



## The ERISA Industry Committee

*Driven By and For Large Employers*

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July 24, 2018

Senate Committee on Finance  
Attn. Editorial and Document Section  
Rm. SD-219  
Dirksen Senate Office Building  
Washington, DC 20510

Ladies and Gentlemen,

The ERISA Industry Committee (ERIC) appreciates the opportunity to submit a statement for the record for the hearing held on Wednesday, July 11, 2018 before the Senate Finance Subcommittee on Social Security, Pensions, and Family Policy, entitled “**Examining the Importance of Paid Family Leave for American Working Families.**”

ERIC is the only national association that advocates exclusively for the nation’s largest employers on health, retirement, and compensation public policies at the federal, state, and local levels. Our members provide generous paid leave benefits to tens of thousands of workers across the country, and therefore have a strong interest in laws and policies that affect their ability to offer competitive paid leave benefits to their employees. Large employers continue to be at the forefront of employee benefits. Through paid family leave and short and long-term disability policies, large employers are stepping up and providing important safety net benefits for their employees. A number of these large employers work in almost every state and are therefore subjected to newly adopted state government mandates on paid family and medical leave. These mandates are imposing significant and unnecessary compliance burdens through one-size-fits-all models that have the potential to cause employers to adversely alter their employee benefits.

The conversation about a national paid family and medical leave law is an important one. It has been twenty-five years since the Family and Medical Leave Act (FMLA) was signed into law, guaranteeing millions of Americans unpaid leave from work to care for themselves or a close family member. Since FMLA, however, there has been a greater importance placed on paid family leave and what it can mean for both employees and employers. Large employers saw the benefit of offering this voluntary benefit and have been doing so for years. Large employers that operate in more than one state do their best to maintain a national policy that satisfies the growing number of state mandates. Uniformity is key for employers that want to provide the same benefits package to employees regardless of geographic location. A national standard would ensure the greatest type of uniformity and lessen the patchwork effect that is currently being promulgated.

Any national paid family and medical leave law should account for and shield those employers that have already been providing paid family and medical leave benefits. This is most easily achieved through federal preemption. An employer that satisfies a federal standard for paid family leave should be deemed to have satisfied any state law that governs the same type of paid family leave for employees.

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However, should preemption be unachievable, a federal paid family and medical leave law should establish a social insurance program rather than a strict government mandate. A social insurance program could utilize existing infrastructure (e.g., unemployment insurance) and government resources, which would lessen the burdens and costs to employers. Furthermore, the funding of benefits through a federal program should be the sole responsibility of employees as the ultimate beneficiaries. As the individuals receiving the wage replacement while away from work, it should be from their wages that amounts are deducted to ensure the solvency of a central fund from which benefits are paid.

Ultimately, we share the goal of increasing access to paid family and medical leave to employees of private-sector employers. But, for employers that already provide a family and medical leave through their own policies, it is important that they can continue designing and maintaining plans that work effectively and efficiently based on the needs of their workforces and the industries in which they operate.

ERIC appreciates the opportunity to provide a statement for the record. If you have any questions concerning our comments, or if we can be of further assistance, please contact me at (202) 627-1930 or [whansen@eric.org](mailto:whansen@eric.org).

Sincerely,

A handwritten signature in cursive script that reads "Will Hansen".

Will Hansen  
Senior Vice President, Retirement & Compensation Policy