



## POSITION STATEMENT

### **Paid Family and Medical Leave Initiative**

*The SouthCoast Chamber is a non-profit business advocacy and economic development organization. It has a diverse membership base of 1,000 businesses – primarily small and medium size - in the SouthCoast region of Massachusetts. This policy position is intended to serve as guidelines for the Chamber's Government Affairs efforts and has been reviewed and approved by the Chamber's Government Affairs Committee and Board of Directors.*

**Adopted: 12/14/2017**

The SouthCoast Chamber and its Board of Directors oppose and do not support the proposed Employer Paid Family & Medical Leave mandate on Massachusetts businesses.

State lawmakers on Beacon Hill have been considering several employer paid family and medical leave proposals. If passed and enacted into law, this new legal mandate will require **all** Massachusetts businesses to grant up to 26 weeks paid time off in a calendar year to workers for their own illnesses; in addition to 12-16 weeks paid time off to care for family members (spouse, child, parent, parent of spouse, grandchild or grandparent). The Massachusetts business community will undoubtedly be forced to shoulder this potentially devastating financial burden.

Additionally, weekly benefits would be capped at the lesser of either 90% of the individual's average weekly wages or \$1,000. The measure would establish a Family and Employment Security Trust Fund (FESTF) to administer the family and medical leave program. FESTF would receive funds from employers at a rate of 0.63 percent of each employee's wages. Employers would be permitted to deduct 50% of that amount from employees' wages.

Employee uses of the leave include:

- Bonding with a newborn during the first 12 months of birth, the first 12 months of adoption or foster care
- Caring for a family member with a serious health condition
- Addressing demands arising from an individual's family member deployed or preparing for deployment in armed services
- Caring for a family member who is a member of the armed forces and undergoing treatment for an injury or illness incurred in the line of duty
- Medical leave when receiving inpatient hospital, hospice or residential medical care or continuing treatment by a healthcare provider

While four other states, which include Rhode Island and New Jersey, have enacted medical and family leave provisions, their programs are strictly funded by **employee payroll deductions**. No state in the United States mandates that employers must pay for employee medical and family time off. Massachusetts would be the **only** state to place such an incredible financial burden on its own businesses.

For the Massachusetts program to be implemented, it will be funded from a new tax assessed on small businesses. One small instrument of relief being considered by legislators is to allow employers an option to shift up to 50% of the assessment costs to their employees. The revenues raised from the new assessment, which acts as a tax, will be used to fund and create another state agency to administer the program.

In the up-coming months, our organization and its Board of Directors hope that state lawmakers take the time to contemplate the negative financial impacts of what this employer paid family and medical leave will have on their business constituency.

Please contact Ronald Ellis, Chair of the SouthCoast Government Affairs Committee at (508) 999-5231 with any questions regarding this policy position.

*The SouthCoast Chamber is a private, non-profit business association based in the City of New Bedford, Massachusetts. Chartered in 1885, the Chamber serves nearly 1,000 member businesses of all sizes from virtually all industries in the ten communities of New Bedford, Acushnet, Dartmouth, Fairhaven, Freetown, Mattapoisett, Marion, Rochester, Wareham, and Westport. The Chamber supports and promotes the local business community through leadership in public advocacy, education, networking, information, and community development.*

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