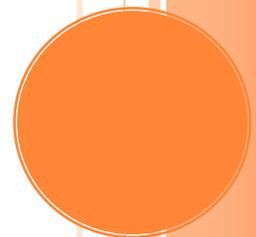


PARENTAL LEAVE POLICY

Quest for change in staff policy

At a time when new parents should be celebrating, the current leave time accruals for staff tend to have the opposite effect. This report addresses some relatively low to budget neutral solutions for staff who request time off for the birth, adoption, or fostering of a child.

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PARENTAL LEAVE POLICY

Quest for change in staff policy

President Obama recently pointed out that the United States is the only advanced economy that does not mandate paid sick or parental/maternity leave for its workers. Three states recognized that changes were needed and have implemented home-grown parental leave programs (California, New Jersey, and Rhode Island). In September, a Bill was introduced that would mandate six weeks of paid parental leave for the birth, adoption, or foster placement of a child. Rather than wait for a governmental mandate, Michigan State University should consider placing itself at the forefront of this issue to set the standard for other universities.

As staff members, our goal is to bring this issue forward to the Family Resource Center and offer some relatively low to budget neutral solutions for anyone who requests time off for parental leave. In the end, it is our hope that many of our solutions will be *adopted*. ☺

Current State

- Most families are two income and providing for a child, especially the first child, is quite costly
- With MSU's current time accrual system, staff are left to bank as much time as possible before the leave, which means
 - Taking little to no time off until the leave
 - Coming in sick
 - Working through lunch hours
 - Working longer hours
 - Upon returning to work after the leave, they are exhausted mentally and physically
- Federal Maternity Leave Pay Act (FMLPA) is being introduced
 - Four months of paid leave time for the first three births, adoptions, or foster placements, with pay disbursed as follows:
 - 85% of salary for first birth, 65% for the second, and 35% for the third
- Family Medical Leave Act (FMLA)
 - Only 60% of US employees are covered by this unpaid act
 - No one should have to choose between their paycheck and caring for their newest family member

- At a time when most live paycheck to paycheck, not many can afford to be off work for 12 weeks unpaid with some relying on public assistance
- Average amount of paid leave time in advanced economies is 15-20 weeks (see graph below)
 - The U.S. is the only industrial nation in the world without a program that provides leave time and income to working parents

Weeks Of Paid Leave For New Mothers

Among advanced economies, the U.S. stands alone in not mandating paid maternity leave at the federal level for new mothers.



Why MSU should review the current policy

This is an incredible opportunity for MSU to set the standard for other universities and to show that navigating responsibilities at work and home really matter.

- A change in policy places MSU at the forefront for paid parental leave
- Policy changes provide a chance to create an innovative, comprehensive, yet realistic plan that supports working parents and their families
- With millennials replacing those eligible to retire, it is good for succession planning
 - A benefit like this helps to attract and retain qualified workers
 - It also shows that MSU values family
- MSU could use a revised parental leave policy as a recruitment tool

- A policy change proves that MSU understands the first weeks and months following a birth, adoption, or foster placement can be physically, emotionally and financially challenging for parents
 - paid parental leave helps ease the stress of adapting as a new parent, as well as the stress that comes from being away from work
- Updating the policy aligns with private sector
 - some companies offer up to a year of paid leave time
- Reworking the policy is good business practice. Studies show that paid parental leave programs:
 - Contribute to a stronger economy by improving infant health
 - Lead to more successful children in the long run when both parents are engaged and bonding at the beginning
 - Cultivate childhood development
 - Enable women to stay in their jobs, which reduces costly turnover
 - Increase job satisfaction and reduce stress

Options for Change -- What MSU Can Do to Update the Parental Leave Policy

- Provide 12 weeks of paid parental leave time separate from time accruals
 - Departments encumber personnel expenses for the year, which enables them to financially cover parental leave time
 - Allow accrued leave time to remain in place in order to accommodate appointments (i.e., immunizations, well-checks, etc.) and unforeseen absences (i.e., sick child) after staff return to work.
- Give employees with large amounts of sick leave accruals the opportunity to donate hours to a parental leave “pool”.
- Give employees with large amounts of accrued vacation time, who are crowding the 240 hour maximum, the opportunity to donate hours to a parental leave “pool”.
- Currently, retirees are paid for half of their sick time when they retire. The other half could be placed in the parental leave “pool”.
- Offer a tax deduction to anyone offering time to the pool.
- Offer an employee-paid, short-term disability policy (such as AFLAC, which could be part of MSU’s voluntary benefit program, making the premium an employee-paid benefit).
- Offer a short-term disability policy and then allow staff to use accruals
- Allow accrued sick and vacation time to be “stretched” over the length of the requested time off
 - For example, if an employee has enough accrued time to be paid at a reduced rate of 75% time throughout the leave period, deduct accruals at the reduced rate without affecting full-time benefits

- Offer a reduced work schedule upon returning to work, subject to supervisor/departmental approval.
- From time of hire, allow accrual for parental leave hours in addition to accrual of sick and vacation accruals.
- Allow employees to carry a negative sick and/or vacation balance for leave up to a certain number of weeks to be determined with supervisor/departmental approval (i.e. advance leave amounts to borrow against and return in the future)
 - Similar to a flex spending account – allow time to be used and “paid back” later
 - Allow employees to match the time off (i.e., for each week of accrued time, allow the employee to take a week of “negative” time to be paid back at a later date)
- Offer non-consecutive paid weeks.
- Offer consistent policies for both parents; including those couples who are both MSU employees.
- Educate supervisors in this area, including sensitivity to fostering a child.

These are a few ideas we offer up as options and solutions. MSU is a leader in so many areas; let's prove we are a leader once again before we are mandated to do so by government policy. There is an abundance of research that often goes ignored, which illustrates how beneficial paid parental leave can be for parents, children, society, and employers. It is time to pay attention to the research.

Thank you for your time and consideration.

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