THE ERISA INDUSTRY COMMITTEE
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Statement by The ERISA Industry Committee to the U.S. House Committee on Ways and Means, Subcommittee on Worker and Family Support Legislative Subcommittee Hearing on Universal Paid Leave and Guaranteed Access to Child Care

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Chairman Davis, Ranking Member Walorski, and members of the House Ways and Means Subcommittee on Worker and Family Support, thank you for the opportunity to submit a statement for the record on behalf of The ERISA Industry Committee (ERIC) on paid leave. ERIC is the only national association that advocates exclusively for large employers on health, retirement, and compensation public policies at the federal, state, and local levels. ERIC's members are leaders in every industry sector and provide comprehensive retirement and health benefits to tens of millions of active and retired workers and their families across the country. As such, ERIC has a strong interest in policies that impact employers' ability to administer paid leave and other benefits to a nationwide workforce.

ERIC member companies are large employers that voluntarily provide and pay for generous paid leave benefits to their nationwide workforce. In a recent survey of ERIC member companies, 100 percent provide access to both short-term and long-term disability leave to address a serious personal medical incapacity; 90 percent provide paid parental leave to care for or bond with a newly born or adopted child; and 65 percent provide paid family leave to care for a family member with a serious medical illness. In addition to paid leave, many large employers offer additional leave, including wedding leave, sick leave, safe leave, maternity leave, school activity leave, bereavement leave, and general paid time off.

We write to support an exemption or safe harbor from state and local paid leave laws for employers that already voluntarily offer paid leave benefits. An ever-increasing patchwork of state and local paid leave mandates is threatening voluntary, private paid leave programs due to the compliance burdens and operational costs. There are currently ten separate state paid family and medical leave insurance programs that have been enacted across the country and over 20 additional states considering such programs. Despite the fact that most large employers already provide paid leave, they are forced to comply with these state and local mandates that are typically targeted at employers that do not already offer paid leave. This situation creates a compliance nightmare for employers, especially those with workers in many states.

For example, recordkeeping requirements can provide an enormous burden for multistate employers. Due to myriad paid family and medical leave reporting requirements in a variety of states, employers who operate in multiple states must maintain differently structured digital recordkeeping systems. Those systems must be maintained separately from one another, without data-sharing capabilities. To detail the many issues that multistate employers face, ERIC issued a white paper entitled, *Paying the Way: Large Employers and the State Paid Leave Patchwork*, which includes survey results and input from large employers with a nationwide workforce.

Large, multistate employers want to offer employee benefit parity – equitable, generous benefits to all of their employees regardless of where they live or work. In addition to employee recruitment, retention, and increased productivity, a significant reason for this desire stems from the value of employee transferability between different locations when an opportunity for promotion or transfer becomes available or when an employee wants to relocate due to personal reasons. With more employees working remotely and regular changes in location becoming more prevalent in a modern workforce, benefit parity will become an increasing issue. Because the current patchwork of state paid family and medical leave programs results in benefit structures that vary widely by jurisdiction, employers that wish to maintain parity of benefits between employees in different states have to perform a resource-intensive balancing act to ensure that:

- Employees in one state are not receiving inferior benefits compared to their counterparts in another state because of differences in state program standards

- Employees are not dissuaded from accepting an otherwise desirable relocation offer because they are wary of the difference in available employee benefits

Therefore, ERIC calls on Congress to ensure that any federal paid leave laws do not add another layer to the already impossible maze of state and local paid leave laws and mandates. Rather, employers should be able to use a single standard for paid leave rules instead of a patchwork of conflicting rules and regulations. An ever-increasing patchwork of state and local paid leave mandates threatens voluntary paid leave programs due to the operational costs and challenges that are necessary for compliance. Furthermore, these mandates often do not increase the benefits that are already provided to employees and frequently have a disproportionate effect on compliance and administrative costs. Consequently, employees who previously received paid leave benefits through their employers are experiencing disruption, confusion, and, in some cases, a decline in paid leave benefits as employers are forced to restructure these benefits.

We urge Congress to pass federal paid leave legislation that creates a national exemption or safe harbor from state and local paid leave laws for employers that already voluntarily offer paid leave benefits. This approach supports the continued ability of employers to provide generous employer-funded paid leave benefits to their nationwide workforce.

Thank you again for raising the important topic of paid leave and for the opportunity to share our expertise and concerns. We look forward to furthering discussions with you and all interested parties to ensure that legislation supports rather than hinders the ability of employers to continue to provide paid leave benefits. If you would like to discuss our concerns or our paper, please do not hesitate to contact me at arobinson@eric.org or (703) 899-7780.

Sincerely,

Aliya Robinson

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