

Appendix B: Other Approaches to Administering PFML Benefits Prepared by Hadley Manning, Director of Policy, Independent Women’s Forum December 25, 2019

Task force members who voted in the minority against the social insurance model believe lawmakers should consider other policy changes to broaden access to PFML. We spent a great deal of time examining one private-sector solution offered by Pinnacol Assurance. Please see the [memo](#) and [actuarial analysis](#) of a market-based PFML plan provided by Pinnacol for more information.

Other approaches to broadening PFML that state lawmakers may consider:

State Level

- Offering tax credits to employers to incent them to offer or reward them for offering paid family and medical leave. This solution has been offered as a bill in past legislative sessions by Rep. Susan Beckman, Rep Landgraf, and Sen. Priola.
- Offering tax-free savings vehicles similar to health savings accounts (HSA) at the state level that would encourage workers to save ahead for family/medical leave. This solution has been offered as a bill in past legislative sessions. The state could also consider funding or matching contributions for low-income workers.
- Reforming and expanding existing social safety net programs designed to help low-income workers and families (such as Medicaid, childcare supports, etc.) to provide income support during family/medical leaves. Coupled with enhanced job protection, a targeted safety-net solution would better expand access to PFML to low-income workers without disrupting the existing benefits that are presently more widely available to those with higher incomes. Or the state could establish a new non-universal entitlement that would tax all workers but offer benefits only to those with the lowest incomes.

State lawmakers should be aware that there is a dynamic debate about this issue at the federal level as well, as context for the debate in our State. Sen. Kirsten Gillibrand has sponsored the FAMILY Act that would create a national social insurance program. But alternative proposals on PFML at the national level include:

- Reforming Social Security to allow workers to take Earned Parental Leave Benefits after the addition of a new child in exchange for one day delaying their retirement benefits. This solution is offered as a bill sponsored by Sens. Rubio and Romney and Reps. Wagner and Crenshaw, among others.
- Reforming the Child Tax Credit to offer parents a large benefit upon the addition of a new child in exchange for reduced future Child Tax Credits. This solution is offered as a bipartisan bill sponsored by Sens. Cassidy and Sinema.
- Reforming the Fair Labor Standards Act to give private-sector workers the option to accrue 1.5 times paid time off instead of 1.5 times pay for overtime hours worked. This solution is offered as a bill sponsored by Sen. Mike Lee.
- Reforming savings vehicles such as HSAs to allow workers to use funds to support their families during family and medical leaves from work and to make these accounts more attractive and useful to workers with lower incomes. This solution is offered as a bill, the Freedom for Families Act, sponsored by Rep. Andy Biggs.

A minority of Task Force members would implore lawmakers to fully consider alternative models and their impacts on equity, affordability, accessibility and adequacy for employers and employees with different demographic compositions before creating a universal social insurance program in Colorado.