAMILI Act would have provided 5.5 million workers with access to paid family and medical leave (PFML), covering 82 percent of the workforce. An estimated 6.0 percent of eligible workers would have taken a covered leave that year.
- Workers would have received an average weekly benefit of \$585 and the average duration of paid leave would have been approximately 10.1 weeks. About half of all leaves, 51 percent, would have been for maternity or bonding leave, 36 percent for own medical leave, and 13 percent for family caregiving leave.
- The program would have reduced the poverty rate among families receiving benefits in Pennsylvania by 16 percent under the Supplemental Poverty Measure (SPM). In addition, the FAMILI Act would have reduced the poverty gap—the additional resources needed to lift all poor families up to the poverty threshold—by 36 percent for families receiving benefits. The reduction in the poverty rate and poverty gap among families who receive benefits shows that the program would reduce the number of people in poverty and the depth of poverty experienced by families.
- Participation in means-tested programs would have fallen, resulting in a combined reduction in benefits of \$104 million.

In the following sections, we provide background on PFML programs in the United States, followed by a description of the Pennsylvania program. Next, we show results from our analysis on access and cost of benefits by worker characteristics and the impact of the Pennsylvania FAMILI Act on poverty.

Background

Currently, 13 states and the District of Columbia have enacted PFML programs. No federal program providing PFML benefits exists but current state programs build on the federal law guaranteeing job-protected unpaid leave to a little over half of U.S. workers known as the Family and Medical Leave Act (FMLA) of 1993.³ The FMLA provides workers up to 12 weeks away from their jobs to care for a seriously ill or injured parent, spouse, or child; to address their own serious health issue; or to care for a newborn, newly adopted, or newly placed foster child. It also provides two types of military caregiving leave that guarantees up to 26 weeks to care for a wounded service member by a parent, child, spouse, or next of kin, and up to 12 weeks for circumstances related to the deployment of a parent, spouse, or child. State PFML programs provide workers with a benefit that replaces a share of their prior wages while they are on leave. Although the details of state programs vary, at a minimum, all states cover the first three FMLA reasons for leave and are financed by payroll tax contributions from employers, employees, or a combination of both.⁴

Pennsylvania Family and Medical Leave Insurance Act

The fifth most populous state in the nation, Pennsylvania, has yet to establish a PFML program. Legislators have recently proposed to bridge this gap with the introduction of the Family and Medical Leave Insurance Act (H.B. 181). This legislation was introduced in the Pennsylvania House of Representatives on March 8, 2023, by House Majority Whip Dan Miller. Since then, the bill has been amended and re-reported several times by House committees. As of the publication of this report, the legislation has not been enacted.

As proposed, the Department of Labor and Industry would administer the FAMILI program. Financed entirely through a 0.588 percent employee payroll tax, the department would begin paying out benefits to workers within two years of program creation (table 1).⁵ Thereafter, the contribution rate is subject to annual evaluation and adjustment by the Department to ensure fund solvency.

³ “The Family and Medical Leave Act of 1993,” U.S. Department of Labor, Wage and Hour Division, February 5, 1993, <https://www.dol.gov/agencies/whd/laws-and-regulations/laws/fmla>.

⁴ Vicki Shabo, “Explainer: Paid Leave Benefits and Funding in the United States,” *New America* (blog), May 3, 2024, <https://www.newamerica.org/better-life-lab/briefs/explainer-paid-leave-benefits-and-funding-in-the-united-states/>.

⁵ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 303(a) (PA 2023).

The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 303 (PA 2023).

TABLE 1

Pennsylvania Family and Medical Leave Insurance Act Elements

Program element	Summarized policy
Inception	Introduced into the Pennsylvania House of Representatives on March 8, 2023. Referred to the Committee on Labor and Industry the same day.
Lead agency	The Department of Labor and Industry
Funding	0.588% payroll tax funded entirely by the employee ^a
Wage base	Earnings are taxable up to the Social Security maximum taxable earnings
Implementation timing	The Department of Labor and Industry shall establish the Family and Medical Leave Insurance Program within one year of the effective date of the legislation and start paying out benefits no later than two years following the establishment of the program
Duration (weeks of leave)	20 weeks
Purposes	Birth, adoption or placement of a new child during the first year after birth, adoption, or placement of that child; care for a family member with a serious health condition; own serious health condition; care for a family member with a serious health condition during a declared public health emergency; care for a family member who is a covered service member due to a qualifying exigency leave
Wage replacement	90% of the individual's average weekly wage that is equal to or less than 50% of the statewide average weekly wage, plus 50% of the individual's average weekly wage that exceeds 50% of the statewide average weekly wage. Statewide average weekly wage for 1/1/2024 is \$1,325.
Maximum benefits	In no case shall the weekly benefits payable to a covered individual be more than the statewide weekly wage ^b
Job protection	Yes ^c
Waiting period	No
Intermittent leave	Yes ^d
Eligibility	Worked at least 18 weeks during the 12-month period prior to submitting a claim; earned at least \$2,718 in income during the 12-month period prior to submitting a claim; and currently employed in the Commonwealth or was previously employed within 120 days of separation from employment ^e
Coverage	Any employee or self-employed person who elects coverage and meets the eligibility criteria. Current or former members of the armed forces or national guard are eligible for medical treatment. Other federal government workers are not covered.
Family definition	"Family" includes a child or spouse's child; parent or spouse's parent; spouse or domestic partner as registered under the laws of any state or political subdivision; grandparent or spouse's grandparent; grandchild or spouse's grandchild; sibling or spouse's sibling; an individual for whom the employee is responsible for providing or arranging care; and any other individual whose close association with the employee is the equivalent of an immediate family relationship.

Source: The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 303 (PA 2023).

^a The amount payable through employee payroll premium contributions shall be set at a rate of 0.588 percent of an individual employee's wages to initiate payments into the program. Every year thereafter, the department will evaluate and adjust the contribution rate as necessary. There is no cap on the taxable wage based used for contributions.

^b The department shall adjust the maximum family and medical leave insurance benefit cap annually based on the statewide average weekly wage.

^c Any covered individual who takes leave under this program shall, upon the expiration of that leave, be restored by the employer to the position previously held by the covered individual when the leave commenced, or to a position with equivalent seniority, status, employment benefits, pay and other terms and conditions of employment.

^d A covered individual is entitled to take leave on an intermittent or reduced leave schedule. Benefits are not payable in increments less than eight hours.

^e This income rate shall be adjusted annually by the Department of Labor and Industry based on the Pennsylvania Unemployment Insurance Financial Eligibility Rules.

To qualify for benefits, workers, including self-employed individuals who opt into coverage, would need to satisfy the following three criteria:⁶

- Worked at least 18 weeks during the previous 12 months,
- Earned at least \$2,718 in income during the 12-month period prior to submitting a claim,⁷ and
- Currently employed in the Commonwealth or was previously employed in the Commonwealth within 120 days of filing a claim for leave

House Bill 181 would provide workers with up to 20 weeks of paid leave per year for a qualifying reason:⁸ following the birth, adoption, or placement of a new child within the first year of birth, adoption, or placement, care for one's own serious health condition, care for a family member with a serious health condition, care for a family member with a serious health condition during a declared

⁶ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 303(b)(1-2) (PA 2023).

The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 103(Covered individual)(1) (PA 2023).

⁷ This earned income rate would be adjusted annually by the Department based on the Pennsylvania Unemployment Insurance Financial Eligibility Rules (Family and Medical Leave Act, Pennsylvania H.B. 181, Section 303(b)(2)).

⁸ The maximum number of weeks during which benefits are payable for the birth, adoption, or placement through foster care of a new child or for one's own serious health condition is 20 weeks. The maximum number of weeks during which benefits are payable to care for a family member with a serious health condition, to care for a family member with a serious health condition during a declared public health emergency, or to care for a family member who is a covered service member due to a qualifying exigency leave is 12 weeks. The maximum combination of leaves cannot exceed a total number of 20 weeks in any one application year regardless of reason (Family and Medical Leave Act, Pennsylvania H.B. 181, Section 304(a-c))

The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 304(a-c) (PA 2023).

public health emergency, or care for a family member who is a covered service member during a qualified exigency.⁹

Family members include a child or a spouse's child, parent or a spouse's parent, spouse or domestic partner, as registered under the laws of any state or political subdivision, grandparent or spouse's grandparent, grandchild or spouse's grandchild, sibling or spouse's sibling, an individual for whom the employee is responsible for providing or arranging care, and any other individual whose close association with the employee is the equivalent of an immediate family relationship.¹⁰

While on leave, workers would receive a benefit that replaces 90 percent of their earnings up to an amount equal to 50 percent of the statewide average weekly wage (SAWW), plus 50 percent of their earnings that exceeds this threshold.¹¹ The maximum benefit a worker can receive is capped at the SAWW and adjusted annually.¹² The SAWW for January 1, 2024, is \$1,325.¹³

To accommodate caregiving needs, workers would be permitted to take leave on an intermittent basis or on a reduced work schedule.¹⁴ During this time, workers are entitled to continuous health care coverage from their employer.¹⁵ Consistent with other states that have recently enacted PFML programs, leave takers in Pennsylvania would be able to assume their original position or one with equivalent seniority, status, employment benefits, pay and other employment terms and conditions

⁹ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 303(a)(1-5) (PA 2023).

¹⁰ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 103(Family)(1-6) (PA 2023).

¹¹ In calendar year 2024, the statewide average weekly wage is \$1,325 ("Statewide Average Weekly Wage," Commonwealth of Pennsylvania, accessed September 24, 2024, [https://www.dli.pa.gov/Businesses/Compensation/WC/claims/Pages/Statewide-Average-Weekly-Wage-\(SAWW\).aspx](https://www.dli.pa.gov/Businesses/Compensation/WC/claims/Pages/Statewide-Average-Weekly-Wage-(SAWW).aspx)).

If benefits were to be paid out starting this year, workers would have 90 percent of their wages less than or equal to \$662.5 (50 percent of the 2024 SAWW) replaced compared to 50 percent of wages over this threshold.

The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 305(a)(1-2) (PA 2023).

¹² The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 305(b) (PA 2023).

The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 305(c) (PA 2023).

¹³ In calendar year 2024, Pennsylvania's statewide average weekly wage is \$1,325 ("Statewide Average Weekly Wage," Commonwealth of Pennsylvania, accessed September 24, 2024, [https://www.dli.pa.gov/Businesses/Compensation/WC/claims/Pages/Statewide-Average-Weekly-Wage-\(SAWW\).aspx](https://www.dli.pa.gov/Businesses/Compensation/WC/claims/Pages/Statewide-Average-Weekly-Wage-(SAWW).aspx)).

¹⁴ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 307(a) (PA 2023).

¹⁵ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 308(b) (PA 2023).

upon returning to work.¹⁶ The bill would also prohibit employers from taking any adverse action against workers who exercise their right to take leave.¹⁷

Methods

To examine Pennsylvania’s FAML I proposal, we used two linked microsimulation models: DOL’s Worker PLUS model and Urban Institute’s ATTIS model. The linked approach allows us to estimate the distributional impact of PFML on means-tested program eligibility and enrollment, and on the SPM poverty rate and poverty gap. These estimates account for each means-tested programs’ rules for treating paid family leave benefits and the shifts in employment and earnings as workers change work behaviors in response to newly available paid leave benefits. Both ATTIS and Worker PLUS use data from the 2018 American Community Survey and the simulations estimate the impact of Pennsylvania’s FAML I plan using 2024 thresholds indexed to 2018. For additional details on our methods and assumptions, please see appendix A in *Understanding Equity in Paid Leave through Microsimulation: National Report* (Boyens, Smith et al. 2024) and the brief “Paid Family and Medical Leave, Means-tested Benefits and Taxes: How State Paid Leave Benefits Affect Workers’ Taxes, Eligibility and Benefits” (Boyens, Hueston et al. 2024).

Results

Tables 2 through 19 present results from the Worker PLUS model. Tables 20 through 23 present results from the ATTIS model. Table 2 shows the following:

- 5.5 million Pennsylvania workers would have been eligible for paid leave under the state program.
- 328,000 workers (6 percent of eligible workers) would have taken 380,000 family and medical leaves and claimed benefits.
- About half of all leaves would have been for maternity and bonding and the remainder for workers’ own medical leave or to care for a family member with a serious health condition.
- Benefits would have been paid for an average of 10.1 weeks.

¹⁶ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 308(a) (PA 2023).

¹⁷ The Family and Medical Leave Act, H.B. 181, 2023-2024 Regular Sess. § 308(c-g) (PA 2023).

TABLE 2

Simulated Annual Coverage and Usage of Leave under Pennsylvania's Proposed Family and Medical Leave Insurance Plan

Annual coverage and usage	Number
Number of people with positive earnings (thousands) ^a	6,709
Number of people with taxable earnings (thousands) ^b	6,012
Number of people eligible for paid leave (thousands) ^c	5,506
Number of people receiving a benefit (thousands)	328
Percent of workers eligible for FAMLl benefits in 2018 (%)	82.1
Percent of eligible workers receiving benefits in 2018 (%)	6.0
Number of medical leaves taken (thousands)	138
Number of maternity and bonding leaves taken (thousands)	194
Number of family care leaves taken (thousands)	49
Number of total leaves taken (thousands)	380
Distribution of medical leaves taken (%)	36
Distribution of maternity and bonding leaves taken (%)	51
Distribution of family care leaves taken (%)	13
Average duration of medical benefits (weeks)	11.5
Average duration of maternity and bonding benefits (weeks)	9.4
Average duration of family care benefits (weeks)	8.8
Average duration of benefits for all reasons (weeks)	10.1
Medical leave usage rate (%) ^d	2.5
Maternity and bonding leave usage rate (%) ^d	3.5
Family care leave usage rate (%) ^d	0.9

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: Amounts and claims are for 2018. Family care includes ill child, ill spouse, and ill parent leaves.

^a This includes all people with any earnings (including wage, salary, and self-employment).

^b This policy was modeled as self-employed exempt, though there is optional enrollment for self-employed workers. Federal government workers are excluded from coverage.

^c Eligible individuals must have worked at least 18 weeks during the 12-month period prior to submitting a claim, must have earned at least \$2,718 in income during the 12-month period prior to submitting a claim, and must be employed in the Commonwealth or was previously employed within 120 days of filing a claim for paid leave.

^d The usage rate is the number of people receiving a paid leave benefit divided by the number of people eligible for a benefit.

Table 3 summarizes benefit costs and taxable earnings and projects the following:

- The Pennsylvania FAMLl Act would have provided over \$2.1 billion in benefits to workers and their families.

- The average weekly benefit for all claims would have been \$585 and workers would have received an average of \$5,553 in annual benefits.
- A payroll tax of 0.72 percent of taxable earnings would have been needed to fully fund projected benefits, which is higher than the proposed 0.588 percent.

TABLE 3

Annual Total Benefit Costs, Average Benefits, and Taxable Earnings under the Pennsylvania Family and Medical Leave Insurance Proposal

Type of benefits paid	Number
Total medical leave benefits (millions of dollars)	\$793
Total maternity and bonding leave benefits (millions of dollars)	\$1,082
Total family care leave benefits (millions of dollars)	\$237
Total benefits for all reasons (millions of dollars)	\$2,112
Average annual medical benefit (dollars)	\$5,553
Average annual maternity and bonding benefit (dollars)	\$5,591
Average annual family care benefit (dollars)	\$4,859
Average annual benefit for all reasons (dollars)	\$5,553
Average weekly medical benefit (dollars)	\$531
Average weekly maternity and bonding benefit (dollars)	\$628
Average weekly family care benefit (dollars)	\$566
Average weekly benefit for all reasons (dollars)	\$585
Taxable earnings (millions of dollars)	\$295,026
Total payroll tax (millions of dollars)	\$1,735
Worker payroll tax (millions of dollars)	\$1,735
Employer payroll tax (millions of dollars)	\$0
Benefit cost as percentage of taxable earnings	0.72%
Benefit cost as a percent of FAML I payroll tax	121.7%

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: Claims are for 2018. Family care includes ill child, ill spouse, and ill parent leaves. Eligible workers are limited to workers in eligible employment sectors who worked at least 18 weeks during the 12-month period prior to submitting a claim, earned at least \$2,718 in income during the 12-month period prior to submitting a claim, and were employed in the Commonwealth or were previously employed within 120 days of filing a claim for paid leave. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan

Tables 4 through 11 summarize the characteristics of Pennsylvania FAML I Act beneficiaries. They show the following:

- Approximately 5.5 million workers, 82 percent of workers, would have been eligible for the program, with 6 percent of eligible workers taking a paid leave in 2018.

- Uncovered workers include federal government workers (2 percent), self-employed workers who we assume for modeling purposes do not opt-in (9percent), and workers that do not meet the prior weeks of work and earnings eligibility requirements (8 percent).
- Compared with higher earners, low earners would have been more likely to receive benefits if they qualified, but fewer low earners would have qualified for benefits.
- Access to paid leave would have been lowest among employees who worked less than 20 hours per week, those with less than a high school diploma, and workers older than 65.
- Usage of leave would have been highest among those age 26 to 35 years old and those with family income below 200 percent of poverty.

TABLE 4

Access to and Usage of Paid Leave by Annualized Earnings and Family Poverty Rate

Simulation results for Pennsylvania

Annualized earnings and family poverty rate	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
< \$25,000	1,590	70	8.1
\$25,000–\$40,000	1,127	93	5.7
\$40,000–\$60,000	1,173	91	5.2
\$60,000–\$80,000	678	88	5.4
\$80,000–\$100,000	370	86	5.0
\$100,000 or more	568	78	4.2
Income < 200% poverty level	877	73	10.2
Income 200–400% poverty level	1,699	84	6.2
Income > 400% poverty level	2,929	84	4.7

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Annualized earnings is eligible weekly earnings times 52. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 5

Access to and Usage of Paid Leave by Race and Ethnicity*Simulation results for Pennsylvania*

Race and ethnicity	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
Asian, non-Hispanic	201	83	6.5
Black, non-Hispanic	522	84	6.0
Hispanic	376	82	8.1
Native American and Pacific Islander, non-Hispanic	8	93	6.8
Other, non-Hispanic	84	79	7.1
White	4,315	82	5.8

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. All Hispanic people are classified as Hispanic regardless of race. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 6

Access to and Usage of Paid Leave by Sex*Simulation results for Pennsylvania*

Sex	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
Men	2,772	80	5.8
Women	2,734	84	6.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 7

Access to and Usage of Paid Leave by Age*Simulation results for Pennsylvania*

Age group	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
16–25	756	71	8.7
26–35	1,261	89	11.3
36–45	1,084	86	5.8
46–55	1,159	85	2.4
56–65	955	81	2.5
66 and older	290	69	3.5

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 8

Access to and Usage of Paid Leave by Usual Hours Worked per Week*Simulation results for Pennsylvania*

Usual hours worked per week	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
1–19	256	46	5.3
20–34	770	75	5.7
35–44	3,087	89	6.3
45 or more	1,392	84	5.7

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 9

Access to and Usage of Paid Leave by Education Level*Simulation results for Pennsylvania*

Education level	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
Less than high school	337	65	5.7
High school or equivalent	1,703	83	5.8
Some college	1,494	83	6.1
Bachelor's or higher degree	1,971	84	6.2

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 10

Access to and Usage of Paid Leave by Household Composition*Simulation results for Pennsylvania*

Household composition	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
Married two-earner	2,489	84	6.9
Married one-earner	784	74	8.1
Single one-earner	2,233	83	4.4

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 11

Access to and Usage of Paid Leave by Class of Worker*Simulation results for Pennsylvania*

Class of worker	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	5,506	82	6.0
Private sector	4,996	91	5.9
State and local government	510	94	6.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Pennsylvania employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

Table 12 through 19 summarize average weekly, annual benefits, and average duration of leave. They show the following:

- Hispanic workers would have received the lowest average weekly benefits. Black workers would have received the lowest annual benefits and would have had the shortest leave durations when compared with other racial and demographic groups
- Average weekly and annual benefits would have been lowest for workers who work less than 20 hours per week and those with annualized earnings below \$25,000. These same groups would have also taken the longest average leaves.

TABLE 12

Paid Leave Benefit Amounts and Weekly Benefit Duration by Annualized Earnings and Family Poverty Rate*Simulation results for Pennsylvania*

Annualized earnings and family poverty level	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
< \$25,000	260	3,042	12.1
\$25,000–\$40,000	499	5,139	10.3
\$40,000–\$60,000	678	5,972	8.8
\$60,000–\$80,000	861	7,468	8.6
\$80,000–\$100,000	1,001	9,228	9.2
\$100,000 or more	1,006	8,947	8.9

Annualized earnings and family poverty level	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Income < 200% poverty level	362	3,990	11.5
Income 200–400% poverty level	559	5,203	9.7
Income > 400% poverty level	754	6,868	9.5

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. Annualized earnings is eligible weekly earnings times 52. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. Family poverty level is based on 2018 American Community Survey classifications and do not include projected paid leave benefits.

TABLE 13

Paid Leave Benefit Amounts and Weekly Benefit Duration by Race and Ethnicity

Simulation results for Pennsylvania

Race and ethnicity	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
Asian, non-Hispanic	660	6,439	10.3
Black, non-Hispanic	478	4,352	9.8
Hispanic	454	4,647	11.1
Other, non-Hispanic	580	8,362	13.6
White, non-Hispanic	560	5,785	10.7

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. All Hispanic people are classified as Hispanic regardless of race. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 14

Paid Leave Benefit Amounts and Weekly Benefit Duration by Sex

Simulation results for Pennsylvania

Sex	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
Men	660	5,770	9.3
Women	521	5,369	10.8

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 15

Paid Leave Benefit Amounts and Weekly Benefit Duration by Age*Simulation results for Pennsylvania*

Age group	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
16-25	362	3,995	11.8
26-35	622	5,766	9.8
36-45	679	5,945	9.1
46-55	652	6,315	10.1
56-65	635	6,460	10.1
66 and older	592	6,135	10.5

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 16

Paid Leave Benefit Amounts and Weekly Benefit Duration by Usual Hours Worked per Week*Simulation results for Pennsylvania*

Usual hours worked per week	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
1-19	178	2,273	12.7
20-34	342	4,093	12.2
35-44	604	5,835	10.1
45 or more	750	6,279	8.5

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 17

Paid Leave Benefit Amounts and Weekly Benefit Duration by Education Level*Simulation results for Pennsylvania*

Education level	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
Less than high school	417	4,069	11.1
High school or equivalent	488	5,005	10.7
Some college	516	4,794	10.0
Bachelor's or higher degree	737	6,762	9.6

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 18

Paid Leave Benefit Amounts and Weekly Benefit Duration by Household Composition*Simulation results for Pennsylvania*

Household composition	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
Married two-earner	637	5,732	9.5
Married one-earner	612	6,080	10.3
Single one-earner	474	4,890	11.1

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 19

Paid Leave Benefit Amounts and Weekly Benefit Duration by Class of Worker*Simulation results for Pennsylvania*

Class of worker	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	585	5,553	10.1
Private sector	576	5,549	10.3
State and local government	669	5,593	8.8

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with an eligible covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Pennsylvania plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

Tables 20 and 21 summarize the projected impact of FAMLl's projected impact on poverty in Pennsylvania:

- The Pennsylvania FAMLl Act would have reduced the poverty rate among families receiving benefits by 16 percent under the SPM. In addition, the Pennsylvania FAMLl Act would have reduced the poverty gap—the additional resources needed to lift all poor families up to the poverty threshold—by 36 percent.
- Overall, across the total population of the state, including covered and noncovered workers, the poverty rate would have fallen by 0.3 percent, and the total poverty gap would have fallen by 0.3 percent.
- Families receiving benefits but who newly fall below the poverty threshold would have had an average poverty gap of \$311. Families newly entering poverty partly reflects higher tax liability that is not offset by higher benefits and partly reflects a reduction in earnings as some workers replace workdays with paid leave days that do not replace 100 percent of earnings.

TABLE 20
Impact on Supplemental Poverty Measure Poverty Rate in Pennsylvania

Simulation results for Pennsylvania FAMLl	Baseline (%)	Pennsylvania FAMLl (%)	Change in the poverty rate (%)
All people (full population)	11.3	11.3	-0.3
People in families paying Pennsylvania FAMLl payroll tax	7.5	7.5	-0.5
People in families receiving FAMLl benefit under Pennsylvania FAMLl	6.0	5.1	-15.9

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FAMLl = Family and Medical Leave Insurance. The "Baseline" column reflects the poverty rate before Pennsylvania FAMLl Act benefits. The "Pennsylvania FAMLl" column reflects the poverty rate after including total benefits received by workers under the Pennsylvania FAMLl Act program.

TABLE 21
Impact on the Poverty Gap in Pennsylvania

Simulation results for Pennsylvania FAMLl	Baseline (in 2018 dollars)	Pennsylvania FAMLl (in 2018 dollars)	Change (%)
Total poverty gap (full population)	\$5,554 million	\$5,536 million	-0.3
Total poverty gap (families paying Pennsylvania FAMLl payroll tax)	\$2,401 million	\$2,384 million	-0.7
Total poverty gap (families newly receiving benefit under Pennsylvania FAMLl)	\$111 million	\$72 million	-35.5

Simulation results for Pennsylvania FAML	Baseline (in 2018 dollars)	Pennsylvania FAML (in 2018 dollars)	Change (%)
Average poverty gap for families newly receiving benefit under Pennsylvania FAML for families who were below the poverty line in the baseline and remain below the poverty line under Pennsylvania FAML	\$6,749	\$4,919	-27.1
Average poverty gap for families newly receiving benefit under Pennsylvania FAML for families who were not below the poverty line in the baseline and but are below the poverty line under Pennsylvania FAML	N/A	\$311	N/A

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FAML = Family and Medical Leave Insurance. N/A is not applicable. The poverty gap is the additional resources needed to lift all poor families up to the poverty threshold. The "Baseline" column reflects the poverty gap before Pennsylvania FAML Act benefits. The "Pennsylvania FAML" column reflects the poverty rate after including total benefits received by workers under the Pennsylvania FAML Act program.

Table 22 shows that under the Pennsylvania FAML Act proposal, revenue from federal and state taxes would have fallen by \$100 million, primarily due to lower taxable wages as some workers replace work days with paid leave days, which do not replace 100 percent of earnings.

TABLE 22
Income Tax Change in Pennsylvania

Simulation results for Pennsylvania FAML	2018 dollars	Change (%)
Federal taxes	-\$66 million	-0.2
State income taxes	-\$34 million	N/A
Total	-\$100 million	N/A

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FAML = Family and Medical Leave Insurance. N/A is not applicable.

Table 23 summarizes the impact of the Pennsylvania FAML Act on participation and benefits in means-tested programs as a result of workers receiving PFML benefits, making payroll tax contributions, and adjusting employment in response to newly available PFML benefits. We estimate the following:

- Total spending on all means-tested programs would have declined by \$104 million, with the largest spending reductions occurring in the Supplemental Nutrition Assistance Program and the Temporary Assistance for Needy Families program

- The largest decline in participation would have occurred in the Women, Infants, and Children program, with 32,000 fewer people or units participating in the program on an annual basis, or 13.3 percent. Spending on public/subsidized housing would have gone down slightly on an annual basis.
- Spending on the federal earned income tax credit and refundable child tax credit would have gone up by \$7 million, partially offsetting the impact of lower wages and additional payroll tax contributions for low-income workers

TABLE 23
Impact of Paid Leave Participation on Other Government Assistance in Pennsylvania
Simulation results for Pennsylvania

Program	Change in average monthly participating people or units (thousands) ^a	Percent change in average monthly participating people or units (%)	Change in annual people or units (thousands) ^a	Percent change in people or units (%)	Change in benefits (in 2018 millions of dollars)	Change in benefits (%)
SNAP	-10	-1.0	-25	-2.1	-70	-3.0
TANF ^b	-2	-3.5	N/A ^d	N/A ^d	-8	-4.8
CCDF	-1	-1.3	-2	-1.6	-6	-1.5
SSI	0	-0.10	0	-0.11	-2	-0.08
LIHEAP ^c	N/A	N/A	-2	-0.6	-1	-0.6
WIC	-16	-7.7	-32	-13.3	-17	-9.9
Public/subsidized housing	-1	-0.3	0	0.1	-6	-0.4
Federal EITC	N/A	N/A	3	0.4	7	0.5
Federal Refundable CTC	N/A	N/A	4	0.8	0	0.0
Total	N/A	N/A	N/A	N/A	-104	N/A

Source: Authors' calculations from ATTIS.

Note: N/A is not applicable. CCDF = Child Care and Development Fund; CTC = Child Tax Credit; EITC = Earned Income Tax Credit; LIHEAP = Low Income Home Energy Assistance Program; SNAP = Supplemental Nutrition Assistance Program; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children.

^a For SSI, TANF, public/subsidized housing, SNAP, and LIHEAP, the changes in caseload count numbers of assistance units, which may consist of one person, multiple people in a household, or an entire household; for child care subsidies, the changes count numbers of children with subsidies; for WIC, the changes count individual women, infants, and children receiving benefits; for tax credits, the numbers reflect changes in numbers of tax units.

^b TANF results include federally-funded benefits, separate-state-program (SSP) benefits funded with state maintenance-of-effort monies, and solely-state-funded (SSF) benefits.

^c LIHEAP benefits are generally provided once per heating or cooling season, not as a monthly benefit.

^d TANF ever-on results could be tabulated with additional effort.

Conclusion

Pennsylvania's proposed FMLI Act covers more than 82 percent of the workforce, greatly expanding access to leave and benefits for workers, particularly lower income workers who are less likely to be covered by employer-provided benefits. Pennsylvania's FMLI Act would also provide a relatively generous benefit due to its high replacement rate (90 percent) for low earners and minimum benefit. However, we project that about 18 percent of workers are not covered under the program because they do not meet the hours worked or earnings requirements (8.4 percent), they are federal workers who are not covered (1.3 percent), or they are self-employed and we assume for modeling purposes that they do not opt-in (8.7 percent). Eligibility would be higher if we estimated that more self-employed workers choose to enroll.

Pennsylvania's proposed FMLI Act is projected to reduce SPM poverty by 15.9 percent for families who receive FMLI Act benefits and reduce the overall state SPM poverty rate by 0.3 percent. It also closes 35.5 percent of the poverty gap for families receiving benefits. Lowering the requirement on the number of hours worked and minimum earnings threshold would improve Pennsylvania's proposed FMLI Act's antipoverty effect. In addition, automatically enrolling self-employed workers would expand access and contribute to greater poverty reduction as well.

The cost of the program is estimated to be about 0.72 percent of taxable payroll, not including administrative costs. The wage cap on taxable earnings generates a less progressive financing system compared with an uncapped wage base. Taxing uncapped earnings could reduce the required tax rate from 0.71 percent to 0.54 percent.

Last, under Pennsylvania's FMLI Act, spending on means-tested programs would decline by \$104 million, partially offsetting the cost of the program. States could consider improving how benefits and EITC policies are coordinated to offset the impact of additional payroll taxes on low-income workers. States could also disregard a portion of PFML benefits for purposes of eligibility in means-tested programs to reduce administrative burden, while continuing to support low-income families with medical and caregiving needs.

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About the Authors

Chantel Boyens is a principal policy associate in the Income and Benefits Policy Center at the Urban Institute. Her current work focuses on interactions between Social Security programs and retirement, pensions, disability, and paid leave policy. Before joining the Urban Institute, Boyens was acting branch chief and senior program examiner in the Income Maintenance Branch of the Office of Management and Budget where she led analysis of Social Security Administration programs and budget, as well as other income security programs in the Departments of Labor, Agriculture and Health and Human Services. Boyens received a master's degree in public policy from American University.

Karen E. Smith is a senior fellow in the Income and Benefits Policy Center, where she is an internationally recognized expert in microsimulation. Over the past 30 years, she has developed microsimulation models for evaluating Social Security, pensions, taxation, wealth and savings, labor supply, charitable giving, health expenditure, student aid, and welfare reform. Smith has played a lead role in the development of the Social Security Administration's Modeling Income in the Near Term microsimulation model, Urban's Dynamic Simulation of Income microsimulation model, and the Social Security Administration's Policy Simulation Model.

Katherine Hueston is a research assistant in the Income and Benefits Policy Center. Her work is primarily focused on the Child Care and Development Fund Database, tracking state and territory child care subsidy policies. She also works on microsimulation modeling of social safety net programs for low-income families. Hueston holds a bachelor's degree in political science from Haverford College.

Lauren Simpson is a research associate in the Income and Benefits Policy Center. She works with the Welfare Rules Database and the TRIM3 Transfer Income Model. Simpson holds a master's degree in public policy from Georgetown University.

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About ATTIS

The Urban Institute’s Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model allows Urban experts to examine how today’s safety net supports US families and how changes to it could affect their economic well-being. By using data and evidence created with ATTIS, today’s decisionmakers are better positioned to advance equitable and effective policy solutions that help individuals and families meet their basic needs. To learn more, visit urban.org/attis.

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500 L'Enfant Plaza SW
Washington, DC 20024
www.urban.org

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