

Paid Family and Medical Leave Insurance in NH: Is a Voluntary Program Sustainable?

Kristin Smith
Research Associate Professor
Family Demographer

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**University of
New Hampshire**

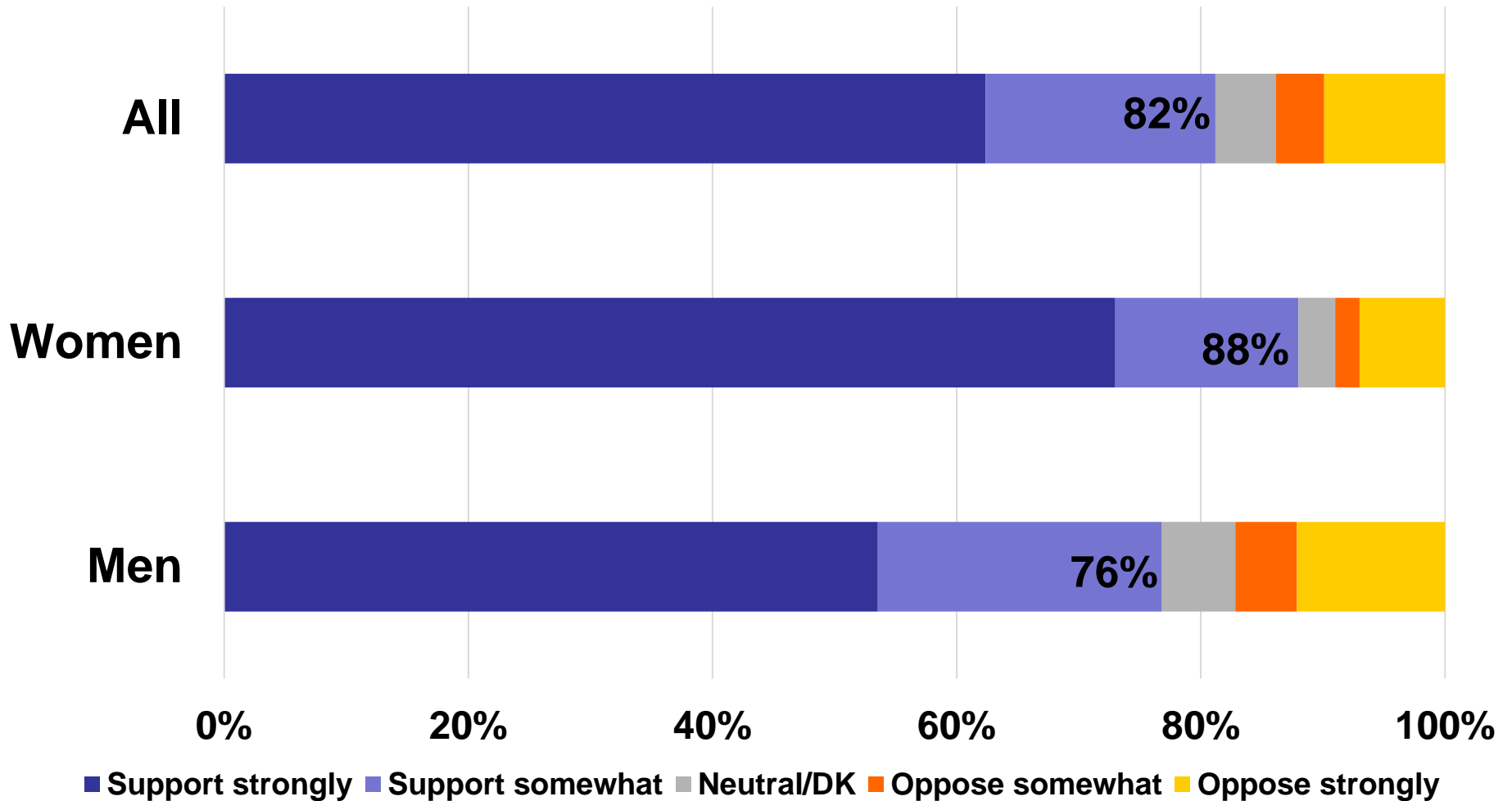
Carsey School of
Public Policy

U.S. DOL Paid Leave Analysis Grant

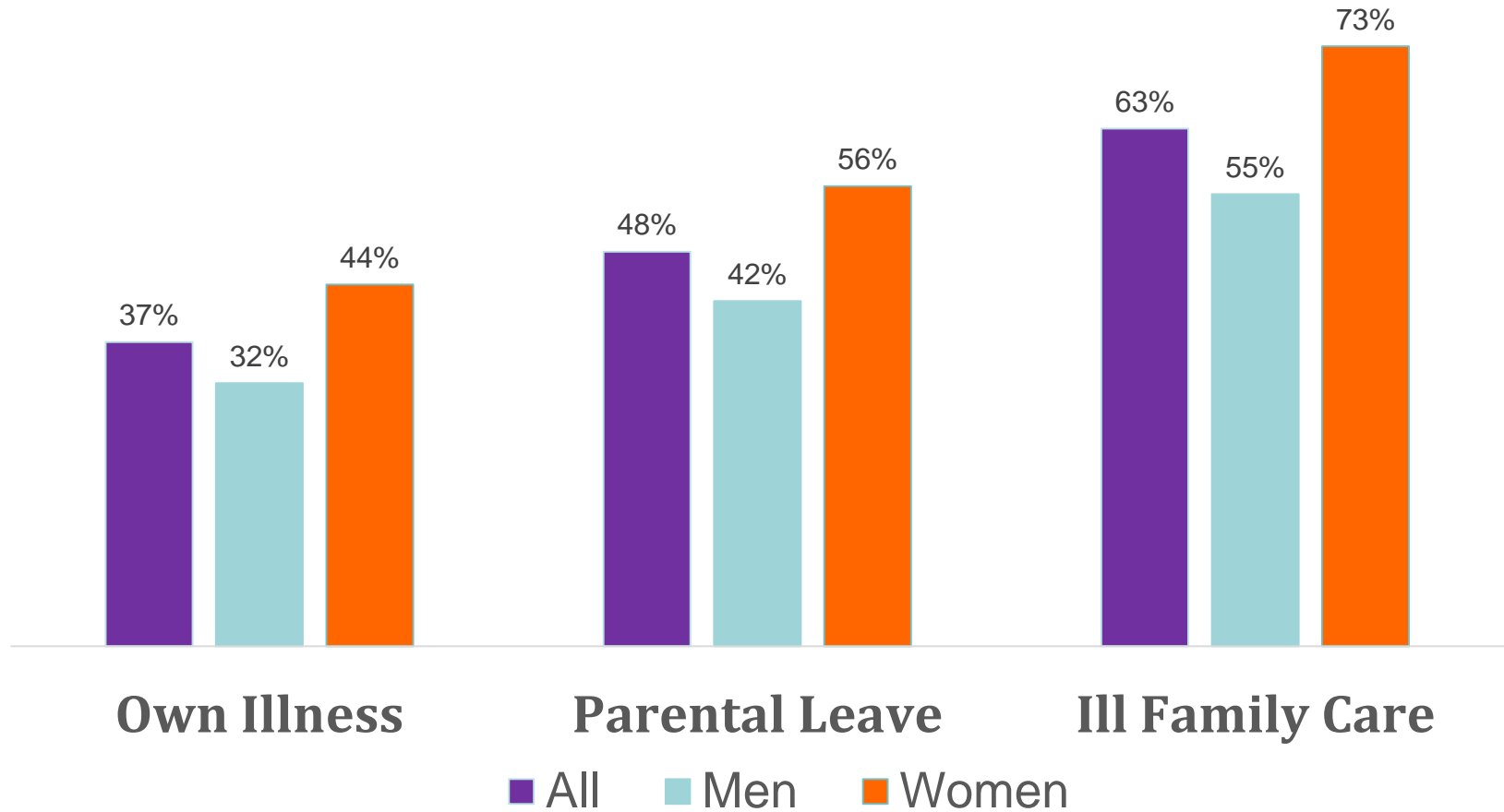
- Analysis of gender differences in support, access and use
- Actuarial analysis
- Educational outreach (stakeholders & summit)



Strong Support for a Paid Family and Medical Leave Law in NH, 2016



Percent of Employed **Lacking** Access to Paid Family and Medical Leave Benefits, NH 2016



Actuarial Analysis

- Simulation models under varying policy scenarios
- Based on *National Study of Family and Medical Leave*, 2012 data
- Uses NH-specific demographic and economic data
- Simulates number of leaves taken, number receiving program benefits, and the costs



Program Parameters

- Length of Leave: **12 weeks**
- Wage replacement: **60%**
- Maximum reimbursement: **\$996.35**
(average private sector wage 2014)
- Definition of family: **employee's child, parent, spouse, or domestic partner**
- Eligibility after 6 months
- No waiting period



Different Model Specifications

Model variation by
firm size

- All, 25+, 50+

Voluntary opt-in

- 35%, 70% of
workers opt-In



Projected Leaves under Varying Policy Scenarios, NH

No Paid Leave Policy	Policy including all employees	Policy including employees in Firms 25+	Policy including employees in Firms 50+
109,430	131,424	128,562	127,736
	Number receiving program benefits		
	43,301	33,504	30,983

Increased use of family leave, some shifting of how covered

Projected Program Costs under Varying Policy Scenarios, NH

Costs	All employees	Employees in Firms 25+	Employees in Firms 50+
Total Cost	\$155.7 million	\$127.4 million	\$118.2 million
Cost as % of earnings per worker	0.52%	0.56%	0.60%
Average weekly premium	\$5.11	\$5.52	\$5.86
Average annual premium	\$266	\$287	\$305

Projected Leaves under Voluntary Opt-In Scenarios, NH

70% Opt-In	35% Opt-In
94,647	51,502
Number receiving program benefits	
32,405	18,012

Much lower number of leaves and use of program benefits

Projected Program Costs under Varying Policy Scenarios, NH

Costs	70% Opt-In	35% Opt-In
Total Cost	\$108.5 million	\$50.5 million
Cost as % of earnings per worker	.67%	.83%
Average weekly premium	\$6.64	\$8.13
Average annual premium	\$345	\$423

Is a Voluntary Program Sustainable?

- Higher premiums for workers
- Those with anticipated need will opt-in & use program
- Too costly for low earning workers
- Need balanced risk pool (both low and high-risk) for sustainable program



Workers Earning \$50,000 annually (\$962 weekly earning)

	Universal	70% OPT-IN	30% OPT-IN
Weekly Premium	\$5.00	\$6.64	\$7.98
Annual Premium	\$260	\$345	\$415
Weekly Benefit	\$577	\$577	\$577

Take-Away from Simulations

- Shared costs reduce overall burden, maximize program use
 - Firm size
 - All inclusive
- Opt-in policy has limited reach
- \$5.11 per week on average (Universal)





NH Paid Leave Analysis grant team:

- Carsey School of Public Policy at UNH
- Legislative Task Force on Work and Family
- NH Employment Security
- NH Women's Foundation
- IWPR
- U-Mass, Boston
- MomsRising
- Campaign for Family Friendly Economy



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