

Reform of New York's
Temporary Disability
Insurance Program and
Provision of Family Leave
Insurance: Estimated Costs
of Proposed Legislation

Technical Supplement



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I. Introduction

This document explains the process used to estimate costs to enhance temporary disability insurance (TDI) and provide partial pay for family leaves in New York State. It accompanies and serves as the technical supplement for the Fiscal Policy Institute's *Reform of New York's Temporary Disability Insurance (TDI) Program and Provision of Family Leave Insurance, Estimated Costs of Proposed Legislation*. It also serves as the methodological explanation for 1) *Cost Estimates for Changes to New York's Temporary Disability Insurance (TDI) and Implementation of Family Leave Insurance* (January 3, 2014) and 2) addendums to that document based on the proposed increase to the wage replacement rate in New York State.

Legislation passed by the New York State Assembly and introduced in the Senate in 2014¹ would increase the TDI weekly wage replacement rate and the maximum weekly benefit and provide employee-funded family leave insurance (FLI) at the same level of benefits proposed for TDI. Specifically, the proposed legislation would:

- increase the wage replacement rate from its current level of 50 percent to 67 percent, or two-thirds, of a worker's weekly wages;
- increase the current cap in weekly benefits from \$170 to half of New York's average weekly wage over a four-year period; and,
- expand TDI to cover up to 12 weeks of family leave to bond with a new child and to care for a seriously ill family member.

The estimation of costs of the proposed legislation relies on using paid family and medical leave experience in California and New Jersey, the two states at the time of this analysis that provide both TDI and FLI.² (In July 2013, Rhode Island expanded its temporary disability insurance program by providing partially-paid family leave as of January 1, 2014.) This cost analysis integrates also the expected impact of differences and similarities among these two states and New York in 1) the features and utilization of their TDI and FLI programs, and 2) their workforce characteristics. After review of this information, the methodology for estimating the costs of employees utilizing TDI and FLI in New York under A 1793B and S 4742B will be described, along with issues that may affect cost projections.

¹ Bill A1793B-2013 passed the Assembly and was delivered to the Senate (S4742-2013) on March 5, 2014. See <http://open.nysenate.gov/legislation/bill/A1793B-2013>. When this document cites "proposed legislation," it refers to these bills.

² California provides State Disability Insurance which encompasses both the short-term, or temporary, Disability Insurance (DI) program and the Paid Family Leave (PFL) program. In this document, TDI refers to Temporary Disability Insurance in New York and New Jersey and California's DI program. FLI refers to Family Leave Insurance in New Jersey and PFL in California.

The following sections in this technical supplement present:

- the features of existing and proposed TDI and FLI programs in California, New Jersey and New York;
- the coverage and utilization experience under the state plans for these programs in California and New Jersey and for workers with the minimum level of TDI coverage required by state law, i.e. statutory TDI coverage, provided by insurance carriers in New York;
- the workforce and demographic composition of these three states;
- the methodology for applying this information to estimate the components of temporary disability and family leaves;
- the resulting projected total and per employee benefit costs from the above estimation;
- the potential role of administrative costs and profit;
- the impact of estimated increases in benefit costs on current TDI premiums;
- background material including original data from state agency sources (in the appendix); and
- sources of information.

II. Features of TDI and FLI Programs

As set out in the table below, the features of the TDI and FLI programs vary among the three states.

In 2012	Wage replacement rate, as proportion of weekly wage	Maximum weekly benefit	Maximum leave (weeks): TDI	Maximum leave (weeks): FLI
California	55%	\$1,011	52	6
New Jersey	67%	\$572	26	6
New York, current	50%	\$170	26	Not applicable
New York, proposed ³	67%	\$603	26	12

See *Temporary Disability Insurance and Family Leave Insurance Programs: as of January 1, 2014* in the appendix, for updated information on maximum weekly benefit amounts for these three states and other states with temporary disability and/or family leave insurance programs. Since 2012 is the most recent year for much of the data used in this analysis, including average weekly wage in New York State, 2012 maximum weekly benefit amounts are used to estimate costs under implementation of the proposed legislation. See treatment of wage inflation in this cost analysis in section IV.

³ This represents what the approximate maximum weekly benefit amount (MWBA) would have been in 2012 during year four of the proposed legislation (when the increase in MWBA would be fully phased-in); \$603 represents 50 percent of New York State's average weekly wage, then \$1,204.81.

III. Coverage and Utilization in California, New Jersey and New York

A. Coverage

The basis, method and extent of coverage for temporary disability and family leave insurance vary among California, New Jersey and New York. See summary below. State agency sources listed at the end of this report provide links to agency websites and annual reports that provide this and additional information on the level and composition of such coverage. Tables in the appendix also provide further detail.

Coverage for Temporary Disability and Family Leave Insurance Programs: California and New Jersey, number of workers

FIGURE 1

California, TDI & FLI	Private Plan	State Plan	Elective Coverage	Total	Private Plan as % of Total	State Plan as % of Total	Elective Coverage as % of Total
2011	473,998	11,804,020	8,052	12,286,070	3.9%	96.1%	0.07%
2012 [1]	458,577	12,237,263	7,611	12,703,451	3.6%	96.3%	0.06%
2013 [1]	470,951	12,688,000	7,368	13,166,319	3.6%	96.4%	0.06%

New Jersey, TDI	Private Plan	State Plan	Total	Private Plan as % of Total	State Plan as % of Total
2011	591,000	2,711,500	3,302,500	17.9%	82.1%
2012	597,500	2,741,300	3,338,800	17.9%	82.1%
2013 [1]	606,400	2,782,400	3,388,800	17.9%	82.1%

New Jersey, FLI	Private Plan	State Plan [1]	Total	Private Plan as % of Total	State Plan as % of Total
2011	13,518	3,668,100	3,681,618	0.4%	99.6%
2012	11,381	3,710,700	3,722,081	0.3%	99.7%
2013 [1]	12,000	3,766,000	3,778,000	0.3%	99.7%

[1] For New Jersey, the 2013 figures are estimated; for California, the following figures are estimated: private (voluntary) plan, 2012 and 2013; state plan, 2013; elective coverage, 2013.

In California, employers provide coverage for their workers' temporary disability and family leaves through a state-administered plan, voluntary plans or elective coverage. The state disability insurance program, or SDI, provides temporary disability and family leave insurance at the statutory levels of benefits indicated on page 2. Voluntary, or private, plans which must be approved by the state Employment Development Division, provide benefits beyond statutory requirements. Approximately 96 percent of all coverage is through SDI while almost four percent occurs through voluntary plans. Elective coverage is available to a small number of people (less than 0.1 percent of all coverage), primarily employers, self-employed persons and people working under family employment.

Through their collective bargaining agreements, various units of state employees have negotiated coverage for temporary disability and paid family leave through the state-administered SDI plan

(see link for this information in Sources). For overall coverage data, see above table and *California: Disability Insurance Utilization* in the appendix for additional years of state plan coverage data.

In New Jersey, except for local government employees, temporary disability insurance is required for all workers; such coverage is provided through the state's TDI plan or through private plans where available benefits must be equal to or greater than statutory coverage under the state plan. The state plan provides 82 percent of total TDI coverage and employers' private plans provide the remaining 12 percent.

Employers who are subject to New Jersey's unemployment compensation law are also required to provide family leave insurance; this results in a larger number of covered workers for this program than under TDI but the same methods for coverage exist. The State Plan provides 99.6 percent of family leave insurance while private plans provide 0.4 percent. See previous table and *Employee and Employer Contributions, State Plans* in the appendix for additional years of state plan coverage data.

With very limited exclusions and the exemption of state and local government employees, New York's disability benefits law requires all private sector workers to have temporary disability insurance; employers that are not required to provide coverage may do so voluntarily. Statutory and greater than statutory coverage (known as 'plan' coverage) are provided through 1) insurance carriers, including the state-owned New York State Insurance Fund, which acts as a competitive insurance carrier, and 2) employers who decide to self-insure after approval by the New York State Department of Financial Services.

In 2007 through 2009, insurance carriers provided 87 percent of all TDI coverage and employers who self-insured provided the remaining 13 percent (complete data are not available for 2010 and 2011). *Statutory* coverage provided by insurance carriers represented 76 to 77 percent of *all* TDI coverage. In 2011, between 5.6 and 5.8 million workers were covered by statutory coverage (this includes coverage provided by the State Insurance Fund, which covered over 597,000 employees in 2011). See table on next page and additional detail on level of coverage by large self-insurers and specific carriers in the appendix.

Under the proposed legislation, family leave insurance would be provided to the same workers that are covered currently for temporary disability. Public sector workers could receive such coverage through action taken by their employers or through their representative organizations, or unions, who are able to "opt-in" for FLI coverage.

In California, New Jersey and New York, there are varying proportions, or groups of employees, in the workforce for whom temporary disability or family leave insurance is not required. Therefore, when determining and comparing actual and projected *rates* of utilization across the three states, it is important to use the number of *covered* workers, rather than total workers in the workforce, to make this calculation.

TDI Coverage of Workers in New York State

FIGURE 2

New York State Workers' Compensation Board (WCB) Aggregated Data

	By Insurance Carriers			By Self-Insurers			All
	Statutory	Plan	Total	Statutory	Plan	Total	Grand Total
2007	5,619,150	694,719	6,313,869	523,366	440,304	963,670	7,277,539
2008	5,518,984	764,128	6,283,112	557,684	405,021	962,705	7,245,817
2009	5,453,317	824,885	6,278,202	519,191	383,556	902,747	7,180,949

WCB Raw Data Aggregated by FPI

	By Insurance Carriers		
	Statutory	Plan	Total
2010	5,575,000	675,000	6,250,000
2011	5,635,000	650,000	6,285,000

Raw data on self-insurers is not sufficiently accurate to aggregate.

New York State Department of Financial Services (DFS) Data

	By Insurance Carriers		
	Male	Female	Total
2010	3,110,809	2,757,890	5,868,699
2011	3,058,204	2,710,465	5,768,669

Coverage is described by DFS as "precisely and substantially statutory combined".

B. Utilization

Complete or similar data on all aspects of utilization are not available across California, New Jersey and New York. However, data on TDI and FLI usage under the *state plans* in California and New Jersey are made available through relevant state agencies' websites and through requests to these agencies and/or legislative staff that study these data (see appendix). Because utilization under these state plans is based on *known* statutory features or standards (see page 2), data on this experience is used in this study along with data on utilization under statutory TDI coverage provided by insurance carriers in New York State. These data are aggregated for 2007 through 2011. (Use of TDI for pregnancy during this period is available through raw data only for 2010 and 2011.) The table below presents these data for 2011; 2009 and 2010 data are in the appendix.

The following shortcomings exist for examining utilization under other forms of coverage in New York. Aggregated data for TDI utilization under self-insurers are available for 2007, 2008, and 2009; however, such data on use of TDI *for pregnancy* are not available. Moreover, aggregated and/or raw data on either total use of TDI or use of TDI for pregnancy under self-insurers are either not available or not reliable for 2010 forward. Additionally, the range of or specific benefits provided through TDI *plan* coverage by insurance carriers in 2007 through 2009 are not known even though general utilization data under this level of coverage exist.

As summarized earlier, coverage and utilization data under the state plans in California and New Jersey are adjusted and applied to existing utilization under statutory coverage provided by insurance carriers in New York State. A summary of current utilization in the three states follows the table on 2011 utilization in New York.

New York State: TDI Claims Covered by Insurance Carriers, 2011

FIGURE 3

	Total Claims	Statutory Claims	Plan Claims
All Claims			
Indemnity Claims Allowed	201,084	182,604	18,480
Weeks of Indemnity Paid	1,684,866.45	1,526,572.95	158,293.50
Amount of Indemnity Paid	\$270,984,892	\$231,380,338	\$39,604,554
Average Weeks Per Claim	8.38	8.36	8.57
Average Weekly Benefit Paid	\$160.83	\$151.57	\$250.20
Number of Covered Employees [1]	6,288,161	5,635,000	653,161
Claims Allowed Per Covered Employees	3.20%	3.24%	2.83%
Pregnancy Claims			
Indemnity Claims Allowed	57,869	53,565	4,304
Weeks of Indemnity Paid	422,243.50	392,522.40	29,721.10
Amount of Indemnity Paid	\$67,152,235	\$59,697,171	\$7,455,064
Pregnancy Claims as % of Total Claims	28.8%	29.3%	23.3%
Average Weeks Per Claim	7.30	7.33	6.91
Average Weekly Benefit Paid	\$159.04	\$152.09	\$250.83

[1] Statutory figure approximates actual figure. This measure was estimated for one insurance carrier that did not provide this data; based on other data pertaining to this carrier, the carrier has an extremely small share of such coverage. This estimation did not affect calculation of take-up rate.

Source: Fiscal Policy Institute compilation of raw data provided by the New York State Workers' Compensation Board.

2011 Utilization [1]

FIGURE 4

Temporary Disability Insurance

	Number of Claims	Average Length of Leave (weeks)	Average Benefit Amount	Number of Covered Workers	Take-up Rate = Claims/ Covered Workers
California	655,822	15.48	\$448.00	12,020,642	5.46%
New Jersey	101,065	10.10	\$419.80	2,711,500	3.73%
New York	182,604	8.36	\$151.57	5,635,000	3.24%

By type of claim:

	Pregnancy			Other own health		
	Number of Claims	Average Length of Leave (weeks)	Average Benefit Amount	Number of Claims	Average Length of Leave (weeks)	Average Benefit Amount
California	167,811	10.70	NA	488,011	17.12	NA
New Jersey	23,749	9.70	\$402.89	77,316	10.20	\$425.69
New York	53,565	7.33	\$152.09	129,039	8.79	\$151.35

Family Leave Insurance

	Number of Claims	Average Length of Leave (weeks)	Average Benefit Amount	Number of Covered Workers	Take-up Rate = Claims/ Covered Workers
California	200,246	5.35	\$497.00	12,020,642	1.67%
New Jersey	30,566	5.10	\$481.18	3,668,100	0.83%

By type of claim:

	Bond with new child			Care for other family		
	Number of Claims	Average Length of Leave (weeks)	Average Benefit Amount	Number of Claims	Average Length of Leave (weeks)	Average Benefit Amount
California	183,421	NA	NA	26,746	NA	NA
New Jersey	24,576	5.30	\$492.64	5,990	4.10	\$441.46

[1] Utilization under the state plans in California and New Jersey, and under statutory coverage provided by insurance carriers in New York; represents coverage and utilization during the 2011-12 state fiscal year for California.

C. Workforce and demographic composition

Overall, there are strong similarities in the demographic and workforce profiles of California, New Jersey and New York. This supports the general application of temporary disability and family leave experience in California and New Jersey to New York.

A review of these programs' utilization in the three states indicates that: 1) TDI leave is taken primarily by women, not only for pregnancy but also for the majority of non-pregnancy purposes; and, 2) most family leave is taken by women to bond with a new child.⁴ Given these facts, characteristics of the female paid workforce in these states are given particular consideration prior to the cost estimation process.

United States Census Bureau's American Community Survey (ACS) data are used to look at the workforce compositions of the three states by age, gender, race/ethnicity, fertility and wage level. ACS state population data and state-level data sources supplement the workforce data for New York, New Jersey and California.

This review results in specific adjustments during the cost estimation process; for instance, because of the difference in workforce fertility rates, these data are used when projecting take-up of family leave in New York. Otherwise, differences in workforce composition among the three states are accommodated by projecting a range of estimates for the components of total benefit costs.

In terms of age, gender and wage level, differences among the three states' workforces are slight. The composition of New York's workforce by age and wage level falls in between that of the workforces in New Jersey and California. New York workers are slightly younger than those in New Jersey and somewhat older than their California counterparts. With respect to earnings, New York's workers' wages are lower than New Jersey's and higher than California's. New York's workforce is slightly more female than those in New Jersey and California.

More significant are the similarities and differences in the race/ethnic composition of the female workforces in New York, New Jersey and California and the fertility rates of the major race/ethnic groups, affecting the overall fertility and birth rates in each state. Total birth and workforce fertility rates are higher in California than in New Jersey and New York, where these rates are very similar. Finally, New York and New Jersey share employers and labor markets, and employees in both states receive similar employer-provided benefits. See the review of specific characteristics below.

⁴ For data on TDI leave by gender, TDI leave used for pregnancy and FLI leave used for bonding, see Figure 10 in the main report, Figure 3 and Appendix 12 in this document..

Workforce Composition: Summary

FIGURE 5

Gender

	New York	New Jersey	California
Female	49.8%	48.7%	47.2%
Male	50.2%	51.3%	52.8%

Age, Gender by Age

		New York	New Jersey	California
All	34 and under	35.8%	32.2%	38.1%
	35-50	36.4%	38.5%	37.1%
	51+	28.6%	30.2%	25.2%
Females	34 and under	35.7%	31.8%	38.1%
	35-50	35.8%	37.8%	36.2%
	51+	29.4%	31.3%	26.2%
	50 and under	71.5%	69.6%	74.3%
Males	34 and under	35.9%	32.6%	38.2%
	35-50	37.0%	39.2%	38.0%
	51+	27.8%	29.1%	24.3%

Wage, Gender by Wage

		New York	New Jersey	California
All	\$100 to 24,000	33.6%	29.8%	38.3%
	\$24,001 to \$48,000	29.6%	26.0%	26.9%
	\$48,001 +	36.8%	44.2%	34.8%
Females	\$100 to 24,000	37.9%	35.3%	42.7%
	\$24,001 to \$48,000	30.7%	28.5%	27.9%
	\$48,001 +	31.3%	36.2%	29.4%
Males	\$100 to 24,000	29.3%	24.6%	34.4%
	\$24,001 to \$48,000	28.4%	23.6%	26.1%
	\$48,001 +	42.2%	51.8%	39.6%

Source: American Community Survey, 2011.

1) Gender

Breakdowns by gender do not show major differences among the three states considered, although New York is more like New Jersey than California. New York has proportionately the most female employees in its workforce, 49.8%, compared to 48.7% and 47.2% in New Jersey and California, respectively. See the table above, *Workforce Composition: Summary*, and *Resident Workforce by Gender and Age* in the appendix.

2) Age

Overall, an analysis by age does not show major differences for New York compared to New Jersey or California. The largest variations occur between New Jersey and California; there are five to six percentage point differences in the proportions of the workforce that fall into the youngest and oldest age groups. California's workforce is the youngest, followed by New York's, and then New Jersey's.

Looking at *gender by age* shows that a larger proportion of female employees are aged 34 and under, and also 50 and under, in California as compared to in New York and New Jersey. For females aged 34 and under, for example, these proportions are 38.1 percent (CA), 35.7 percent (NY) and 31.8 percent (NJ). See the table above, *Workforce Composition: Summary*, and *Resident Workforce by Gender and Age* in the appendix.

3) Nativity

There are differences between these three states with respect to nativity. Overall, a smaller proportion of the New York and New Jersey populations are foreign-born as compared to California's (22 percent and 21 percent, respectively, compared to 27 percent in California). The proportion of the foreign-born that are from Europe is three times higher in New York than in California, 18 percent compared to 6.5 percent. Therefore, the proportion that is non-European, and specifically Asian and Latin American, is much higher in California compared to New York and New Jersey. In California, 54 percent and 36 percent of immigrants are from Latin America and Asia, respectively. This compares with 50 percent and 27 percent in New York and 46 percent and 31 percent in New Jersey. See the table, *Nativity*, in the appendix.

4) Race/ethnicity

In terms of race/ethnic composition, New York and New Jersey are more similar to each other than to California. Specifically, the proportions of the female workforce who identify as White or Black are much higher in New Jersey and New York than in California. These two groups represent almost 70 and 73 percent in the first two states respectively compared to 43.5 percent in California. Additionally, the proportion of the female workforce that is Hispanic or Asian/Pacific Islander is much higher in California than in the other two states. These two race/ethnic groups represent almost 49 percent in California and 26 and almost 22 percent respectively in New Jersey and New York. See the following table.

Fertility by Race/Ethnicity for Resident Women in the Workforce, Ages 15-50

FIGURE 6

	White Non-Hispanic	Black Non-Hispanic	Hispanic	Asian/Pacific Islander	All others	Total
California						
Recent births per 1,000 women	34	44	44	47	37	40
Race/ethnic group as percentage of total	38.0%	5.5%	37.8%	11.0%	7.6%	100%
New Jersey						
Recent births per 1,000 women	33	46	42	36	48	38
Race/ethnic group as percentage of total	55.4%	14.4%	19.7%	6.7%	3.8%	100%
New York						
Recent births per 1,000 women	37	38	44	26	33	38
Race/ethnic group as percentage of total	57.3%	15.6%	17.2%	4.4%	5.5%	100%

Source: American Community Survey, 2011.

5) Fertility

ACS data indicate that New York's overall fertility rate (number of births per 1,000 women 15 to 50 years old) is lower than New Jersey's and California's. However, since 2009, New Jersey's and California's overall fertility rates have decreased, New Jersey's more slightly than California's. While New York's fertility rate rose slightly in 2010 and 2011 from 2009, it was at its lowest level in 2012 over these four years. See the table, *Fertility and Births: State Populations* in the appendix. Among the three states' *female paid workforces*, the fertility rate is highest in California at 40 births per 1,000 women. This compares with 38 births per 1,000 women in both New York and New Jersey. See the table above.

5a) Race/ethnicity and fertility

Fertility varies by race/ethnicity. One race/ethnic group in New York's resident female workforce, Hispanics, has a fertility rate of over 40 births per 1,000 women; these workers represent just over 17 percent of New York's female workforce. By contrast, in New Jersey, there are three groups whose level of fertility is more than 40 births per 1,000 women, and they represent a little more than a third, 38 percent, of the total resident female workforce. The group with the lowest fertility in New Jersey, White Non-Hispanics, represents over half of the female

workforce. In New York, White Non-Hispanics have a relatively higher fertility rate at 37 births per 1,000 women and represent a slightly larger proportion of the female workforce there, 57.3 percent.

In even greater contrast to New York, there are three groups with fertility levels at or more than 44 births per 1,000 women in California. They represent more than 54 percent of the resident female workforce there. The White Non-Hispanic group, with the lowest level of fertility, represents little more than one-third of California's resident female workforce. See the table above.

5b) Age and fertility

Data indicate that for all age groups in 2012, fertility rates in California were higher than in New York. With the exception for women 15 to 19 years old, New Jersey's fertility rates were also higher than New York's. The contrast among the states' rates is particularly striking for women 20 to 34 years of age. For this group, New York's fertility rate was 78 births per 1,000 women, far lower than the figure of 91 in New Jersey and 87 in California. See *Fertility and Births: State Populations* in the appendix.

6) Wage Level

The results of comparing the wage level distribution in the three states' workforces are very similar to comparing these workforces by age. Again, New York falls in between New Jersey and California. New York has a larger share of low- to moderate-earners, with 29.6 percent earning \$24,001 to \$48,000. This compares to 26.0 percent in New Jersey and 26.9 percent in California falling in this earnings bracket.

California has the highest proportion of lower-wage workers, with 38.3 percent earning annual wages of \$24,000 and less. Meanwhile, New Jersey has the highest proportion of higher-wage workers, with 44.2 percent earning annual wages of \$48,001 and up.

The differences in earnings among the three states are particularly marked for males. In New Jersey, 51.8 percent of male workers earn \$48,001 or more. California and New York are considerably closer on this measure; in California, 39.6 percent of male workers earn at least \$48,001, and in New York the share is 42.2 percent. See the table above, *Workforce Composition: Summary* and the appendix table, *Resident Workforce by Gender and Wage Bracket*.

Implications

Since the vast majority of TDI and FLI claims are made by women, the relatively larger proportion of females in New York's workforce would be expected to produce higher take-up rates in the state as compared to those in New Jersey and California. However, this likely would be more than offset by the higher age and lower fertility of New York's female workers compared to the female workforce in California. Since most paid family leave is for bonding with a new child, compared to California, New York may have a smaller percentage of leave-takers caring for a new child and a larger percentage of leave-takers caring for other family (parents, spouses, etc.).

IV. Methodology: TDI and PFL Models: Bases and Assumptions for Cost Estimation

The differences in both the three states' TDI and FLI programs and their workforces, and the uncertainty of potential utilization under the New York legislation, require estimating a range of amounts for the parameters used to determine total benefit costs. This range is derived by projecting lower bound and upper bound amounts for the three factors described below that compose the estimation of total benefit costs. The use of national survey data and the similarity in actual and proposed features of the programs in New Jersey and New York in year four of the legislation, also allowed a most likely outcome to be determined when estimating TDI benefit costs in year four.

Total benefit cost estimates are based on the following factors:

1. The number of people that will take temporary disability leave or family leave relative to the number of covered workers (i.e., take-up rate) and the distribution of these individuals by major types of leave;
2. The average lengths of leave for the major types of temporary disability and family care; and
3. The average weekly benefit of such leaves.

The following methodology explains estimation of utilization and benefit costs primarily for year four of the proposed legislation when the maximum weekly benefit is fully phased-in at 50 percent of New York's average weekly wage. Some explanation is provided also of parameters estimated for year one of the proposed legislation when the maximum weekly benefit is 35 percent of New York's average weekly wage.

Costs are estimated assuming the current 50 percent and proposed 67 percent (or two-thirds) weekly wage replacement rates. The methodology for projecting costs under both rates is similar and explanation of different estimates that result from the use of these two rates will be provided where relevant. The primary impact on the above parameters of increasing the wage replacement rate to 67 percent is to increase average weekly benefit amounts. Estimated TDI take-up rates

and lengths of leave are assumed not to change under a 67 percent replacement rate *compared to* the 50 percent rate, although FLI lengths of leave are assumed to increase. These assumptions are presented during explanations of estimating each factor above.

See the summary tables that follow which provide estimated costs for the two weekly wage replacement rates in years one and four of the proposed legislation. These tables are included also in the main report that provides the findings of this analysis.

The impact of the proposed legislation on the three parameters and resulting benefit costs will be presented first for the existing TDI program and second for the proposed family leave program. Due to some rounding of data, amounts resulting from similar calculations during the estimation process may vary slightly. Also the California Employment Development Department provides much but not all program data in state fiscal year and calendar year format.

Summary, Estimated Utilization and Benefit Costs 67 percent weekly wage replacement rate, benefit costs in millions

FIGURE 7A

	Temporary Disability Insurance					
	Current	Year 1		Year 4		
	\$170 MWBA	\$422 MWBA		\$603 MWBA		
	Actual [1]	Lower Bound	Upper Bound	Lower Bound	Most Likely Outcome [2]	Upper Bound
Take-up rate	3.24%	3.24%	3.73%	3.24%	3.74%	4.40%
Total claims	182,600	182,600	210,400	182,600	210,600	248,100
Pregnancy	53,600	53,000	61,000	53,000	61,100	71,900
Other	129,000	129,600	149,400	129,600	149,500	176,200
Total average length of leave	8.4 weeks	8.4 weeks	8.9 weeks	8.3 weeks	8.9 weeks	9.3 weeks
Pregnancy	7.3 weeks	7.3 weeks	7.3 weeks	7.1 weeks	7.1 weeks	7.1 weeks
Other	8.8 weeks	8.8 weeks	9.5 weeks	8.8 weeks	9.6 weeks	10.2 weeks
Average weekly benefit paid [3]	\$151.57	\$334-\$354	\$334-\$354	\$435-\$445	\$435-\$445	\$435-\$445
Additional benefit costs [4]		\$281 - \$312	\$394 - \$432	\$428 - \$433	\$584 - \$603	\$773 - \$796
Per covered employee [4]						
Per week		\$.97-\$1.07	\$1.35-\$1.48	\$1.47-\$1.52	\$2.00-\$2.07	\$2.65-\$2.72
Per year		\$50 - \$55	\$70 - \$77	\$76 - \$79	\$104 - \$107	\$137 - \$141
Total benefit costs [4]	\$231	\$512 - \$543	\$625 - \$663	\$659 - \$674	\$815 - \$834	\$1,004-\$1,027
Per covered employee [4]						
Per week	\$0.78	\$1.75-\$1.85	\$2.13-\$2.26	\$2.25-\$2.30	\$2.78-\$2.85	\$3.43-\$3.50
Per year	\$41	\$91 - \$96	\$111 - \$118	\$117 - \$120	\$145 - \$148	\$178 - \$182

MWBA refers to maximum weekly benefit amount.

Estimates prepared by the Fiscal Policy Institute, May 2014.

Summary, Estimated Utilization and Benefit Costs
67 percent weekly wage replacement rate, benefit costs in millions

FIGURE 7B

	Family Leave Insurance					
	Year 1, \$422 MWBA		Year 4, \$603 MWBA			
	Lower Bound	Upper Bound	Lower Bound	Midpoint [5]	Upper Bound	
Take-up rate	0.74%	1.09%	0.90%		1.37%	
Total claims	41,700	61,500	50,500		77,100	
Bonding	33,700	49,500	40,600		61,900	
Other care	8,000	12,000	9,900		15,200	
Total average length of leave	5.5 weeks	9.4 weeks	6.7 weeks		10.0 weeks	
Bonding	6.0 weeks	10.6 weeks	7.3 weeks		11.0 weeks	
Other care	3.5 weeks	4.5 weeks	4.0 weeks		6.0 weeks	
Average weekly benefit paid [3]	\$350-\$370	\$350-\$370	\$440-\$480		\$440-\$480	
Total benefit costs [4]	\$80 - \$85	\$202 - \$214	\$149 - \$162	\$244 - \$266	\$339 - \$370	
Per covered employee [4]						
Per week	\$0.27-\$0.29	\$0.69-\$0.73	\$0.51-\$0.55	\$0.84-\$0.90	\$1.16-\$1.26	
Per year	\$14 - \$15	\$36 - \$38	\$26 - \$29	\$43 - \$47	\$60 - \$66	
	Sum of Estimated TDI and FLI Benefit Costs (added by bounds)					
	Current \$170 MWBA	Year 1 \$422 MWBA		Year 4 \$603 MWBA		
	Actual	Lower Bound	Upper Bound	Lower Bound	Midpoint [5]	Upper Bound
Total benefit costs [4]	\$231	\$592 - \$628	\$827 - \$877	\$808 - \$836	\$1,059-\$1,100	\$1,343-\$1,397
Per covered employee [4]						
Per week	\$0.78	\$2.02-\$2.14	\$2.82-\$2.99	\$2.76-\$2.85	\$3.62-\$3.75	\$4.59-\$4.76
Per year	\$41	\$105 - \$111	\$147 - \$156	\$143 - \$149	\$188 - \$195	\$238 - \$248

MWBA refers to maximum weekly benefit amount.

Estimates prepared by the Fiscal Policy Institute, May 2014.

Summary, Estimated Utilization and Benefit Costs
50 percent weekly wage replacement rate, benefit costs in millions

FIGURE 8A

	Temporary Disability Insurance					
	Current	Year 1		Year 4		
	\$170 MWBA	\$422 MWBA		\$603 MWBA		
	Actual [1]	Lower Bound	Upper Bound	Lower Bound	Most Likely Outcome [2]	Upper Bound
Take-up rate	3.24%	3.24%	3.73%	3.24%	3.74%	4.40%
Total claims	182,600	182,600	210,400	182,600	210,600	248,100
Pregnancy	53,600	53,000	61,000	53,000	61,100	71,900
Other	129,000	129,600	149,400	129,600	149,500	176,200
Total average length of leave	8.4 weeks	8.4 weeks	8.9 weeks	8.3 weeks	8.9 weeks	9.3 weeks
Pregnancy	7.3 weeks	7.3 weeks	7.3 weeks	7.1 weeks	7.1 weeks	7.1 weeks
Other	8.8 weeks	8.8 weeks	9.5 weeks	8.8 weeks	9.6 weeks	10.2 weeks
Average weekly benefit paid [3]	\$151.57	\$287	\$286	\$355	\$355	\$355
Additional benefit costs [4]		\$207	\$303	\$308	\$433	\$589
Per covered employee [4]						
Per week		\$0.71	\$1.04	\$1.06	\$1.49	\$2.02
Per year		\$36.75	\$53.75	\$54.68	\$76.90	\$104.57
Total benefit costs [4]	\$231	\$438	\$534	\$539	\$664	\$820
Per covered employee [4]						
Per week	\$0.78	\$1.49	\$1.82	\$1.84	\$2.27	\$2.80
Per year	\$40.99	\$77.74	\$94.74	\$95.67	\$117.89	\$145.56

MWBA refers to maximum weekly benefit amount.

Estimates prepared by the Fiscal Policy Institute, May 2014.

Summary, Estimated Utilization and Benefit Costs
50 percent weekly wage replacement rate, benefit costs in millions

FIGURE 8B

	Family Leave Insurance					
	Year 1, \$422 MWBA		Year 4, \$603 MWBA			
	Lower Bound	Upper Bound	Lower Bound	Midpoint [5]	Upper Bound	
Take-up rate	0.74%	1.09%	0.90%		1.37%	
Total claims	41,700	61,500	50,500		77,100	
Bonding	33,800	49,800	40,600		61,900	
Other care	7,900	11,700	9,900		15,200	
Total average length of leave	4.3 weeks	7.3 weeks	5.2 weeks		9.6 weeks	
Bonding	4.5 weeks	8.0 weeks	5.5 weeks		10.5 weeks	
Other care	3.5 weeks	4.5 weeks	4.0 weeks		6.0 weeks	
Average weekly benefit paid [3]	\$286	\$292	\$367		\$366	
Total benefit costs [4]	\$51	\$131	\$96	\$184	\$271	
Per covered employee [4]						
Per week	\$0.17	\$0.45	\$0.33	\$0.63	\$0.92	
Per year	\$9.08	\$23.25	\$17.10	\$32.58	\$48.06	
Sum of Estimated TDI and FLI Benefit Costs (added by bounds)						
	Current \$170 MWBA	Year 1 \$422 MWBA		Year 4 \$603 MWBA		
	Actual	Lower Bound	Upper Bound	Lower Bound	Midpoint [5]	Upper Bound
Total benefit costs [4]	\$231	\$724	\$826	\$906	\$664	\$1,186
Per covered employee [4]						
Per week	\$0.78	\$1.66	\$2.27	\$2.17	\$2.90	\$3.72
Per year	\$40.99	\$86.82	\$117.99	\$112.77	\$150.47	\$193.62

MWBA refers to maximum weekly benefit amount.

Estimates prepared by the Fiscal Policy Institute, May 2014.

Notes to preceding tables

[1] New York State Workers' Compensation Board data are used to estimate a total base of 5,635,000 employees with statutory TDI coverage provided by insurance carriers. New York State Department of Financial Services data indicate coverage and utilization that is slightly higher, with, for instance, a base of approximately 5,775,000 employees and 186,500 claims in 2011. Take-up, average duration of leave and average weekly benefit paid are very similar, however (3.23 percent, 8.3 weeks and \$152.29, respectively, in 2011).

[2] The TDI 'most likely outcome' is *not* an arithmetic midpoint between the year four lower and upper bound parameters. Specifically, the take-up rate associated with this outcome is what New York is projected to experience during year four of the proposed legislation based on various factors. See section IV.A.1.A) *Overall take-up*, below.

[3] These amounts do not represent lower and upper bounds; rather they are the average benefits that result from the interaction of take-up--distributed by wage level, wage replacement rate and the proposed maximum weekly benefit. See section IV.A.3. Maximum and average weekly benefit amounts in this document for more information.

[4] This does not include administrative cost and profit. See footnote 9 in the text of the main report and section IV.A.5. Administrative costs and reasonable profit in this document for more information.

[5] The year 4 lower and upper bound FLI benefit costs have been averaged for the purpose of adding them to the year four TDI “most likely outcome” costs.

A. Increase the TDI Weekly Wage Replacement Rate and Maximum Benefit

1. Take-up rate and number of claims:

The table below presents the rates that result from dividing the number of TDI and FLI claims completed or paid by the total number of employees covered for such leaves (for state plans in New Jersey and California and for employees with statutory coverage provided by insurance carriers in New York State). California’s TDI take-up rate is the highest of the three states’, and its take-up rate for FLI is greater than New Jersey’s. Currently, New Jersey’s TDI take-up rate is comparable to New York’s, although New Jersey’s wage replacement rate and maximum benefit level are much higher. In the following table and the remaining document, SFY refers to state fiscal year and CY refers to calendar year.

TDI and FLI Take-up Rates

	TDI Take-up Rate	FLI Take-up Rate
New York, 2009	3.24%	NA
New York, 2010	3.39%	NA
New York, 2011	3.24%	NA
New Jersey, 2007 (two years before FLI)	4.05%	NA
New Jersey, 2008 (year before FLI)	4.00%	NA
New Jersey, 2010 (year one of FLI)	3.84%	.82%
New Jersey, 2011 (year 2 of FLI)	3.73%	.83%
California, SFY 03-04 (year before PFL)	5.62%	NA
California, SFY 05-06 (year 2 of PFL)	5.23%	1.23%
California, SFY 07-08 (year four of PFL)	5.34%	1.45%
California, SFY 11-12 (year 8 of PFL)	5.48%	1.67%

A) Overall take-up.

The following factors are considered in determining estimates for overall take-up under the proposed legislation:

1. actual take-up rates in California, New Jersey and New York,
2. New York’s proposed maximum weekly benefit amount (MWBA) compared to the MWBA in New Jersey and California
3. the proposed weekly wage replacement rate and these rates in New Jersey and California,

4. the proposed simultaneous establishment of family leave insurance and TDI reform in New York State, and,
5. differences in the composition of the workforces among the three states that would affect take-up.

Lower bounds

Given that take-up is higher in states with higher maximum benefit amounts and wage replacement rates, it is assumed that overall take-up rates in New York *will not go down* under the proposed legislation. Therefore, the lower bound take-up estimates for year one and year four reflect a 'no change' scenario; i.e., a take-up rate of 3.24 percent. This is supported by the fact that existing morbidity and pregnancy rates that trigger use of TDI leave will not be changed by the proposed legislation.

Most likely outcome

The 2012 national Family and Medical Leave Act (FMLA) employee survey findings (for a 12-month period) provide two other options for assessing the impact on TDI take-up if the proposed legislation is adopted and the maximum weekly benefit amount and weekly wage replacement rate increase. Specifically, the following findings are used to determine the TDI take-up rates for the most likely outcome and the upper bound in year four (see next page for the upper bound rate).

1. 7.5 percent of FMLA survey respondents in the private sector took leave for their own illness (using a variety of paid and unpaid leave)—this includes short leaves to recover from a cold or flu as well as medical leave for more serious illnesses;
2. 1.16 percent of employees did not take leave for their own illness (does not include pregnancy-related reasons) *because they could not afford to do so*. (The FMLA only mandates *unpaid* leave.)

If *all* of the workers who previously did not take leave because they could not afford to do so now take leave, there will be a 15.3 percent increase in the nation's *overall* private sector take-up as the 1.16 percent share of the workforce that represents this group is added to the 7.5 percent of the workforce who took leave previously. Under these assumptions, the 15.3 percent national increase represented by this addition is applied to New York's current take-up rate. When 3.24 percent is increased by 15.3 percent, the resulting take-up rate is 3.74 percent. This rate results in approximately 210,600 total claims and approximately 28,000 additional claims.

This take-up rate is the more likely outcome for New York in the fourth year of the proposed legislation since some partially-paid leave is available in this state already; i.e., the national 1.16 percent share of employees who did not take leave for their own illness may overstate New York's share of this group. Therefore, directly adding this percentage point increase to New York's current take-up rate, as done in the upper bound estimate for year four (see below), may overstate take-up under the proposed increase in MWBA and the weekly wage replacement in year four of the proposed legislation.

The above calculation results in an estimated TDI take-up rate that is very similar to current utilization in New Jersey. New York's experience *in year four* of the proposed legislation is expected to be like New Jersey's utilization because both states will share the same or similar: 1) maximum length of TDI leave, 2) weekly wage replacement rates, 3) maximum weekly benefit amounts, 4) workforce gender distribution and 5) labor markets and major employers.

Upper bounds

Year one

New Jersey's current TDI take-up rate of 3.73 percent is used as the *upper bound* estimate for year one. Due to the following factors, it is assumed that take-up in the first year of the proposed legislation will *not* increase to a level beyond that experienced currently in New Jersey:

1. New Jersey's and New York's *current* take-up rates, 3.73 and 3.24 percent respectively are very similar; this may indicate that morbidity rates are similar in the two states; and,
2. New York and New Jersey share extensive workforce and workplace affinities;
3. New Jersey's maximum weekly benefit amount in 2012, \$572, is higher than the MWBA estimated for year one of the proposed legislation in New York, \$422.

Year four

Using the 2012 national FMLA survey findings described above, if we assume that unmet need for own illness due to inability to afford to take leave is the *same* in New York as in the nation, and if *all* of the workers who formerly did not take leave because they could not afford to do so now take leave, the share represented by these workers, 1.16 percent, is added directly to the current take-up rate of 3.24 percent. The resulting take-up rate of 4.40 percent results in over 248,000 TDI claims, with almost 65,500 of these representing additional claims compared to current utilization.

This level of utilization suggests also that as the health of the economy improves and more women participate in the workforce and decide to use available leave when necessary, higher take-up may occur.

Overall, increase in a weekly wage replacement rate from 50 to 67 percent will not affect the above take-up rates because:

1. lower bound take-up rates represent a 'no change' scenario;
2. upper bound rates represent 'full' take-up, i.e., take-up if everyone who could not afford to take leave before now takes leave;
3. upper bound take-up rates are also the same or higher than take-up in New Jersey where a 67 percent weekly wage replacement rate already exists.

These overall take-up rates are also applied to New York's workforce by 1) wage level and 2) purpose of TDI leave. See below.

B) Composition of take-up by wage level.

Analyzing take-up in California and New Jersey with respect to earnings, age, and gender both refined the estimation process and made it possible to calculate average benefit amounts. Data on SDI utilization by employee wage level from the California Employment Development Department (CA EDD) are available for this purpose. See table below. Composition of TDI take-up in New Jersey by wage level is *not* available but such take-up is disaggregated by age and gender.

**California: Disability Insurance Use by Wage Level
State Fiscal Year 2011-12**

FIGURE 9

Estimated Earnings	Number of Claims	Percent of Total
Under \$12,000	44,723	6.60%
\$12,001-\$24,000	127,757	18.85%
\$24,001-\$36,000	134,581	19.86%
\$36,001-\$48,000	104,064	15.36%
\$48,001-\$60,000	76,224	11.25%
\$60,001-\$72,000	50,907	7.51%
Over \$72,000	139,425	20.57%

1. For initial estimation of costs at a 50 percent weekly wage replacement rate, it is assumed for people working at wage levels **up to** where New York's proposed TDI maximum benefit takes effect—\$422 in year one and \$603 in year four—TDI take-up would be similar to California's experience since California's weekly wage replacement rate is 55 percent of an employee's weekly wage. California's take-up rate for these wage levels, therefore, is applied to New York.

However, New York's proposed maximum weekly benefit in year one would be approximately 40 percent of California's maximum weekly benefit in 2012 (\$422 /\$1,011), and in year four it would be approximately 60 percent of California's maximum weekly benefit (\$603/\$1,011). It is assumed that New York's take-up rate would decline proportionately to the difference in the states' maximum weekly benefits in each of these years. Therefore, for the wage levels where New York's maximum benefit takes effect, only 40 percent of California's take-up rate is applied to New York in year one; i.e., the take-up rate is reduced by 60 percent in these wage brackets as compared to California. In year four, only 60 percent of California's take-up rate is applied to New York in the wage levels where New York's maximum benefit takes effect; i.e.,

the take-up rate is reduced by 40 percent in these wage brackets as compared to California. New York's final distribution of take-up for the 50 percent wage replacement rate varies from California's actual distribution due to this last step. *Overall* take-up remains as estimated and explained in the preceding section.

2. For subsequent estimation of costs in New York at a 67 percent, or two-thirds, weekly wage replacement rate—the same rate as in New Jersey—the estimated *composition* of take-up by wage level is revised to reflect the following:
 - a. a range of estimated compositions of TDI take-up by wage level in New Jersey that *replicated* actual average benefit amounts in that state and reflected workforce characteristics there (these estimations are also informed by TDI utilization by wage level in California);
 - b. existing data on TDI take-up by age and gender in New Jersey;
 - c. existing data on TDI take-up by gender in California;
 - d. workforce composition by wage level, age, gender, race/ethnicity and fertility in the three states.

C) Composition of take-up by claims for pregnancy and other own health.

The third step in projecting TDI take-up is distributing it by the purpose of such leave, i.e., pregnancy and other own medical care. The percentage of 2011 TDI leaves for pregnancy in New York by workers with statutory coverage provided by insurance carriers was 29 percent; leaves for all other reasons made up the remaining 71 percent of TDI claims. A slightly smaller percentage of TDI claims in California and New Jersey are for pregnancy and complications relating to pregnancy—from 25 to 28 percent over an eleven year period (2002-2013) in California and from 23 to 24 percent over a five-year period (2007-2011) in New Jersey.

The availability of family leave insurance has not affected the proportions of workers using TDI for pregnancy. The time periods referenced above begin before the implementation of family leave programs in these two states. In California, 25.7 percent of total TDI claims were for pregnancy in 2002-03, two years before paid family leave was established there, and 25.6 percent of total TDI claims were for pregnancy in 2012-13, eight years after it was implemented. In New Jersey, 23.6 percent of total TDI claims were for pregnancy in 2007, two years before family leave insurance was established there, and 23.5 percent were for pregnancy in 2011, two years after it was implemented. See table, *Utilization of Temporary Disability Insurance: New York, New Jersey and California* on the following page for this data.

Therefore, the 2011 proportions of TDI leave taken for pregnancy and non-pregnancy purposes in New York are applied to estimated take-up by wage level. Even though implementation of paid family leave programs has not changed the percentage of workers using TDI for pregnancy, its availability has accompanied change in the length of TDI leaves for pregnancy (see next section).

Utilization of Temporary Disability Insurance: New York, New Jersey and California

FIGURE 10

	Number of Claims	Percent of Total Claims	Average Duration (weeks)	Average Weekly Benefit Amount	Maximum Weekly Benefit Amount	Number of Covered Employees and Take-Up Rate
<i>New York, Statutory Coverage by Insurance Companies, 2011</i>						5,635,000
Pregnancy and Complications of						
Childbirth	53,565	29.3%	7.33	\$152.09	\$170	
All Other Claims (imputed)	129,039	70.7%	8.79	NA	\$170	
Total	182,604	100.0%	8.36	\$151.57	\$170	3.24%
<i>New Jersey - State Plan, Completed Cases: 2007 (two years before FLI was established)</i>						2,870,500
Pregnancy and Complications of						
Childbirth	27,487	23.6%	10.14	\$370.51	NA	
All Other Claims	88,866	76.4%	10.01	NA	NA	
Total	116,353	100.0%	10.04	\$388.00	NA	4.05%
<i>New Jersey - State Plan, Completed Cases: 2008 (year before FLI was established)</i>						2,853,300
Pregnancy and Complications of						
Childbirth	27,296	23.9%	9.93	\$386.91	\$524	
All Other Claims	86,796	76.1%	10.00	NA	\$524	
Total	114,092	100.0%	10.00	\$399.00	\$524	4.00%
<i>New Jersey - State Plan, Completed Cases: 2010 (first complete calendar year of FLI)</i>						2,706,100
Pregnancy and Complications of						
Childbirth	23,952	23.1%	9.80	\$399.59	\$561	
All Other Claims	79,909	76.9%	10.20	\$415.98	\$561	
Total	103,861	100.0%	10.10	\$412.67	\$561	3.84%
<i>New Jersey - State Plan, Completed Cases: 2011 (second complete calendar year of FLI)</i>						2,711,500
Pregnancy and Complications of						
Childbirth	23,749	23.5%	9.70	\$402.89	\$559	
All Other Claims	77,316	76.5%	10.20	\$425.69	\$559	
Total	101,065	100.0%	10.10	\$419.80	\$559	3.73%
<i>California - State Plan, Paid Cases, 02-03 (two years before PFL was established)</i>						11,857,369
Pregnancy and Complications of						
Childbirth	171,516	25.7%	NA	NA	\$547	
All Other Claims (imputed)	496,289	74.3%	NA	NA	\$547	
Total	667,805	100.0%	14.85	\$308.11	\$547	5.63%
<i>California - State Plan, Paid Cases, 04-05 (first year of PFL)</i>						12,151,500
Pregnancy and Complications of						
Childbirth	172,623	26.2%	10.51	NA	\$784	
All Other Claims (imputed)	485,066	73.8%	16.20	NA	\$784	
Total	657,689	100.0%	14.71	\$359.00	\$784	5.41%
<i>California - State Plan, Paid Cases, 07-08, (year 4 of PFL)</i>						12,650,240
Pregnancy and Complications of						
Childbirth	189,139	28.0%	10.44	NA	\$900	
All Other Claims (imputed)	486,078	72.0%	16.00	NA	\$900	
Total	675,217	100.0%	14.44	\$413.00	\$900	5.34%
<i>California - State Plan, Paid Cases, 11-12, (year 8 of PFL)</i>						12,020,904
Pregnancy and Complications of						
Childbirth	167,811	25.6%	10.70	NA	\$999	
All Other Claims (imputed)	488,011	74.4%	17.12	NA	\$999	
Total	655,822	100.0%	15.48	\$448.00	\$999	5.46%

NA - not available.

Source: Fiscal Policy Institute compilation and analysis of state agency data. See Sources for more information.

2. Average lengths of leave

See the table above and *FIGURE 4 2011 Utilization, Temporary Disability Insurance* for the figures referred to below.

The maximum available leave in the temporary disability insurance programs in New York and New Jersey is 26 weeks; in California, maximum available leave is 52 weeks. A waiting period of one week is required in all three states prior to receiving TDI benefits. Also in all three states, average lengths of leave for reasons other than pregnancy are longer than average leaves used for pregnancy. (New Jersey's 'other' leaves are only slightly longer than leaves for pregnancy.) Total average length of TDI leave for claims made by New York workers with statutory coverage provided by insurance carriers in 2011 was 8.36 weeks. This figure represents an actual average 7.33 weeks of leave for women using TDI for pregnancy and complications relating to pregnancy; the imputed average length of all remaining TDI leave is 8.79 weeks.

Total average length of TDI leave in year four of the proposed legislation is likely to be closer to what is experienced currently in New Jersey than in California for the following reasons. As noted earlier, both states will share the same or similar: 1) maximum length of TDI leave, 2) weekly wage replacement rates, 3) maximum weekly benefit amounts, and, 4) major employers and workplace benefits. Estimated amounts for total average length of TDI leave result from the weighting and summing of the average length of TDI leaves for pregnancy and the average length of TDI leaves for reasons other than pregnancy. See *Average total length of leave* at the end of this section.

Average length of TDI leaves for pregnancy.

Year one

In year one, the estimated average length of TDI leaves for pregnancy are the same as currently, 7.3 weeks. The lower bound represents a 'no change' scenario. In the upper bound, it is assumed that women who need leave for medical reasons will continue to maximize the length of leave available and those who do not require leave for medical reasons will shift to use of family leave insurance after the birth of their child. The increase in the maximum weekly benefit will allow the former group to take longer TDI leave; this trend will be counteracted by the latter group who switch to use of family leave and shorten their TDI leave. Overall, limited awareness during year one of changes in TDI benefits and the availability of paid family leave may limit change in leave lengths.

Year four

In year four, the projected slight decrease in average length of TDI leave for pregnancy to 7.1 weeks reflects an assumption that leave-takers whose pregnancies involve no complications will have continued to shorten their TDI leave and will now use the bonding leave available through family leave insurance. The extent of projected change in New York is based on the actual decrease in average lengths of TDI leave for pregnancy in New Jersey over the first two years of the family leave insurance program there. For more information, see the box below.

Assumption and calculation of change in TDI pregnancy average length of leave in year four

It is assumed that in the fourth year of implementation of FLI in New York, those TDI leave-takers with complications and/or who deliver by Cesarean method will continue to maximize available TDI leave and therefore take an *average* 10 weeks of TDI leave (2 to 4 weeks prior to and 6 to 8 weeks after delivery). This represents 35 percent of all TDI pregnancy leave-takers. (Thirty-five percent of live births in New York were by Cesarean method in 2010; this is used as a proxy for estimating number of claims due to complications of childbirth.) The remaining 65 percent of leave-takers for pregnancy ('normal' pregnancies and/or vaginal births) will shorten their leave from an average of almost 6.0 weeks to almost 5.4 weeks due to the bonding leave available through family leave insurance. The resulting average TDI length of leave for all pregnancy claims will fall to 7.1 weeks.

This reduction is based on the change in New Jersey, where average TDI length of leave for pregnancy decreased from 10.14 and 9.93 weeks in the two years prior to implementation of FLI to 9.7 weeks in the second year of FLI. For the purposes of this estimation, the first two figures are averaged and the change from this amount—10.04—to 9.7 weeks is applied to New York. Similar *actual* data from California are not available. In accompanying tables, the average length for this type of TDI leave in California is imputed.

Average length of TDI leaves for reasons other than pregnancy.

Years one and four: lower bound

The lower bound estimates for both years one and four reflect a 'no change' scenario compared to current average lengths of leaves for use of TDI other than pregnancy—approximately 8.8 weeks.

Year one: upper bound

The increase in benefits will allow some workers taking TDI leaves for reasons other than pregnancy to take longer leaves than under the present maximum weekly benefit cap of \$170. Therefore, the upper bound estimate for this group in year one is set at 9.5 weeks, a slight increase of 0.7 weeks from current utilization in New York. As an upper bound amount, this figure represents a larger change than was observed in New Jersey after implementation of FLI. In that state, the average length of TDI leave for reasons other than pregnancy rose from 10 weeks to 10.2 weeks in the first and second years of this program. (This increase does not necessarily represent a causal relationship.)

Year four: most likely outcome and upper bound

In the most likely outcome, the estimate for average length of TDI leave for reasons other than pregnancy is 9.6 weeks. This is higher than under current utilization or the 'no change' scenarios of the lower bound estimates but lower than in the year four upper bound estimate. The most likely outcome takes into account that year four will be the first year of a maximum weekly benefit amount set at 50 percent of the state's average weekly wage.

The upper bound estimate assumes that these claimants will, on average, take 10.2 weeks of leave, the same amount as in New Jersey, due to the higher maximum weekly benefit amount and weekly wage replacement rate available under the revised proposed legislation.

Average length of TDI leaves (other than pregnancy) and maximum available leave

Of the three states considered, New York has the shortest average lengths of leave: approximately 8.4 weeks for all TDI claims and 8.8 weeks for TDI claims other than pregnancy (2011). New York is followed by New Jersey at 10.1 and 10.2 weeks, respectively, and California at 15.5 and 17.1 weeks, respectively (2011-12).

Apart from a higher maximum weekly benefit compared to New York and New Jersey, California's relatively longer average leave lengths may be due in part to the longer maximum leave length available in that state (52 weeks versus 26 weeks in New York and New Jersey). Average length of leave for *types* of TDI leave prior to the establishment of paid family leave in California is not available, so it is difficult to see whether or how these specific parameters changed after FLI was implemented. However, the average length of all TDI leave in California increased by 1 week from approximately 15 weeks in 2003-04, the year prior to the establishment of paid family leave in California, to 16 weeks in 2012-13.

In New Jersey, immediately before the adoption of FLI, the average lengths of all TDI leave and TDI leave for non-pregnancy purposes were approximately 10 weeks in 2007 and 2008. Lengths of these leaves went up slightly after the establishment of family leave insurance to approximately 10.1 and 10.2 weeks, respectively, in 2011, the average lengths noted above.

Average total length of leave.

In this estimation for New York, the average length of all TDI leave (for each bound) results when the average lengths of leave for the two purposes of leaves are weighted by their frequency (29 percent for pregnancy and 71 percent for reasons other than pregnancy) and summed. TDI leave lengths are not changed when revising cost estimates for the increase in weekly wage replacement from 50 to 67 percent under the most current proposed legislation. This approach is supported by TDI experience in New York for workers with *plan* coverage provided by insurance carriers (i.e., coverage beyond statutory requirements, such as access to a higher maximum benefit or replacement rate). While a higher average total length of leave is taken by workers with plan coverage compared to average lengths of leave for workers with statutory coverage, the difference between the two is minimal, 0.25 weeks.

3. Maximum and average weekly benefit amounts

The proposed 350 percent increase in New York's maximum weekly benefit over four years would bring it close to New Jersey's MWBA and approximately 60 percent of California's (2012). See table, *Features of TDI and FLI Programs* on page 2. However, the estimated average weekly benefits that would result from an increase in MWBA in New York State under

a 67 percent, or two-thirds, weekly wage replacement rate are similar to those experienced in both New Jersey and California. See tables on pages 9 and/or 25.

Average Weekly Benefit Amounts

TDI	50% Weekly Wage Replacement Rate	67% Weekly Wage Replacement Rate
Year one, MWBA = \$422	\$286 - \$287	\$334 - \$354
Year four, MWBA = \$603	\$355	\$435 - \$455

As reviewed in the main report, the 2012 average weekly wage computed by the New York State Department of Labor's Research and Statistics Division (see http://www.labor.ny.gov/stats/avg_wkly_wage.shtm), approximately \$1,205, is used to determine maximum weekly benefits, and, therefore, average benefit amounts and total costs, in both years one and four of the proposed legislation. Thirty-five percent of this amount, approximately \$422, is used as the maximum weekly benefit in year one of the proposed legislation, and 50 percent of this amount, approximately \$603, is used as the maximum weekly benefit in year four of the proposed legislation.

Although the impact of wage inflation has not been included in the present cost analysis, the following forecasts of wage increases would be applied once it is known in which year the proposed legislation would take effect.

Wage Inflation

	2012	2013	2014	2015	2016	2017
Percent change in wage per employee	1.5%	0.4%	4.1%	3.3%	3.3%	3.4%

For calendar years: 2012, actual; 2013, estimate; 2014 forward, forecast. New York State Division of the Budget, *FY 2015 Economic and Revenue Outlook*, p. 136.

Average benefit amounts result from: 1) distributing TDI take-up by workers' wage levels or brackets; 2) multiplying the lower and upper bound wages of each bracket by the wage replacement rate to determine the lower and upper bound benefit amounts for each wage bracket; 3) using the midpoint of the resulting lower and upper bound benefit amounts to represent the average benefit for workers in each wage bracket, and 4) applying the year one and year four maximum weekly benefit amounts when the resulting average or upper bound benefit amounts are over the weekly cap.

Total benefit costs are calculated before determining the *average* weekly benefit amount for each year and bound or outcome. (See explanation of the total benefit cost calculation in the following section.) Average weekly benefit amounts are the result of 1) dividing total benefit costs by the total number of claims and then 2) dividing the resulting number by the sum of average leave lengths for each purpose of leave, weighted by their frequency, or proportion, of total TDI leave.

Because there is no actual data on take-up by wage level data for the 67 percent weekly wage replacement rate, a *range* in average benefit amounts is determined by estimating a small range of wage level distributions for projected take-up at a 67 percent wage replacement rate. See the assumptions used as a basis for these distributions under section IV. A. 1. B) *Composition of take-up by wage level*.

4. Final calculations

For each wage bracket, the estimated number of claims from projected take-up rates are multiplied by estimated average benefit amounts and estimated average lengths of leave, resulting in estimated benefit costs. For each bound, the benefit costs for each wage bracket are added together for total benefit costs. These total benefit costs are divided by the total number of covered employees—5,635,000—to determine per covered employee annual benefit cost and weekly benefit cost.

Finally, current (2011) TDI benefit costs are subtracted from total benefit costs to determine additional or new benefit costs resulting from implementation of the proposed legislation.

These total benefit cost estimates only represent the impact on workers with statutory coverage provided by insurance carriers. They do not represent an estimate of the impact on all workers that have TDI coverage currently. However, if utilization (take-up or length of leave) is similar among additional workers who opt for this coverage under the proposed legislation (workers who currently have coverage with their employers serving as self-insurers and/or those do not have explicit TDI coverage, such as public sector employees), then the above estimated *per employee* costs can be applied to these workers to determine a subsequent total cost figure. If utilization is higher, total and per employee costs may be higher, and, conversely, if utilization is lower, per employee costs may be lower.

In addition, total estimated benefit costs do not represent total estimated premiums to be paid by employees and employers for TDI coverage under the proposed legislation. Insurance carriers' estimation of utilization and benefits to be paid, fund reserves, administrative costs and profit margin, along with the existing required benefit/loss ratios, will determine premiums charged to employers for such coverage. See *Funding Temporary Disability Insurance and Family Leave Insurance* in the main report and relevant section on next page for these projections and information on their estimation. The proposed legislation does not revise the current maximum employee contribution of 60 cents per week for TDI coverage (which employers have the option of deducting from workers' pay). However, it is anticipated that language which describes the sharing of increased costs between employers and employees will be included in the final version of legislation.

5. Administrative costs and reasonable profit

Research indicates that there are a range of administrative costs for TDI. A 2005 Institute for Women's Policy Research publication on the Healthy Families Act (HFA) proposed national paid sick days legislation and reports that:

“... Administrative expenses are estimated at 2.0 percent of wages. This is roughly one-third the average ratio of administrative costs to benefit payments for state Temporary Disability Insurance programs (TDI) in California, New Jersey, and Rhode Island (U.S. Social Security Administration 2005). TDI is somewhat similar to HFA leave in that both relate to workers' illness-related work absence, but TDI is more complex, involving collection of payroll taxes, evaluation of medical disability, tracking of health status, and long-term benefit periods.”⁵ Recent state level experience includes the following:

1. In 2010, New Jersey spent \$31 million on administrative costs, or 7.2 percent of TDI state plan benefit costs. In 2011, this amount was \$31.7 million, or 7.6 percent of TDI state plan benefit costs;⁶ and
2. In 2011, California's costs for total SDI administration were \$285 million, or 5.9 percent of net benefit costs for temporary disability and family leave claims. These figures in 2012 were \$245.1 million, or 5.0 percent of net benefit costs (benefit costs from PFL claims are 10.5 to 11 percent of all net benefit costs).⁷

To explore the potential impact of both administrative costs and reasonable profit margin for insurance carriers that provide TDI, additional calculations added 15 percent to total estimated benefit costs under years one and four of the proposed legislation for New York. These estimates are not included in this analysis because projected increases to current insurance premiums charged for TDI coverage as a result of increased benefit costs under the proposed legislation account for these factors.

6. Use of cost estimates to determine the impact on existing TDI premiums

The increase in per covered employee annual benefit costs is used to estimate the impact on current annual premiums charged by insurance carriers to provide statutory TDI coverage. For each bound or outcome in years one and four, the percent increase in *additional* estimated benefit cost from current actual benefit cost per covered employee, \$40.99, is calculated. The *midpoints* of the ranges of additional estimated benefit costs are used for this calculation. This percent increase is applied to five different current TDI premium, including the premium charged by the New York State Insurance Fund, to determine additional premium costs. These additional premium costs are added to current premium costs to estimate total premiums for TDI coverage during years one and four under the proposed legislation. Finally, these estimated total premium costs are added to estimated premiums for new FLI coverage for total estimated premium costs under A 1793B and S 4742B. See *Use of Cost Estimates to Project Impact on Insurance Premiums, Temporary Disability Insurance, and TDI with FLI* below.

⁵ Lovell, Vicky, Ph. D., Institute for Women's Policy Research, *Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act*, see <http://www.iwpr.org/publications/pubs/valuing-good-health-an-estimate-of-costs-and-savings-for-the-healthy-families-act>.

⁶ *Annual Report for 2011, Family Leave Insurance and Temporary Disability Insurance Programs*, page 19 at http://lwd.dol.state.nj.us/labor/forms_pdfs/tdi/ANNUAL_FLI-TDI_REPORT%202011.pdf. These benefit costs do not include benefit payments during unemployment.

⁷ State of California, Employment Development Department, *May 2013 Disability Insurance (DI) Fund Forecast* at http://www.edd.ca.gov/About_EDD/pdf/edd-diforecastmay13.pdf.

Use of Cost Estimates to Project Impact on Insurance Premiums Temporary Disability Insurance, and TDI with FLI

FIGURE 11

Actual, or current, annual benefit cost per covered employee (\$170 maximum weekly benefit):

\$40.99

Under Proposed Legislation

Estimated additional annual TDI benefit costs:

	Year 1, \$422		Year 4, \$603		
	Lower bound	Upper bound	Lower bound	Most Likely Outcome	Upper bound
Midpoint of range of additional costs [1]	\$52.50	\$73.50	\$77.50	\$105.50	\$139.00
Percent increase from \$40.99	128%	179%	189%	257%	339%

For the insurance carriers listed below, if the above percent increases are applied to *current* premium rates for statutory coverage (see 'Current' column below), the estimated increases to premiums, listed to the right of current premiums, would result. It is assumed the above estimated increases have the same impact on current rates for TDI coverage of males and females (this may not be the case).

Estimated increases to current premiums:

	Current	Year 1, \$422		Year 4, \$603		
		Lower bound	Upper bound	Lower bound	Most Likely Outcome	Upper bound
State Insurance Fund	\$24.76	\$31.71	\$44.40	\$46.81	\$63.73	\$83.96
First Rehabilitation Life, male	\$21.00	\$26.90	\$37.66	\$39.70	\$54.05	\$71.21
First Rehabilitation Life, female	\$45.60	\$58.40	\$81.77	\$86.22	\$117.37	\$154.63
Nationwide, male	\$31.08	\$39.81	\$55.73	\$58.76	\$79.99	\$105.39
Nationwide, female	\$66.24	\$84.84	\$118.78	\$125.24	\$170.49	\$224.62

Total estimated premiums for increased TDI costs:

	Current	Year 1, \$422		Year 4, \$603		
		Lower bound	Upper bound	Lower bound	Most Likely Outcome	Upper bound
State Insurance Fund	\$24.76	\$56.47	\$69.16	\$71.57	\$88.49	\$108.72
First Rehabilitation Life, male	\$21.00	\$47.90	\$58.66	\$60.70	\$75.05	\$92.21
First Rehabilitation Life, female	\$45.60	\$104.00	\$127.37	\$131.82	\$162.97	\$200.23
Nationwide, male	\$31.08	\$70.89	\$86.81	\$89.84	\$111.07	\$136.47
Nationwide, female	\$66.24	\$151.08	\$185.02	\$191.48	\$236.73	\$290.86

Total estimated premiums for increased TDI costs and new FLI costs [2]:

	Current	Year 1, \$422		Year 4, \$603		
		Lower bound	Upper bound	Lower bound	Most Likely Outcome	Upper bound
State Insurance Fund	\$24.76	\$65.23	\$91.51	\$88.19	\$115.82	\$146.78
First Rehabilitation Life, male	\$21.00	\$55.33	\$77.61	\$74.79	\$98.23	\$124.49
First Rehabilitation Life, female	\$45.60	\$120.14	\$168.53	\$162.41	\$213.30	\$270.32
Nationwide, male	\$31.08	\$81.88	\$114.86	\$110.69	\$145.38	\$184.24
Nationwide, female	\$66.24	\$174.51	\$244.81	\$235.92	\$309.85	\$392.67

[1] See *Summary: Estimated Utilization and Benefit Costs*, 67 percent weekly wage replacement rate

[2] Most likely outcome includes the arithmetic average of year 4 lower and upper bound FLI costs.

Source: Fiscal Policy Institute, May 2014.

B. Expand TDI to Cover Family Leave Insurance in New York State

The same methods used to determine total benefit costs for TDI take-up associated with increasing the weekly wage replacement rate and maximum benefit under the proposed legislation in New York are used to estimate the impact of providing partial pay for family leaves through the state's TDI system. See *Summary: Estimated Utilization and Total Benefit Costs* at the beginning of the Methodology section for the estimates explained below.

1. Take-up rate and estimated total number of claims:

A) Overall take-up.

The estimated numbers of claims for New York in these tables are based on the features and take-up of these programs in New Jersey and California, as well as reflecting characteristics of the three states' respective workforces. As with the estimation of the impact of the proposed legislation on New York's existing TDI utilization, this approach results in a likely *range* of total take-up rates for New York. The lower and upper bound rates for years one and four also are broken out by wage level and by type of leave (bonding and care of other family members).

Lower bounds

The vast majority of FLI claims in New Jersey and California, 80 to 88 percent, are for bonding with a new child. Therefore, similarities and differences in workforce fertility rates among the three states are used during estimation of FLI take-up in New York under the proposed legislation. Even though workforce fertility rates in New Jersey and New York are similar, New Jersey's female workforce is older than New York's. In addition, the proportion of female workers earning between \$48,000 and \$72,000—wage levels at which FLI take-up in California is relatively low—is higher in New Jersey than in New York. (Even though such experience in California may also reflect workforce composition, exercises replicating New Jersey's average FLI benefit indicate that FLI use at these wage levels in New York may be limited.) Therefore, New Jersey's FLI take-up rates are used as New York's lower bound take-up rates.

Specifically, New York's lower bound take-up estimate for year *one* is the take-up rate experienced in New Jersey in the first twelve months of its family leave insurance program (the last six months of 2009 and the first six months of 2010), 0.74 percent. The lower bound take-up estimate for year four represents the projected take-up in New Jersey in year four of its family leave insurance program (based on the rates experienced in calendar years 1 and 2 of its program), 0.90 percent. For New York, these estimated take-up rates would result in about 41,700 total FLI claims in year one and about 50,500 total FLI claims in year four.

Upper bounds

The *upper* bound take-up estimates projected for New York in year one and year four are based on California's PFL take-up rates as well as differences between the two states' female workforce fertility rates. Specifically, the *year one* estimate for New York is based on the following: 1) California's take-up rate in *year one* of its paid family leave program, 1.15 percent,

and 2) adjustment of this figure by the difference between the 2011 fertility rates of California's and New York's female workforces aged 15 to 50 years. This results in an estimated take-up rate of 1.09 percent for New York or about 61,500 total FLI claims.

The upper bound *year four* take-up estimate is based on California's take-up rate in *year four* of its PFL program, 1.45 percent. This rate is adjusted also for the difference between the 2011 fertility rates of California's and New York's female workforces aged 15 to 50 years for a resulting take-up of 1.37 percent in New York or about 77,100 total FLI claims.

Overall, upper bound estimates also reflect the following:

1. It is assumed that the health of the economy will continue to improve and more women join the workforce; accordingly, take-up of family leave insurance will likely increase.
2. More men will take FLI leave over time. Male participation in PFL has grown in California, and this will likely be the case in New Jersey and New York.⁸
3. Outreach about the availability of family leave has been limited in New Jersey and has likely tempered take-up of family leave insurance there. Language supporting adequate outreach for the family leave insurance program in New York has been included in the proposed legislation. This will likely bolster use of family leave insurance in New York.

⁸ In 2005-06 (the second year of paid family leave in California), 20 percent of total leave-takers were men; in 2011-12, 30 percent of total leave-takers were men. In 2005-06, 80.5 percent of men who took family leave did so to bond with a new child; the remaining proportion represented men caring for other family members. In 2011-12, almost 86 percent of male leavetakers took leave to bond with a new child, and 14 percent took leave to care for other family members.

B) Composition of take-up by wage level.

**California: Paid Family Leave Use by Wage Level and Purpose of Leave
(Number of Claims)
SFY 2011-2012**

FIGURE 12

Estimated Earnings	Care	Bonding	Total	Total as % of Total Claims	Care as % of Total	Bonding as % of Total
\$0 - \$12,000	1,352	10,633	11,985	5.78%	11.28%	88.72%
\$12,001 - \$24,000	2,544	33,508	36,052	17.39%	7.06%	92.94%
\$24,001 - \$36,000	4,511	34,742	39,253	18.94%	11.49%	88.51%
\$36,001 - \$48,000	4,426	25,606	30,032	14.49%	14.74%	85.26%
\$48,001 - \$60,000	3,636	18,951	22,587	10.90%	16.10%	83.90%
\$60,001 - \$72,000	2,490	13,345	15,835	7.64%	15.72%	84.28%
\$72,001 and above	7,617	43,916	51,533	24.86%	14.78%	85.22%
Totals	26,576	180,701	207,277	100%	12.82%	87.18%

1. For estimated distribution of take-up by wage level at a 50 percent weekly wage replacement rate, see the method described for determining TDI take-up distribution at this replacement rate. Data from the California Employment Development Department on utilization of paid family leave by employee wage level are applied to New York's overall projected take-up. See above table for this distribution.

2. For subsequent estimation of take-up distribution at a 67 percent weekly wage replacement rate, data from New Jersey on utilization of family leave insurance by workers' wage level are not available. Therefore, composition of take-up by wage level at a 50 percent wage replacement rate is revised using the following:

- a. a range of estimated compositions of FLI take-up by wage level in New Jersey that replicated actual average benefit amounts in that state and reflected workforce characteristics there (these estimations are also informed by PFL utilization by wage level in California);
- b. existing data on FLI take-up by age and gender in New Jersey;
- c. existing data on FLI take-up by gender in California;
- d. workforce composition by wage level, age, gender, race/ethnicity and fertility in the three states.

C) Composition of take-up for bonding with a new child and for care of other family.

1) Because New Jersey's birth and fertility rates more closely resemble New York's than California's, it is assumed that the overall composition of claims for bonding and other care in New York will be more similar to that in New Jersey than in California.

FLI Claims by Purpose of Leave

	Claims for Bonding (percent of total)	Claims for Other Care (percent of total)
California, SFY 05-06 (year two of PFL)	87.8%	12.2%
California, SFY 07-08 (year four of PFL)	87.6%	12.4%
California, SFY 11-12 (year eight of PFL)	87.3%	12.7%
New Jersey, CY 2011 (year two of FLI)	80.4%	19.6%

2) The California Employment Development Department data on the proportions of claims for bonding and for other care by wage brackets indicate that the proportion of bonding claims is higher for workers at lower wage levels than is the overall proportion of such claims. The proportion of all employees taking leave for bonding purposes decreases through higher wage brackets until the proportion of bonding claims at higher wage levels is less than the proportion of bonding claims for all workers who take family leave. See table on previous page. It is assumed that a similar trend would occur in New York; the overall proportion of claims for bonding in the model is 80%, and the overall proportion of claims for other care is 20%, but these percentages vary through the wage brackets in the estimations as evidenced in California.

The range in estimated numbers of claims for bonding is lower than the range in estimated numbers of TDI claims for pregnancy. This relationship exists in New Jersey and California; i.e., there are more TDI claims for pregnancy than there are family leave claims for bonding. However, the number of family leaves for bonding purposes in California has grown during operation of the FLI program there. In 2004-2005 when the program began, total bonding claims were 68.5 percent of TDI claims for pregnancy; in 2011-2012, total bonding claims were 97.8 percent of TDI claims for pregnancy. In New Jersey, these proportions in 2010 and 2011 were 73.7 percent and 76.5 percent respectively. (The differing number of covered workers for each program in New Jersey is taken into account when calculating these percentages.)

Overall, the range of proportions that result from comparing the projected numbers of FLI bonding claims with the projected numbers of TDI claims for pregnancy in New York corresponds to the range seen in New Jersey and California. Compared to the estimated number of TDI claims for pregnancy, the estimated number of New York claims for bonding *in the year one lower bound* is somewhat lower than that experienced in New Jersey but is similar to utilization in California when FLI was first implemented.

2. Average Lengths of Leave

The proposed legislation establishing family leave insurance provides for a maximum annual leave length of 12 weeks. Average leave length estimates under a 50 percent weekly wage replacement rate are presented below and are followed by average leave length estimates under a 67 percent replacement rate.

Average lengths of leave, 50 percent weekly wage replacement rate

Year one

	Total	Bonding	Other
Lower bound	4.3 weeks	4.5 weeks	3.5 weeks
Upper bound	7.3 weeks	8.0 weeks	4.5 weeks

The following points guided estimation.

- a. In New Jersey and California, average lengths of leave for bonding and other purposes under family leave programs were lower in year one than in subsequent years.
- b. Average length of leave for care of *other family members* was approximately 4 weeks in each of the first three years of New Jersey's family leave insurance program. Since this is two weeks less than the maximum annual family leave available in that state, it is assumed that this duration for workers is adequate, on average, for this type of family leave.
- c. It is assumed that the relatively smaller maximum weekly benefit amount proposed for year one of New York's family leave insurance program will contribute to relatively shorter lengths of leave during the initial year as compared to year four.

Therefore, New Jersey's average length of leave for care of other family, 4.0 weeks, provides the base for the New York projections. Specifically, it provides the midpoint of the year one lower *and* upper bound estimates in New York for average length of leave—3.5 and 4.5 weeks, respectively.

The average *bonding* leave lengths of 5.3 and 5.5 weeks experienced in New Jersey and California, respectively, provide the basis for *lower bound* estimates in year one (and year four) of the proposed legislation. In year one, 4.5 weeks, an average bonding leave length one week shorter than that noted above for California, is used.

Finally, the average bonding leave estimate of 8.0 weeks for the *upper bound* in year one reflects New York's proposed maximum leave of 12 weeks. Experience in New Jersey and California indicates that average length of family leaves in the first year of implementation is likely to be shorter than in year four.

Year four

	Total	Bonding	Other
Lower bound	5.2 weeks	5.5 weeks	4.0 weeks
Upper bound	9.6 weeks	10.5 weeks	6.0 weeks

Lower bound

Lower bound estimates in year four represent the findings of the 2012 FMLA survey that many leave-takers and non leave-takers are reluctant to be away from work for a long period of time.

Therefore the following are assumed.

- a. The average lengths of leave for *bonding* in New Jersey and California, 5.3 and 5.5 weeks, respectively, are used to arrive at an estimated average leave estimate for New York of 5.5 weeks. Even though a maximum 12 weeks of leave is available, the likelihood of this shorter length is bolstered by the availability of TDI leave for pregnancy prior to use of FLI.
- b. Additionally, the average length of leave for care of other family members in New Jersey, 4.0 weeks, is assumed for this type of leave in New York.

Upper bound

The Institute for Women's Policy Research estimated the average length of *all* family leave to be 9.6 weeks under a proposed FLI program with a maximum 12-week leave in the state of Washington. The Washington proposal included a 67 percent weekly wage replacement rate and a \$1,000 maximum weekly benefit amount. The estimate of 9.6 weeks is applied to derive the upper bound for New York.

To estimate average leave length *for bonding* in New York, the actual average leave length for bonding as a share of maximum family leave length in New Jersey, approximately 88 percent, is applied to New York, using the proposed maximum leave length of 12 weeks as the denominator. This resulted in an estimate of an average 10.5 weeks of leave for bonding. Finally, after weighting bonding leave by its portion of total family leave, 80 percent, an estimated average length of leave of 6 weeks for care of other family members is imputed.

Average lengths of leave at 67 percent weekly wage replacement rate

Year one

	Total	Bonding	Other
Lower bound	5.5 weeks	6.0 weeks	3.5 weeks
Upper bound	9.4 weeks	10.6 weeks	4.5 weeks

Estimation of the impact of the proposed increase in the weekly wage replacement from 50 to 67 percent for the family leave insurance program depends on the purpose of the leave. Average lengths of leave projections are constructed as follows.

- a. Average leave lengths for FLI users who care for other family members are not increased from the lengths projected at a 50 percent weekly wage replacement rate because actual average leave for this type of care is already close to 4 weeks in New Jersey, where 67

percent is the wage replacement rate.

- b. For FLI use while bonding with a new child, rates are increased by one-third, based on the assumption that a one-third increase in the wage replacement rate would result in a proportionate increase in leave length. For year one, the lower and upper bound average length of bonding leave estimates increase to 6.0 and 10.6 weeks, respectively. These estimates result in in *total* average family leave lengths of 5.5 weeks and 9.4 weeks in the lower and upper bounds, respectively.

Year four

	Total	Bonding	Other
Lower bound	6.7 weeks	7.3 weeks	4.0 weeks
Upper bound	10.0 weeks	11.0 weeks	6.0 weeks

As noted above, the impact on lengths of leave for the FLI program of the proposed increase in the weekly wage replacement rate from 50 to 67 percent is a function of the purpose of the leave. The explanation directly above for year one also applies to year four. However, the assumption that length of leave will increase proportionately, i.e., by one-third, to the increase in the wage replacement rate is maintained only for the *lower bound* average lengths of bonding leave for this year. This results in a projected increase from 5.5 weeks to 7.3 weeks.

For the *upper bound* estimate of average bonding length of leave, the 10.5 weeks estimated under a 50 percent replacement rate is increased only by 0.5 weeks to 11 weeks since the proposed maximum leave length for this program is 12 weeks. Because this is an *average* leave length, it includes many leave-takers that will use the maximum amount of leave available. However, other leave-takers will limit their length of leave because they cannot afford to take longer leaves or are concerned about consequences in their work of doing so.⁹

*These estimated impacts represent the average increase across **all** leave-takers for bonding. These projections incorporate the assumption that higher earners whose weekly benefit amounts under a 50 percent wage replacement rate are already at the maximum level and who will not, therefore, benefit from the change to a two-thirds weekly wage replacement rate, will not increase their leave lengths.*

⁹ See Appelbaum, Eileen and Ruth Milkman ,Center for Economic and Policy Research, *Leaves that Pay: Employer and Worker Experiences with Paid Family Leave in California*, January 13, 2011 at <http://www.cepr.net/index.php/publications/reports/leaves-that-pay>; and Klerman, Jacob, Kelly Daley, and Alyssa Pozniak, *Family and Medical Leave in 2012: Executive Summary*, Cambridge, MA: Abt Associates, 2012 at <http://www.dol.gov/asp/evaluation/fmla/FMLA-2012-Executive-Summary.pdf>.

3. Maximum and average weekly benefit amounts

Average Weekly Benefit Amounts

FLI	50% Weekly Wage Replacement Rate	67% Weekly Wage Replacement Rate
Year one, MWBA = \$422	\$286 - \$292	\$350 - \$370
Year four, MWBA = \$603	\$366 - \$367	\$440 - \$480

See the corresponding section under the impact of the proposed legislation on temporary disability insurance utilization for details on the method used to determine this parameter. The approach presented in that section is used also in the determination of maximum and average weekly benefit amounts for proposed family leave insurance utilization.

4. Final calculations

See the corresponding section under the impact of the proposed legislation on temporary disability insurance utilization. The approach used for determining the final total benefit costs of proposed changes to the temporary disability insurance program is the same as is used to determine final benefit costs for the proposed family leave program. However, with family leave, there are no current benefit costs to subtract from resulting proposed total costs since family leave insurance will be a new and separate program (even though many claimants will shift from a TDI claim for pregnancy to an FLI claim for bonding).

5. Adding administrative costs and reasonable profit

See the corresponding section on the impact on temporary disability insurance of the proposed legislation for information on how these factors are approached during this analysis.

According to A 1793B and S 4742B, after the first year of the program, the “family care cost” per covered worker will be no more than 115% of the cost of providing such benefits through the New York State Insurance Fund. Specifically, A 1793B and S 4742B state the “family care cost”:

AS SHALL BE SET BY REGULATION OF THE SUPERINTENDENT OF FINANCIAL SERVICES FOLLOWING CONSULTATION WITH THE FAMILY CARE ADVISORY COUNCIL BY APRIL FIRST OF THE SAME YEAR BASED ON THE SUPERINTENDENT'S ACTUARIALLY SOUND ESTIMATION OF THE COST PER EMPLOYEE OF PROVIDING FAMILY CARE BENEFITS, BUT IN NO EVENT MORE THAN ONE HUNDRED FIFTEEN PERCENT OF SUCH ESTIMATION OF THE COST PER EMPLOYEE OF PROVIDING FAMILY CARE BENEFITS THROUGH THE STATE INSURANCE FUND.¹⁰

Given that an administrative structure exists currently in New York State for administering the disability benefits law and providing TDI coverage through the New York State Insurance Fund, costs for administering this component of the proposed legislation may be minimal. Additionally,

¹⁰ <http://open.nysenate.gov/legislation/bill/A1793B-2013> (same as 2014 legislation).

federal funds for start-up costs related to establishing a paid family leave program may become available if the relevant provision in President Obama's proposed 2015 budget is enacted.

New Jersey's recent state plan experience of providing family leave insurance indicates that in 2010, the first full calendar year of family leave insurance, the state spent \$8.8 million on administration, or 12 percent of FLI benefits payments. In 2011, the state spent \$6.5 million on administrative costs, representing 8.7 percent of FLI benefits payments.¹¹

Finally, projected increases to current TDI premiums due to new provision of family leave insurance account for insurance carriers' administrative costs and profit margin.

6. Use of cost estimates to determine the impact on existing TDI premiums of providing FLI

The resulting estimated per covered employee annual FLI benefit costs are used to estimate the impact on current TDI premiums charged by insurance carriers for providing new family leave coverage. For each bound or outcome in years one and four, the percent increase represented by the *new* estimated FLI benefit cost from the actual current TDI benefit cost per covered employee, \$40.99, is calculated. The *midpoint* of the range of new FLI costs is used for this calculation. This percent increase is applied to five different current TDI premiums for statutory coverage, including the premium charged by the New York State Insurance Fund, to determine new premium costs. These new premium costs are added to current premium costs to estimate the impact of providing family leave insurance under the proposed legislation. See *Use of Cost Estimates to Project Impact on Insurance Premiums, Family Leave Insurance, and Current TDI with FLI* below.

¹¹ *Annual Report for 2011, Family Leave Insurance and Temporary Disability Insurance Programs*, page 15 at http://lwd.dol.state.nj.us/labor/forms_pdfs/tdi/ANNUAL_FLI-TDI_REPORT%202011.pdf. These benefit costs do not include benefit payments during unemployment.

**Use of Cost Estimates to Project Impact on Insurance Premiums
Family Leave Insurance, and Current TDI with FLI**

FIGURE 13

Actual, or current, annual benefit cost per covered employee (\$170 maximum weekly benefit): **\$40.99**

**Under Proposed Legislation
Estimated FLI benefit costs:**

	Year 1, \$422		Year 4, \$603	
	Lower bound	Upper bound	Lower bound	Upper bound
Midpoint of range of additional costs [1]	\$14.50	\$37.00	\$27.50	\$63.00
Percent increase from \$40.99	35%	90%	67%	154%

For the insurance carriers listed below, if the above percent increases are applied to current premium rates for statutory coverage (see 'Current' column below), the estimated increases to premiums, listed to the right of current premiums, would result. It is assumed the above estimated increases have the same impact on current rates for TDI coverage of males and females (this may not be the case). *Employees would pay estimated premium increases for FLI coverage.*

Estimated increases to current premiums due to new FLI costs:

	Current	Year 1, \$422		Year 4, \$603	
		Lower bound	Upper bound	Lower bound	Upper bound
State Insurance Fund	\$24.76	\$8.76	\$22.35	\$16.61	\$38.06
First Rehabilitation Life, male	\$21.00	\$7.43	\$18.96	\$14.09	\$32.28
First Rehabilitation Life, female	\$45.60	\$16.13	\$41.16	\$30.59	\$70.09
Nationwide, male	\$31.08	\$10.99	\$28.05	\$20.85	\$47.77
Nationwide, female	\$66.24	\$23.43	\$59.79	\$44.44	\$101.81

Total estimated premiums for current TDI costs and new FLI costs:

	Current	Year 1, \$422		Year 4, \$603	
		Lower bound	Upper bound	Lower bound	Upper bound
State Insurance Fund	\$24.76	\$33.52	\$47.11	\$41.37	\$62.82
First Rehabilitation Life, male	\$21.00	\$28.43	\$39.96	\$35.09	\$53.28
First Rehabilitation Life, female	\$45.60	\$61.73	\$86.76	\$76.19	\$115.69
Nationwide, male	\$31.08	\$42.07	\$59.13	\$51.93	\$78.85
Nationwide, female	\$66.24	\$89.67	\$126.03	\$110.68	\$168.05

[1] See *Summary: Estimated Utilization and Benefit Costs, 67 percent weekly wage replacement rate*

Source: Fiscal Policy Institute, May 2014.

Appendix 1: Temporary Disability Insurance and Family Leave Insurance Programs, as of January 1, 2014.

Current	Maximum Weekly Benefit	Wage Replacement Rate [1]	Maximum Leave Length (Number of Weeks)	
			Temporary Disability	Family Leave
California	\$1,075	55%	52	6
Hawaii	\$546	58%	26	NA
New Jersey	\$595	67%	26	6
New York	\$170	50%	26	NA
Rhode Island	\$752	4.62%	30	4
Washington [2]	\$250	67%	NA	5

NA - not applicable, program does not exist.

[1] Per weekly wages except for Rhode Island, whose rate is per quarterly wages.

[2] Legislation for a paid family leave program in Washington has passed, but it has not been implemented.

Proposed

New York [3]	\$603	67%	26	12
Washington	\$1,000	67%	12	12

[3] The maximum weekly benefit amount when fully phased-in during the fourth year of proposed legislation would be half of New York's average weekly wage; using New York's 2012 average weekly wage, that amount would be \$603.

Source: Fiscal Policy Institute compilation of state agency information and proposed legislation.

Appendix 2: California: Disability Insurance Utilization [1]

Total Benefits Paid	\$2,345,962,862	\$2,713,981,250	\$2,895,277,695	\$3,186,270,573	\$3,314,511,122	\$3,444,479,804	\$3,592,150,152	\$3,884,579,510	\$4,227,604,984	\$4,446,527,541	\$4,414,575,335	\$4,338,421,782	\$4,318,143,299
Average Weekly Benefit Paid	\$284.59	\$298.96	\$308.11	\$332.01	\$359.00	\$383.00	\$397.00	\$413.00	\$431.00	\$448.00	\$446.00	\$448.00	\$464
Maximum Weekly Benefit Amount [2]	\$490	\$490	\$547	\$666	\$784	\$840	\$861	\$900	\$938	\$973	\$987	\$999	\$1,039
Average Weekly Benefit/MWBA	58.08%	61.01%	56.38%	49.89%	45.79%	45.60%	46.11%	45.91%	45.95%	46.04%	45.19%	44.84%	44.66%
Total Claims Paid (All)	637,946	660,837	667,805	669,257	657,689	651,065	660,628	675,217	669,283	654,109	656,292	655,822	611,193
Pregnancy Claims Paid	169,760	168,672	171,516	169,840	172,623	175,194	183,013	189,139	181,685	169,957	168,593	167,811	150,157
Pregnancy Claims Paid/Total Claims Paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Average Length per Claim (weeks)	14	14	15	15	15	15	14	14	15	16	16	15	16
Average Length per Pregnancy Claim (weeks)	NA	NA	NA	NA	11	11	11	10	10	10	11	11	NA
Average Length per Other Claim (weeks, imputed)	NA	NA	NA	NA	16	16	16	16	17	18	17	17	NA
Number of Covered Employees	12,121,954	12,006,115	11,857,369	11,907,234	12,151,500	12,451,105	12,675,341	12,650,240	12,131,587	11,653,856	11,693,787	12,020,642	12,462,632
Total Benefits Paid/Number of Covered Employees	194	226	244	268	273	277	283	307	348	382	378	361	346
Total Claims Covered Employees (take-up)	0	0	0	0	0	0	0	0	0	0	0	0	0

[1] Represents use of state temporary disability insurance program only.

[2] Available calendar year data has been averaged where necessary to determine state fiscal year amounts. The 2000-01 figures consist of the 2001 amounts only since 2000 data is not available.

Source: California Employment Development Department; see http://www.edd.ca.gov/about/about_edd/Quick_Statistics.htm.

Appendix 3: Employee and Employer Contributions [1], State Plans

	2009	2010	2011	2012	2013	2014
California: State Disability Insurance (includes Disability Insurance and Paid Family Leave) [2]						
Contribution Rate	1.10%	1.10%	1.20%	1.00%	1.00%	1.00%
Taxable Wage Ceiling	\$90,669	\$93,316	\$93,316	\$95,585	\$100,880	\$101,636
Maximum Employee Contribution	\$997	\$1,026	\$1,120	\$956	\$1,009	\$1,016
Total Employee Contributions (millions)	\$5,158.8	\$5,500.5	\$5,772.5	\$5,278.5	\$5,635.2	\$5,781.8
Per Covered Employee	\$440	\$475	\$490	\$431	\$444	\$444
Total Covered Employees	11,724,158	11,583,554	11,804,020	12,237,263	12,688,000	13,018,000
New Jersey: Temporary Disability Insurance						
Contribution Rate	0.5%	0.50%	0.50%	0.20%	0.36%	0.38%
Taxable Wage Ceiling	\$28,900	\$29,700	\$29,600	\$30,300	\$30,900	\$31,500
Maximum Employee Contribution	\$145	\$149	\$148	\$61	\$111	\$120
Total Employee Contributions (millions)	\$303.5	\$308.2	\$314.8	NA	NA	NA
Per Covered Employee	\$111	\$114	\$116	NA	NA	NA
Total Employer Contributions (millions)	\$207.7	\$209.5	\$209.4	NA	NA	NA
Per Covered Employee	\$76	\$77	\$77	NA	NA	NA
Total Contributions (millions)	\$511.2	\$517.7	\$524.2	NA	NA	NA
Per Covered Employee	\$187	\$191	\$193	NA	NA	NA
Total Covered Employees	2,733,400	2,706,100	2,711,500	2,741,300	2,782,400	2,832,500
New Jersey: Family Leave Insurance [3]						
Contribution Rate	0.09%	0.12%	0.06%	0.08%	0.10%	0.10%
Taxable Wage Ceiling	\$28,900	\$29,700	\$29,600	\$30,300	\$30,900	\$31,500
Maximum Employee Contribution	\$26	\$36	\$18	\$24	\$31	\$32
Total Employee Contributions (millions)	\$72,800	\$111.4	\$56.7	NA	NA	NA
Per Covered Employee	\$20	\$30	\$15	NA	NA	NA
Total Covered Employees	3,701,300	3,662,100	3,668,100	3,710,700	3,766,000	3,833,500

NA - Not available.

[1] With the exception of contribution rate and taxable wage ceiling, figures are rounded.

[2] Employees make one contribution to SDI for temporary disability and family leave coverage. Figures for 2013 and 2014 are estimates.

[3] As New Jersey's FLI program took effect on July 1, 2009, only six months of data are available for that year.

Sources: California Employment Development Department; see http://www.edd.ca.gov/about_edd/Quick_Statistics.htm. Annual Reports, New Jersey Department of Labor and Workforce Development; see http://lwd.dol.state.nj.us/labor/forms_pdfs/tidi/Annual%20FLI-TDI%20Report%20For%202009.pdf; http://lwd.dol.state.nj.us/labor/forms_pdfs/tidi/ANNUAL_FLI-TDI_REPORT_FOR_2010.pdf; and http://lwd.dol.state.nj.us/labor/forms_pdfs/tidi/ANNUAL_FLI-TDI_REPORT%202011.pdf and <http://lwd.dol.state.nj.us/labor/ea/rates/rateindex.html>.

Appendix 4A: Largest TDI Self-Insurers in New York State

By number of covered employees, 2011

Name of Company/Organization	Statutory Coverage	Plan Coverage	Total Coverage
Cornell University	0	34,358	34,358
Wegmans Food Markets, Inc.	30,089		30,089
The Human Services Self Insurance Trust Fund	0	19,687	19,687
IBM Corporation	0	19,118	19,118
Golub Corporation	0	18,916	18,916
Target Corporation	17,338		17,338
Morgan Stanley	16,291		16,291
United Parcel Service of America, Inc.	15,939		15,939
General Electric Company	0	15,825	15,825
Verizon New York	15,626		15,626
Sears, Roebuck & Company	10,219	4,231	14,450
Electrical Employers Self Insurance Safety Plan	0	13,377	13,377
Kaleida Health	11,138		11,138
Pfizer	8,395		8,395
Sodexo, Inc.	8,335		8,335
M & T Bank	8,334		8,334
Time Warner, Inc.	8,019		8,019
Corning Incorporated	0	7,133	7,133
The McGraw-Hill Companies	0	6,980	6,980
Mason Tender's District Council Trust Funds	0	6,677	6,677
Deutsche Bank	6,237		6,237
Barnes & Noble, Inc.	5,997		5,997
Eastman Kodak Company	5,655		5,655
Marriott International, Inc.	5,607		5,607
Rochester Institute of Technology	5,398		5,398
Lifetime Healthcare, Inc.	5,163		5,163
Rochester General Hospital	5,122		5,122
Total	188,902	146,302	335,204

Appendix 4B: Largest Insurance Carriers Providing TDI Coverage in New York State

By number of covered employees, 2011

The First Rehabilitation Life Insurance Company of America	584,806	376,043	960,849
Zurich American Insurance Company	917,244		917,244
Hartford Life Insurance Company	650,479	53,866	704,345
New York State Insurance Fund	597,526	1,612	599,138
National Benefit Life Insurance Company	535,838		535,838
The Guardian Life Insurance Company of America	420,377	2,183	422,560
First Unum Life Insurance Company	299,694	67,525	367,219
Standard Security Life Insurance Company of New York	276,296	11,218	287,514
Metropolitan Life Insurance Company	205,092	5,475	210,567
Total	4,487,352	517,922	5,005,274

Appendix 5: New York State: TDI Claims Covered by Insurance Carriers, 2010

	Total Claims	Statutory Claims	Plan Claims
All Claims			
Indemnity Claims Allowed	208,615	189,029	19,586
Weeks of Indemnity Paid	1,754,915.48	1,584,568.88	170,346.60
Amount of Indemnity Paid	\$280,795,241	\$238,275,017	\$42,520,224
Average Weeks Per Claim	8.41	8.38	8.70
Average Weekly Benefit Paid	\$160.00	\$150.37	\$249.61
Number of Covered Employees [1]	6,247,697	5,575,000	672,697
Claims Allowed Per Covered Employees	3.34%	3.39%	2.91%
Pregnancy Claims			
Indemnity Claims Allowed	59,920	55,619	4,301
Weeks of Indemnity Paid	441,744.70	410,870.10	30,874.60
Amount of Indemnity Paid	\$70,001,381	\$62,369,717	\$7,631,663
Pregnancy Claims as % of Total Claims	28.7%	29.4%	22.0%
Average Weeks Per Claim	7.37	7.39	7.18
Average Weekly Benefit Paid	\$158.47	\$151.80	\$247.18

[1] Statutory figure approximates actual figure. This measure was estimated for one insurance carrier that did not provide this data; based on other data pertaining to this carrier, the carrier has an extremely small share of such coverage. This estimation did not affect calculation of take-up rate.

Source: Fiscal Policy Institute compilation of raw data provided by the New York State Workers' Compensation Board.

Appendix 6: New York State: Temporary Disability Insurance Claims, 2009

	Insurance Companies			Self-Insurers			
	Total Claims	Total	Statutory	Plan [1]	Total	Statutory	Plan [1]
Indemnity Claims Allowed	258,649	195,613	176,600	19,013	63,036	37,430	25,606
Weeks of Indemnity Paid	2,053,245	1,575,807	1,417,879	157,928	477,438	270,937	206,501
Amount of Indemnity Paid	\$398,742,043	\$267,963,593	\$224,275,280	\$43,688,313	\$130,778,450	\$43,982,099	\$86,796,351
Average Weeks Per Claim	7.94	8.06	8.03	8.31	7.57	7.24	8.06
Average Weekly Benefit Paid	\$194.20	\$170.05	\$158.18	\$276.63	\$273.92	\$162.33	\$420.32
Number of Covered Employees	7,180,949	6,278,202	5,453,317	824,885	902,747	519,191	383,556
Amount of Covered Payroll	\$47,574,353,178	\$41,620,224,593	\$36,322,693,164	\$5,297,531,429	\$5,954,128,585	\$3,376,551,273	\$2,577,577,312
As percent of total:							
Claims allowed		75.6%	68.3%	7.4%	24.4%	14.5%	9.9%
Weeks paid		76.7%	69.1%	7.7%	23.3%	13.2%	10.1%
Amount paid		67.2%	56.2%	11.0%	32.8%	11.0%	21.8%
Covered employees		87.4%	75.9%	11.5%	12.6%	7.2%	5.3%
Covered payroll		87.5%	76.3%	11.1%	12.5%	7.1%	5.4%
Total Claims/Covered Employees	3.60%	3.12%	3.24%	2.30%	6.98%	7.21%	6.68%
Total Weeks/Covered Employees	0.29	0.25	0.26	0.19	0.53	0.52	0.54
Total Paid/Covered Employees	\$55.53	\$42.68	\$41.13	\$52.96	\$144.87	\$84.71	\$226.29

[1] Coverage beyond the minimum level required by state law.

Source: New York State Workers' Compensation Board

Appendix 7A: Resident Workforce by Gender and Age
By place of work

<u>Age</u>	<u>New York</u>		<u>New Jersey</u>		<u>California</u>	
All						
Employed	8,971,046		4,157,869		16,411,195	
Employees	8,101,718		3,795,513		14,482,252	
16-17	66,246	0.8%	35,324	0.9%	70,745	0.5%
18-19	159,873	2.0%	79,821	2.1%	323,347	2.2%
20-34	2,651,941	33.0%	1,095,746	29.1%	5,102,406	35.4%
35-50	2,924,972	36.4%	1,449,485	38.5%	5,352,989	37.1%
51-64	1,981,527	24.7%	964,195	25.6%	3,168,384	22.0%
65 and older	317,159	3.9%	170,942	4.5%	464,381	3.2%
Male						
Employed	4,629,802		2,184,686		8,835,143	
Employees	4,067,818		1,947,683		7,641,187	
16-17	29,623	0.7%	18,150	0.9%	33,178	0.4%
18-19	73,694	1.8%	39,593	2.1%	160,211	2.1%
20-34	1,346,959	33.4%	571,844	29.6%	2,709,725	35.6%
35-50	1,495,859	37.0%	756,751	39.2%	2,890,338	38.0%
51-64	962,246	23.8%	472,683	24.5%	1,604,356	21.1%
65 and older	159,437	3.9%	88,662	4.6%	243,379	3.2%
Female						
Employed	4,341,244		1,973,183		7,576,052	
Employees	4,033,900		1,847,830		6,841,065	
16-17	36,623	0.9%	17,174	0.9%	37,567	0.6%
18-19	86,179	2.2%	40,228	2.2%	163,136	2.4%
20-34	1,304,982	32.6%	523,902	28.6%	2,392,681	35.2%
35-50	1,429,113	35.8%	692,734	37.8%	2,462,651	36.2%
51-64	1,019,281	25.5%	491,512	26.8%	1,564,028	23.0%
65 and older	157,722	3.9%	82,280	4.5%	221,002	3.2%

Note: Employed consists of self-employed and employees.

Source: American Community Survey, single-year estimates, 2011.

Appendix 7B: Resident Workforce by Gender and Wage Bracket
By place of work

<i>Wage level (18+)</i>	New York		New Jersey		California	
All						
.00	1,392	0.0%	678	0.0%	2,819	0.0%
\$100-\$12,000	1,343,733	16.7%	565,337	15.0%	2,716,119	18.8%
\$12,001-\$24,000	1,357,401	16.9%	554,826	14.8%	2,805,839	19.5%
\$24,001-\$36,000	1,366,430	17.0%	556,484	14.8%	2,295,652	15.9%
\$36,001-\$48,000	1,008,814	12.6%	421,508	11.2%	1,582,183	11.0%
\$48,001-\$60,000	912,874	11.4%	471,166	12.5%	1,456,983	10.1%
\$60,001-\$72,000	491,677	6.1%	279,148	7.4%	804,048	5.6%
\$72,001 and higher	1,553,151	19.3%	911,042	24.2%	2,747,864	19.1%
Total	8,035,472		3,760,189		14,411,507	
Male						
.00	747	0.0%	109	0.0%	977	0.0%
\$100-\$12,000	564,425	14.0%	227,995	11.8%	1,195,435	15.7%
\$12,001-\$24,000	620,233	15.4%	246,080	12.8%	1,418,056	18.6%
\$24,001-\$36,000	649,153	16.1%	252,291	13.1%	1,169,446	15.4%
\$36,001-\$48,000	498,782	12.4%	203,607	10.6%	812,756	10.7%
\$48,001-\$60,000	471,318	11.7%	242,424	12.6%	793,295	10.4%
\$60,001-\$72,000	266,678	6.6%	146,372	7.6%	442,734	5.8%
\$72,001 and higher	966,859	23.9%	610,655	31.6%	1,775,310	23.3%
Total	4,038,195		1,929,533		7,608,009	
Female						
.00	645	0.0%	569	0.0%	1,842	0.0%
\$100-\$12,000	779,308	19.5%	337,342	18.4%	1,520,684	22.4%
\$12,001-\$24,000	737,168	18.4%	308,746	16.9%	1,387,783	20.4%
\$24,001-\$36,000	717,277	17.9%	304,193	16.6%	1,126,206	16.6%
\$36,001-\$48,000	510,032	12.8%	217,901	11.9%	769,427	11.3%
\$48,001-\$60,000	441,556	11.0%	228,742	12.5%	663,688	9.8%
\$60,001-\$72,000	224,999	5.6%	132,776	7.3%	361,314	5.3%
\$72,001 and higher	586,292	14.7%	300,387	16.4%	972,554	14.3%
Total	3,997,277		1,830,656		6,803,498	

Note: Employed consists of self-employed and employees.

Source: American Community Survey, single-year estimates, 2011.

Appendix 8: Nativity

Place of Birth	New York		New Jersey		California	
	Number	Percent	Number	Percent	Number	Percent
Total population	19,389,160		8,792,116		37,330,448	
Native	15,117,941	78.0%	6,942,957	79.0%	27,176,114	72.8%
Foreign born	4,271,219	22.0%	1,849,159	21.0%	10,154,334	27.2%
Europe	766,885	18.0%	320,148	17.3%	661,988	6.5%
Asia	1,158,876	27.1%	580,630	31.4%	3,662,563	36.1%
Africa	164,627	3.9%	81,949	4.4%	154,422	1.5%
Oceania	10,004	0.2%	2,984	0.2%	76,042	0.7%
Latin America	2,113,634	49.5%	846,561	45.8%	5,471,806	53.9%
Northern America	57,178	1.3%	16,887	0.9%	127,487	1.3%

Source: American Community Survey, three-year estimates, 2009-11.

Appendix 9: Fertility and Births: State Populations [1]

2009-11 Three-year Estimates

	Fertility					Total Population (B)	Births: Column A/ (Column B /1,000)
	Number of women 15 to 50 years old who had a birth in the past 12 months (A)	Column (A) per 1000 women 15 to 50 years old	Per 1,000 women 15 to 19 years old	Per 1,000 women 20 to 34 years old	Per 1,000 women 35 to 50 years old		
New York	247,761	50	18	83	30	19,389,160	12.8
New Jersey	112,701	52	14	92	31	8,792,116	12.8
California	522,226	55	24	92	30	37,330,448	14.0

Source: American Community Survey, three-year estimates, 2009-11

2012 Single-year Estimates

	Fertility					Total Population (B)	Births: Column A/ (Column B /1,000)
	Number of women 15 to 50 years old who had a birth in the past 12 months (A)	Column (A) per 1000 women 15 to 50 years old	Per 1,000 women 15 to 19 years old	Per 1,000 women 20 to 34 years old	Per 1,000 women 35 to 50 years old		
New York	236,344	48	15	78	29	19,316,728	12.2
New Jersey	110,951	52	13	91	31	8,756,542	12.7
California	505,431	53	18	87	30	37,524,274	13.5

Source: American Community Survey, single-year estimates, 2012

2011 Single-year Estimates

	Fertility					Total Population (B)	Births: Column A/ (Column B /1,000)
	Number of women 15 to 50 years old who had a birth in the past 12 months (A)	Column (A) per 1000 women 15 to 50 years old	Per 1,000 women 15 to 19 years old	Per 1,000 women 20 to 34 years old	Per 1,000 women 35 to 50 years old		
New York	247,202	50	15	81	32	19,208,419	12.9
New Jersey	108,843	50	11	89	30	8,712,982	12.5
California	518,722	54	23	90	31	37,161,789	14.0

Source: American Community Survey, single-year estimates, 2011

2010 Single-year Estimates

	Fertility					Total Population (B)	Births: Column A/ (Column B /1,000)
	Number of women 15 to 50 years old who had a birth in the past 12 months (A)	Column (A) per 1000 women 15 to 50 years old	Per 1,000 women 15 to 19 years old	Per 1,000 women 20 to 34 years old	Per 1,000 women 35 to 50 years old		
New York	247,003	50	20	83	29	19,134,281	12.9
New Jersey	110,473	51	13	92	30	8,693,541	12.7
California	508,113	53	23	91	29	36,815,569	13.8

Source: American Community Survey, single-year estimates, 2010

2009 Single-year Estimates

	Fertility					Total Population (B)	Births: Column A/ (Column B /1,000)
	Number of women 15 to 50 years old who had a birth in the past 12 months (A)	Column (A) per 1000 women 15 to 50 years old	Per 1,000 women 15 to 19 years old	Per 1,000 women 20 to 34 years old	Per 1,000 women 35 to 50 years old		
New York	240,633	49	19	83	28	19,264,374	12.5
New Jersey	113,145	53	17	93	32	8,582,670	13.2
California	532,289	57	26	95	32	36,376,938	14.6

Source: American Community Survey, single-year estimates, 2009

[1] Total civilian noninstitutionalized population.

Appendix 10: FMLA Employee Survey Results: Estimated leave and unmet leave rates for own illness/disability in the past 12 months, 2012

	Percentage of total number of employees
Leave rate, all qualifying reasons	13.20%
Leave rate, own illness (most recent and longest leave)	7.70%
Leave rate, own illness, currently employed workers (most recent and longest leave)	7.79%
Leave rate, own illness, private sector (most recent and longest leave)	7.53%
Unmet leave, own illness	2.46%
Unmet leave, own illness due to 'cannot afford'	1.16%

Source: United States Department of Labor, Wage and Hour Division, FMLA employee survey, 2012. Weighted estimates. See <http://www.dol.gov/whd/fmla/survey/> for access to reports and public use data files.

Appendix 11: California: Paid Family Leave Utilization [1]

State Fiscal Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total Benefits Paid	\$300,416,959	\$349,325,387	\$387,876,893	\$439,487,315	\$472,105,361	\$468,785,192	\$498,438,584	\$527,139,889	\$554,144,299
Average Weekly Benefit Paid	\$409.00	\$432.00	\$441.00	\$457.00	\$472.00	\$488.00	\$488.00	\$497.00	\$517.00
Maximum Weekly Benefit Amount [2]	\$784	\$840	\$861	\$900	\$938	\$973	\$987	\$999	\$1,039
Average Weekly Benefit/MWBA	52.17%	51.43%	50.17%	50.81%	47.01%	45.32%	44.68%	44.14%	42.44%
Total Claims Paid	139,593	153,446	165,967	182,834	187,889	180,675	194,777	200,246	202,624
Total Claims Filed	150,514	160,988	174,838	192,494	197,638	190,743	204,893	210,167	215,830
Bonding Claims Filed	132,007	141,319	153,120	168,594	175,406	167,523	178,853	183,421	189,317
Bonding Claims Filed/Total Claims Filed	1	1	1	1	1	1	1	1	1
Average Length per Claim (weeks)	5	5	5	5	5	5	5	5	5
Number of Covered Employees [2]	12,151,500	12,451,105	12,675,341	12,650,240	12,131,587	11,653,856	11,687,781	11,947,504	12,180,000
Total Benefits Paid/Number of Covered Employees	25	28	31	35	39	40	43	44	45
Total Claims Paid/Number of Covered Employees	0	0	0	0	0	0	0	0	0
Total Claims Filed/Number of Covered Employees	0	0	0	0	0	0	0	0	0

[1] Represents use of state plan only.

[2] Available calendar year data has been averaged where necessary to determine state fiscal year amounts.

Source: California Employment Development Department (CA EDD), see http://www.edd.ca.gov/about_edd/Quick_Statistics.htm; and Fiscal Policy Institute calculations with CA EDD data.

Appendix 12: Family Leave Insurance Claims

Family Leave Insurance: Total Claims and Type of Claim by Gender

	California (claims filed)						New Jersey (eligible claims)					
	2005-06		2010-11		2011-12		2010		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Covered Employees	12,451,105		11,693,787		12,020,642		3,662,100		3,668,100			
Total Claims & Take-up	161,008	1.3%	204,714	1.8%	209,984	1.7%	28,273	0.8%	29,419	0.8%		0.8%
Females	125,750	78.1%	146,195	71.4%	147,308	70.2%	24,286	85.9%	25,441	86.5%		86.5%
Males	32,839	20.4%	58,288	28.5%	62,412	29.7%	3,987	14.1%	3,981	13.5%		13.5%
Unknown	2,418	1.5%	231	0.1%	264	0.1%		NA				
Bonding Claims	141,319	87.8%	178,853	87.4%	183,421	87.4%	22,937	81.1%	23,970	81.5%		81.5%
Females	112,631	79.7%	128,774	72.0%	129,495	70.6%	20,313	88.6%	21,339	89.0%		89.0%
Males	26,427	18.7%	49,721	27.8%	53,559	29.2%	2,624	11.4%	2,634	11.0%		11.0%
Unknown	2,261	1.6%	179	0.1%	183	0.1%		NA				
Family Care Claims	19,669	12.2%	26,040	12.7%	26,746	12.7%	5,336	18.9%	5,449	18.5%		18.5%
Females	13,119	66.7%	17,421	66.9%	17,813	66.6%	3,973	74.5%	4,102	75.3%		75.3%
Males	6,412	32.6%	8,567	32.9%	8,853	33.1%	1,363	25.5%	1,347	24.7%		24.7%
Unknown	157	0.8%	52	0.2%	80	0.3%		NA				

Total claims numbers vary slightly from other CA paid family leave tables due to use of rounded percent figures in other tables to derive numbers.

Family Leave Insurance: Gender by Type of Claim

Claims by Females	125,750		146,195		147,308		24,286		25,441			
Bonding	112,631	89.6%	128,774	88.1%	129,495	87.9%	20,313	83.6%	21,339	83.9%		83.9%
Family Care	13,119	10.4%	17,421	11.9%	17,813	12.1%	3,973	16.4%	4,102	16.1%		16.1%
Claims by Males	32,839		58,288		62,412		3,987		3,981			
Bonding	26,427	80.5%	49,721	85.3%	53,559	85.8%	2,624	65.8%	2,634	66.2%		66.2%
Family Care	6,412	19.5%	8,567	14.7%	8,853	14.2%	1,363	34.2%	1,347	33.8%		33.8%

Source: California Employment Development Department.

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