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EXPANDED PAID LEAVE SUPPORTS WORKPLACES

Over the past decade, the number of Americans providing care to a family member has risen by 45%, now totaling 63 million individuals. Nearly a third of today's caregivers take on multiple roles at once, juggling a job, young kids and aging parents.

Paid leave eases the financial pressures that people are facing by allowing them to take time off work to care for themselves or a loved one. These benefits also support employers who need to retain and attract top talent. Meaningful progress has been made — and more work is underway — on this issue that is vitally important to so many Americans.

Paid leave **relieves the financial strain** on our nation's workforce.

HELPING EMPLOYERS OFFER COVERAGE

In July 2025, the U.S. Congress passed a reconciliation package (*H.R. 1*) that included critical policy wins for working families. One provision is an employer credit for paid family and medical leave, which was initially established under the *Tax Cuts and Jobs Act of 2017*. *H.R. 1* makes the credit permanent and enhances it in several ways by:

- Allowing employers to take the credit for insurance premiums (the percentage of cost covered is based on wage replacement levels), which is crucial for small businesses.
- Increasing ways for employers to qualify for the credit, including the ability to claim it for leave provided in non-mandated states, along with leave provided over and above what is mandated by state and local programs.
- Lowering the minimum employee work requirement from one year to six months.

The tax credit makes it easier for employers, especially small businesses, to offer employees paid family and medical leave benefits during critical life moments.

THE ROLE OF LIFE INSURERS

Private insurers have the expertise and experience to cover the paid leave needs of American workers through employer-based plans. Insurers do more than just pay out claims. They also do the heavy lifting when it comes to administering benefits, providing much-needed relief to employers.

“**Being able to have a partner to come in and help guide you through that [paid leave] and take some of that weight off is definitely a definite bonus.**

Kate P., Senior Director, Human Resources

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For decades, private insurers have been helping administer paid leave whether through employer-provided offerings or state mandates. By leveraging insurers' existing infrastructure, employers can reach more working families with coverage swiftly and cost-effectively. Several states have adopted a model developed by the National Council of Insurance Legislators, the "Paid Family Leave Insurance Model Act," that allows insurance departments to regulate paid family leave benefits as a type of insurance. This model enables insurers to provide benefits that help employers take advantage of the expanded tax credit, while also helping workers access valuable financial protection when they need it most.

Life insurers stand ready to work with private employers and government to give more Americans the support and care they need.