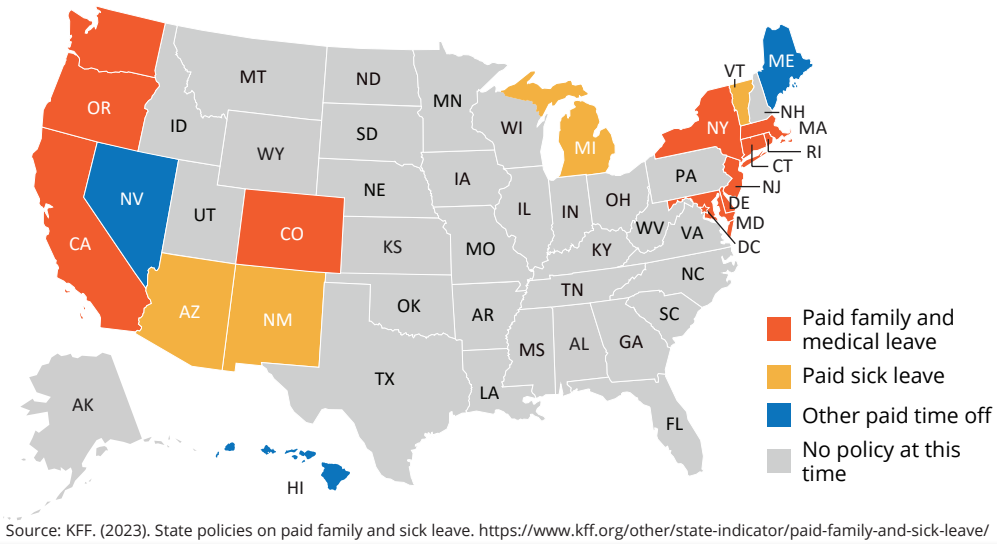
Estimating Use and Benefits of Changes in Family and Medical Leave Policy

As of May 2023, several States and localities have supplemented the Family and Medical Leave Act (FMLA) with paid leave programs that expand eligibility and provide paid leave. Many other States and localities are exploring paid leave programs.

This infographic explains how the Worker Paid Leave Usage Simulation (Worker PLUS) Model can help researchers and policymakers anticipate the benefits and costs of paid leave policies.



Source: KFF. (2023). State policies on paid family and sick leave. https://www.kff.org/other/state-indicator/paid-family-and-sick-leave/

For any State, the number of workers taking paid leave, the duration of leave, and the benefit costs will depend on—

- State leave policy
- Characteristics of the State workforce

How much revenue is raised through payroll taxes and who pays those taxes will depend on—

- Payroll tax rate
- Characteristics of the State workforce

The Worker PLUS Model enables researchers and policymakers to estimate how many individuals will take leave, how much benefits will cost, and what tax rates are needed to finance proposed leave programs.

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Policy Options	**Adopt policies used in another State**	**Develop a paid leave program from scratch**	**Modify paid leave program policies**
Example Policymaker Questions	**How many workers would take leave—and for what reasons—if our State used California's policy?**	**What is the value of paid leave benefits under a proposed paid leave proposal?**	**How many low-wage workers would be affected by a change in our State's paid leave earnings requirement?**

How microsimulation works

Inputs

State leave policy

- Eligibility rules
  - Qualifying leave (own illness, maternity/new child, ill child/spouse/parent)
  - Minimum earnings
  - Employer type (private, self-employed, government)
- Maximum number of weeks
- Wage replacement structure (flat or by wage bracket)
- Weekly benefit cap
- Payroll tax rate

Workforce data

- State worker characteristics (gender, income, disability, etc.) using American Community Survey
- Leave-taking behavior data using FMLA Employee Survey

Policy Simulations

- Apply policies to State worker characteristics to identify eligible population
- Predict leave-taking behavior (model users can select simulation approach, including logistic regression, ridge classifier, random forests, etc.)
- Tabulate characteristics of workers and benefits

Results

- Number of workers and total benefits by reason for leave
- Length of leave by worker gender, age, and wage
- Tax revenue by worker age, wage, gender, and employment type

To access the Worker PLUS Model, visit https://www.dol.gov/agencies/oasp/evaluation/completedstudies/Microsimulation-Model-on-Worker-Leave