



## Comparison of Federal Paid Family and Medical Leave Proposals

January 2020

	<b>FAMILY Act</b>  <a href="#"><u>(S. 463/H.R. 1185)</u></a>	<b>New Parents Act</b>  <a href="#"><u>(S. 920/H.R. 1940)</u></a>	<b>Advancing Support for Working Families Act</b>  <a href="#"><u>(S. 2976/H.R. 5296)</u></a>	<b>Child Rearing and Development Leave Empowerment (CRADLE) Act</b>  <a href="#"><u>(Discussion draft)</u></a>
	<p><i>Uses new revenues to create a self-sustaining fund that would allow new parents, family and military caregivers and individuals with serious health conditions to take up to 12 weeks of paid leave. Individuals who take this leave would face no additional fees or penalties.</i></p>	<p><i>Uses current Social Security revenues to pay for a parental leave benefit. Individuals who take this leave would have their Social Security retirement age increased, which is a benefit cut, or face reduced monthly Social Security retirement benefits.</i></p>	<p><i>Allows new parents who are eligible for the Child Tax Credit (CTC) to take an advanced CTC of up to \$5,000 after birth or adoption. Households that take this option face an annual cut to their CTC for ten or more years.</i></p>	<p><i>Uses current Social Security revenues to pay for a parental leave benefit. Individuals who take this leave would have their Social Security retirement age increased, which is a benefit cut.</i></p> <p><b>*Note: The bill is a four-year pilot program.</b></p>
<b>Uses</b>	All FMLA purposes: maternity paternity, family, self-care and military deployment qualifying exigencies	Leave to care for a new child through birth or legal adoption	Cash advance of future tax credits for a new child through birth or legal adoption	Leave to care for a new child through birth or legal adoption
<b>Duration</b>	Up to twelve weeks annually (1-week waiting period required)	One, two or three months, within the 1-year period starting the month after the birth or adoption	None; this is a one-time financial benefit not tied to a period of leave from work, and would be received when the Internal Revenue Service processes the taxpayer's tax return	One, two or three consecutive months, beginning within the 90-day period following birth or adoption

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<b>Benefits</b>	Workers receive 66 percent of their highest annual earnings over the last three years, up to \$4,000/month; minimum benefit of \$580/month.	Beneficiaries receive their “primary insurance amount” (according to Social Security program benefit calculation) for each month they take leave. This is the same amount they would receive for the month before their application was received, as if they were 62 and eligible for Social Security retirement benefits.	<p>Taxpayers eligible for the full CTC can elect to receive an advanced credit of up to \$5,000.</p> <p>Those with low incomes would receive a benefit of 25 percent of their earned income.</p> <p>For those adopting children over the age of five, the maximum benefit is reduced by \$500 for each year by which the child’s age at adoption exceeds five.</p>	<p>Beneficiaries receive an amount equal to their “primary insurance amount” (according to Social Security program benefit calculation) each month – this is the amount they would receive for the month preceding the benefit period, as though they had become eligible for a Social Security Disability Insurance benefit in that month.</p> <p>The amount of the benefit cannot exceed an amount equal to: the claimant’s average indexed monthly earnings <i>minus</i> any similar paid family or medical leave benefits provided by an employer or a state or other government program, in that month.</p>
<b>Employment Protections</b>	Prohibits employers from retaliating against employees who apply for, use or express an intent to apply for or use FAMILY Act benefits	None	None	None
<b>Funding</b>	New revenues via .4 percent payroll tax increase split equally between employees and employers at average cost of \$1.50	No new revenues will fund the benefit.	No new revenues will fund the benefit. Taxpayers who claim an advanced CTC credit would pay for	No new revenues will fund the benefit. Individuals who take a parental leave benefit would face an increase to their early, standard

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	<p>each per week per employee. Self-employed would pay full .4 percent contribution.</p>	<p>The benefit will be offset in one of two ways: (1) the individual's monthly old-age benefit for up to the first five years of payments will be reduced by an amount that Social Security determines necessary to fully recover the cost to the Trust Fund, or (2) the individual's retirement age will be increased by the number of months Social Security determines necessary to fully recover the cost to the Trust Fund.</p> <p>If the cost cannot be recovered by either method, the Commissioner may recover the cost by any means available to the Commissioner under section 204 of the Social Security Act.</p> <p><a href="#">An analysis</a> by the Urban Institute of a similar proposal estimated that for a 12-week leave period, the retirement age increase would total 20-25 weeks, which is equivalent to a lifetime cut of about 3 percent to Social Security retirement benefits for each leave taken.</p>	<p>their cash advance in subsequent tax years.</p> <p>Taxpayers would face an increase to their federal income tax liability of one-tenth of the benefit received for the 10 years following receipt of the advanced credit (or for low-income taxpayers, one-fifteenth of the benefit for 15 years). Other tax credits cannot be applied against these offsets.</p> <p>For a taxpayer claiming the full \$5,000 advanced credit, this would in effect mean a cut to their CTC of \$500 for 10 years.</p> <p>In the case of a jointly filed tax return, half of the CTC increase will be treated as being received by each individual filing the return.</p> <p>This increase does not apply to tax years after the death of the taxpayer or of the child for whom the advanced credit was claimed. A taxpayer may apply for a deferment of one year in any tax year in which their earned income is more than 20 percent less than in the preceding year; no more</p>	<p>and delayed age of eligibility for Social Security retirement benefits of two months, for each month of benefits claimed.</p> <p>To make up the shortfall in the Social Security Trust Fund from benefit payments, transfers will be made from the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund.</p>

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		<p>The bill contains no provision to make up the shortfall in the Social Security Trust Fund due to the delay between when parental benefits are paid and retirement benefits are cut.</p> <p>No application for benefits may be filed if the OASDI trust fund ratio (defined in section 215(i) of the Social Security Act) for that year or the following year is less than 20 percent.</p>	<p>than three deferments are allowed per advanced credit.</p>	
<b>Program Administration</b>	<p>New office of paid family and medical leave that would receive applications, make benefit determinations and pay claims – modeled on state programs</p>	<p>The Social Security Administration would administer the benefit, but the bill does not provide any new funds for program administration.</p>	<p>The Internal Revenue Service would administer the benefit. The bill instructs the Treasury to expedite the processing of refunds in connection with the advanced credit and to enable taxpayers to claim an increased credit “as soon as practical after the birth or adoption of a child” through an online process, but does not provide any new funds to establish this application system or for program administration.</p>	<p>A new Office of Paid Parental Leave Policy would be established within the Office of the Deputy Commissioner, Retirement and Disability Policy of the Social Security Administration. The bill does not provide any new funds to establish this office or for program administration.</p>

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