May 28, 2019

The Honorable Bill Cassidy  
520 Hart Senate Building  
Washington, D.C. 20510

The Honorable Maggie Hassan  
324 Hart Senate Building  
Washington, D.C. 20510

The Honorable Sherrod Brown  
503 Hart Senate Building  
Washington, D.C. 20510

The Honorable Bob Casey  
393 Russell Senate Building  
Washington, D.C. 20510

The Honorable Catherine Cortez Masto  
516 Hart Senate Building  
Washington, D.C. 20510

The Honorable Mike Crapo  
239 Dirksen Senate Building  
Washington, D.C. 20510

The Honorable Tim Scott  
104 Hart Senate Building  
Washington, D.C. 20510

The Honorable Todd Young  
185 Hart Senate Building  
Washington, D.C. 20510

Dear Senators:

HR Policy Association appreciates your leadership on the paid leave issue and we were delighted to see the formation of the Senate Paid Family Leave Working Group. This is an important development that demonstrates leaders want to arrive at a bipartisan approach around paid family leave for America’s workers.

HR Policy Association is the lead organization representing chief human resource officers of major employers. The Association consists of more than 390 of the largest corporations doing business in the United States and globally, and these employers are represented in the organization by their most senior human resource executive. Collectively, their companies employ more than 11 million employees in the United States, over nine percent of the private sector workforce, and 20 million employees worldwide. They have a combined market capitalization of more than $8 trillion.

Association members have long recognized the value of paid family leave benefits for their employees seeking to balance work and family needs. That flexibility can be essential to any company’s efforts to recruit the best possible talent, and to facilitate an engaged workforce. For these reasons, most large employers already offer robust paid family leave that is more generous than most of the legislative proposals and requirements in play at the state levels.

Large companies are concerned that any federal effort may fail to address a major impediment companies operating in multiple states now have to fashioning the ideal paid leave policies for their employees. Currently, six states and the District of Columbia have paid family leave laws and legislation is pending in many more states. Another 11 states, the District of Columbia and 18 localities also have paid sick leave laws.
Potentially, that’s at least 30 different laws. The resulting problem for multistate companies is not so much the number of days or weeks of paid leave required, but how it must be administered. For example, in California and three other states the benefit is funded by a payroll tax on employees. In contrast, New York and New Jersey laws put the burden on both employers and employees. In addition, the increments of paid leave vary widely among the states. New York requires employers to allow paid family leave to be taken in one full day or one-fifth of the weekly benefit. In contrast, California allows paid family leave to be taken in one-hour increments, while Massachusetts allows for paid intermittent family leave to be taken in certain circumstances at the discretion of the employee.

These and other variations create a formidable challenge for large companies trying to administer consistent benefits for all their employees, regardless of where they work and raises concerns on a number of levels. Beyond the administrative costs imposed by having to fashion multiple systems of paid leave benefits, large companies with multiple operations at dispersed locations can be frustrated in their ability to build a common culture. As was stated in a 2018 McKinsey report on the five key elements of agility on corporations: “Agile organizations create a cohesive community with a common culture.” This is undermined if employees on the same team have varying benefits and experiences.

Finally, any benefits expert will tell you that a structure works best if it is easily understood by employees. Imposing layers of complexity through multiple sets of rules governing how and when leave can be taken undercuts this goal.

In the previous Congress, HR Policy Association supported legislation that would have established a voluntary federal standard providing employers meeting that standard with a safe harbor under state and local laws. Earlier this year, we released a short white paper (linked here) that examines the differences between paid sick, paid family, and paid parental leave, demonstrating how variations in specific components of the leave laws create confusion and compliance uncertainties and difficulties.

Normally, businesses are against “one size fits all” solutions, but in this case uniformity in how paid leave benefits are required to be administered should be an integral component of any federal solution.

Thank you for your leadership on this important issue. If HR Policy Association can help as the Working Group’s efforts move forward, we would be pleased to do so.

Sincerely yours,

Daniel V. Yager
Chief Executive Officer
HR Policy Association