



## AB 196: 100% Paid Family Leave

### IN BRIEF

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Assembly Bill 196 would ensure workers utilizing the state's Paid Family Leave (PFL) program can receive full wage replacement during the period of their leave.

### EXISTING LAW

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Paid family leave allows workers to avoid choosing between being present at home to care for their families in times of need or working to make ends meet. Providing workers with access to paid family leave ensures that they are able to take extended leave to care for a new child, recover from a serious illness, or care for an ill family member, while continuing to retain a portion of their wages.

The federal Family and Medical Leave Act (FMLA) provides up to 12 weeks of unpaid leave for workers to care for a sick family member or bond with a new child. However, FMLA only covers employers with 50 or more employees and their full-time employees, which is less than 60 percent of the labor force<sup>1</sup>.

California's Paid Family Leave program, the first of its kind in the United States, covers approximately 18.7 million California workers. If eligible, a worker can receive approximately 60 to 70 percent of wage replacement, up to \$1,252 per week, for up to six weeks within any 12-month period. Repeated surveys of businesses in the state strongly suggest that the existing PFL program has generated cost savings for businesses, particularly when employers coordinated their own benefits with the state PFL program, and other positive effects such as increased productivity and employee retention<sup>2</sup>.

### PROBLEM

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Paid family leave is a hallmark workplace protection, but one that still isn't reasonably accessible for many low- and middle-income workers. An estimated one in six workers claim they experienced one or more instances in the past two years when they needed to take time off from work after the birth or adoption of their child, to care for a

family member with a serious health condition or to deal with their own serious health condition, but were unable to do so<sup>3</sup>. This figure nearly doubles among those with household incomes under \$30,000. Data from the Center for Economic and Policy Research indicates that low-wage workers cannot make use of the PFL program when the need arises because a partially-paid leave "on minimum wage isn't enough to live on"<sup>2</sup>.

It's clear that current rates of wage replacement in California are still too low for workers who survive paycheck-to-paycheck to make use of this benefit. Of the surveyed workers who faced the issue of not being able to utilize family leave, 72% cited that their reason for not taking family leave when they needed to was concerns over loss of wages or salary<sup>3</sup>. Working mothers are disproportionately harmed by this gap in our state's PFL program. This is evident by the fact that one in four mothers feel that they have no choice but to return to their jobs within a mere two weeks of giving birth to make ends meet<sup>4</sup>. However, opting out of the labor force without a guarantee of 100% income replacement is not an option for most Latina, Native American and Black single mothers when they are facing the pressures of being the family's sole provider. Moreover, single mothers of color working low-wage jobs have the highest need for 100% income replacement because they are also balancing the role of primary caregiver for their loved ones.

Not allowing workers access to full pay during leave has serious consequences for their long-term financial security. Even if they utilize the PFL program, many low- and middle-income workers do not have enough savings to offset being out of work for an extended period of time. Over a third of workers who have utilized family leave say they had to use savings they had set aside for a different purpose, cut their leave time short, or take on debt<sup>3</sup>. Nearly a quarter of workers who took family leave say they had to borrow money from family or friends. A vast majority of workers with incomes under \$30,000 were forced to go on public assistance and put off paying their bills.

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<sup>1</sup><https://www.brookings.edu/blog/social-mobility-memos/2016/12/13/what-could-really-help-the-working-class-paid-leave/>

<sup>2</sup> Appelbaum, Eileen, and Ruth Milkman. "Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California."

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<sup>3</sup> <http://www.pewsocialtrends.org/2017/03/23/an-inside-look-at-family-and-medical-leave-in-america-the-experiences-of-those-who-took-leave-and-those-who-needed-or-wanted-to-but-couldnt/>

<sup>4</sup> [http://inthesetimes.com/archives/covers\\_ind/39/08](http://inthesetimes.com/archives/covers_ind/39/08)

## **THE SOLUTION**

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Expanding California's Paid Family Leave program will help ensure financial security for many working families who cannot afford to take unpaid or partially-paid leave. AB 196 would ensure paid family leave is a benefit that all workers can enjoy by guaranteeing 100% wage replacement. This critical policy will enable all workers and their families to meet their health and family needs without sacrificing their economic security.

## **FOR MORE INFORMATION**

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Shubhangi Domokos, Office of Asm. Lorena Gonzalez  
916-319-2080 | [Shubhangi.Domokos@asm.ca.gov](mailto:Shubhangi.Domokos@asm.ca.gov)