



# AMERICAN BENEFITS --- COUNCIL

## **Statement for the Record**

U.S. House of Representatives on  
Education and Workforce Committee,  
Subcommittee on Workforce Protections

Hearing on

*Balancing Careers and Care: Examining  
Innovative Approaches to Paid Leave*

Submitted by the American Benefits Council

February 24, 2026

Dear Chair Walberg, Chair Mackenzie, Ranking Member Scott and Ranking Member Omar:

On behalf of the American Benefits Council (“the Council”), I want to thank you for holding this important hearing on *Balancing Careers and Care: Examining Innovative Approaches to Paid Leave*. Council member companies are at the forefront of comprehensive and innovative programs to help their employees balance personal and work responsibilities, including generous paid leave benefits. However, a patchwork of differing state paid leave laws creates a host of significant challenges for multistate employers and unintended consequences for employees. **The Council applauds the bipartisan House Working Group on Paid Leave (“the Working Group”) for introducing legislation, the Interstate Paid Leave Action Network (I-PLAN) Act (H.R. 3090) to help coordinate and harmonize state paid family and medical leave laws nationwide.**

The Council is a national non-profit organization dedicated to protecting employer sponsored benefit plans. The Council represents more major employers – over 220 of the world’s largest corporations – than any other association that exclusively advocates on the full range of employee benefit issues. Members also include organizations supporting employers of all sizes. Collectively, Council members directly sponsor or support health and retirement plans covering virtually all Americans participating in employer-sponsored programs.

The Council’s member companies recognize the importance of paid leave to help their employees balance personal and work responsibilities and provide generous paid leave benefits to their employees, which also benefits their businesses. Federal, state and local governments and taxpayers also benefit from employer-sponsored paid leave plans.

However, with major employers having employees in numerous (if not all 50) states, multistate companies face the significant challenge of navigating a maze of increasingly complex and inconsistent state paid leave mandates. This patchwork of inconsistent state laws undermines employers’ ability to offer valuable paid leave benefits to their employees on a consistent basis nationwide. This challenge is compounded by increasing numbers of employees working remotely, with many small and mid-size companies now finding themselves multistate employers.

The Council supports federal legislation expanding access to paid leave in keeping with the Council’s [Statement of Principles on Paid Leave](#) and proposes a voluntary federal private plan option for paid family and medical leave (PFML) benefits. Employers who opt to provide paid family and medical leave benefits to their employees nationwide that meet the minimum standards of the voluntary federal private plan option would be deemed in compliance with state requirements.

To reach the goal of expanding access to paid leave, federal legislative solutions must support and leverage employer-provided paid leave benefits. To support and leverage employer-provided paid leave benefits, it is critical that federal legislation promote the harmonization of existing and potential forthcoming state paid leave programs so that multi-state employers can treat their employees equitably across the country. To enable an employer to treat its employees equitably nationwide, and to avoid extraordinary costs and administrative burdens, it is more important than ever that state paid leave laws are made as harmonized as possible.

The members of the Working Group have made extraordinary bipartisan efforts to understand the complexities that arise from disparate state paid leave laws. The I-PLAN Act is a positive step forward in acknowledging and addressing the need for harmonization across states. The Council looks forward to working with the Committee, members of the Working Group and other lawmakers on I-PLAN legislation that drives meaningful, reasonable, long-term and administrable harmonization.

## **THE NEED FOR NATIONWIDE HARMONIZATION OF PAID LEAVE BENEFITS**

Council members typically have nationwide operations – often in all 50 states. Currently, 13 states plus Washington, D.C. have enacted a patchwork of inconsistent mandatory PFML programs.<sup>1</sup> And the patchwork is perpetually growing and evolving. The existing patchwork of mandatory state PFML programs is so challenging because of how varied these laws are in terms of their substantive and procedural components. Mandatory state PFML programs are comprised of more than 30 substantive, technical requirements, many of which have additional layers, such as definitions, formulas, and administrative standards. When examined, it is clear that many of these measures are mismatched and misaligned. [A detailed infographic](#) prepared by the Council and the law firm Seyfarth Shaw LLP describes these state law differences.

As described in the infographic, wide variation and nuance exists across four select key PFML substantive areas: (1) qualifying absences, (2) covered family members, (3) duration of leave benefits and (4) amount of pay. These topics account for only a small portion of state PFML law substantive criteria. For example, differences with respect to standards on coordination of statutory PFML with employer policies on leave and time off, deviations in the private plan option approval standards, and inconsistency with

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<sup>1</sup> In addition to the 14 mandatory PFML programs, five states also maintain stand-alone statutory temporary disability insurance (TDI) benefits. Four of these states, California, New Jersey, New York and Rhode Island, maintain corresponding paid family leave programs. The fifth state, Hawaii, only offers a TDI program, not both TDI and paid family leave. While statutory TDI programs can be thought of as “paid medical leave,” the Council has not included Hawaii in the above headcount of existing PFML programs. More information on Hawaii TDI can be found at <https://labor.hawaii.gov/dcd/home/about-tdi/>.

the federal FMLA create considerable challenges and complexities for employers and employees alike. The rise of remote and mobile work makes this picture even more complex. With more employees working remotely, many more employers – including small and mid-size companies – have become multistate employers.

However, and notably, these topics account for only a small portion of state PFML law substantive criteria. For example, differences with respect to standards on coordination of statutory PFML with employer policies on leave and time off, deviations in the private plan option approval standards, and inconsistency with the federal Family and Medical Leave Act (FMLA) create considerable challenges and complexities for employers and employees alike.

Mandatory PFML laws are inconsistent with the federal FMLA on a number of topics, including having much lower thresholds for employee eligibility and employer coverage, broader reasons for use and covered family members, and greater length of benefits. These differences lead to “stacking” of benefits whereby the leaves under two laws do not run concurrently, thus leading to increased absenteeism and costs to the business, and a greater burden on co-workers and managers.

Another aspect of state PFML mandates that imposes administrative and practical hardship on employers involves intermittent leave. Existing state PFML laws lack a unified standard for handling intermittent absences, particularly when PFML benefits are used to bond with a new child. Unlike the FMLA, which only permits intermittent bonding absences with employer and employee consent, a majority of mandatory state PFML laws allow employees to receive benefits for qualifying bonding absences intermittently, often in increments as small as one day. Permitting employees to start and stop work on an intermittent basis, specifically in the context of bonding with a new child, can create major disruptions in the workplace that put unnecessary strain on the employee’s co-workers and managers, as well as the individuals responsible for administering the PFML absence.

Inconsistencies exist across PFML laws in terms of the formula states impose for determining how to calculate the wage replacement amount to which employees on approved PFML are entitled. For many employees, the statutory wage replacement benefits do not provide full wage replacement of their normal pay. Employers very often want to find ways to “top up” employee pay in these situations to help their employees financially and receive full pay. However, doing so is incredibly complicated and fraught with potential missteps and legal risk.

The patchwork of state PFML laws can stifle employer innovation and force employers to instead spend their time and resources just trying to achieve jurisdictional compliance. The burden of compliance and the range of different requirements mean that the resources designated for such programs are applied to navigating administrative complexities. However, this is not just a matter of administrative cost

and burden for employers. This also results in employers being compelled to treat employees inconsistently based upon where they work or live.

The maze of applicable paid leave mandates and processes is also overwhelming and confusing for employees facing significant life events, who are not sure which laws apply to them and to which leaves they may be entitled. This patchwork is transforming the traditional role of employers as the single point of contact for employee benefit programs and can negatively affect the employee experience.

Employees are often frustrated and confused by the fact that co-workers who live or work in other locations have a different set of benefits based solely on their location, which may be more advantageous. This employee frustration has been exacerbated by increasingly remote and hybrid work arrangements and many employers' internal employee teams having members who are scattered across the country. These team members work together, perform the same role and have the same responsibilities, and because they communicate regularly, they are aware of dissimilarities and divergences in their paid leave entitlements. While employers can point to state law differences as the culprit, this does not remedy the employee team's frustrations and confusion due to their inequitable treatment.

If it becomes more difficult for employers to sponsor a private paid leave plan and more employees migrate to public programs, the cost and administrative burden of public plans will rise. The incentive to cease sponsoring the employer plan will grow as more states pass new and different requirements, and by extension, the cost of federal or state government paid leave programs will also grow.

The divergence of substantive and procedural requirements for approval by each state undermines the goal of protecting and leveraging private sector benefits. Nationwide harmonization of paid leave benefits for multistate employers is foundational to leveraging employer-provided paid leave benefits. To support and leverage employer-provided paid leave benefits, it is critical that federal legislation promote the harmonization of existing and potential forthcoming state paid leave programs so that multistate employers can treat their employees equitably across the country.

**Accordingly, we commend the Working Group for recognizing the "Coordination and Harmonization of Paid Leave Benefits Across States" as a core pillar of its legislative activity and as reflected in its release of the I-PLAN draft legislation.** Indeed, the mission of expanding access to paid leave in a fiscally responsible and sustainable way cannot be accomplished without supporting employer-provided paid leave programs.

## **EMPLOYER-PROVIDED PAID LEAVE IS VALUABLE FOR EMPLOYEES, BUSINESSES AND TAXPAYERS**

Federal legislation that addresses the current patchwork of varied state PFML requirements, and in so doing supports employer-provided paid leave, is beneficial for employers, employees, federal and state governments and taxpayers.

- **Employer-provided paid leave is valuable for businesses.** Large employers are uniquely positioned to offer paid leave programs intended to meet the needs of their employees and their businesses in an efficient and cost-effective manner.
- **Employer-provided paid leave is valuable for employees.** Employees can obtain and manage their valued employer-provided leave seamlessly and promptly through regular, familiar channels (i.e., via the company Human Resources or Benefits team; via the employer's existing third-party administrator or insurance carrier; etc.), rather than being required to apply for, and correspondingly waiting to receive, government benefits. Swift and easy access to paid family and medical leave is particularly significant for employees who are seeking such leave, and the related financial security, while facing some of life's most significant moments or challenges.
- **Employer-provided paid leave is valuable to federal, state and local governments and taxpayers.** Federal, state and local governments and taxpayers benefit from employer-sponsored plans that mitigate the cost and complexity of public programs. By looking to create federal legislative paid leave solutions that make it possible for employer-sponsored paid leave plans to function, Congress can support access to paid leave benefits without imposing direct costs on the federal, state or local governments or taxpayers.

We understand that states have a strong interest in ensuring access to paid leave for their residents. The ability of multistate employers to have nationwide harmonization of paid leave for their employees regardless of where they live or work need not be in conflict with the state interest. We stress that 12 of the 14 states with enacted PFML mandates recognize the importance of employer-provided paid leave by offering a private plan option. However, the divergence of substantive and procedural requirements for approval by each state undermines the goal of protecting and leveraging private sector benefits.

## **THE I-PLAN ACT IS A POSITIVE STEP FORWARD IN ACKNOWLEDGING AND ADDRESSING THE NEED FOR HARMONIZATION ACROSS STATES, THEREBY SUPPORTING EMPLOYER-PROVIDED PAID LEAVE BENEFITS**

The I-PLAN Act is a positive step forward in acknowledging and addressing the need for harmonization across states. We commend the Working Group for including

the coordination and harmonization of paid leave benefits across states as a core pillar of your work. The I-PLAN could lay helpful and much-needed groundwork for the nationwide harmonization we seek. Notably, we applaud the I-PLAN Act for calling for the creation of a single policy standard and single administrative standard across all participating states to facilitate easier compliance with their PFML laws. We also applaud the I-PLAN Act for including the development of an “equivalency standard” to determine whether the maximum monetary value of an employer plan is greater than or equal to the maximum monetary value of a state program among the topics in the administrative standard to facilitate employers opting out of a state program by offering an employer plan. We highlight the importance of transparency and stakeholder involvement, including employer outreach and coordination. Ensuring that employers are consistently engaged and involved in the I-PLAN process is vital to the I-PLAN Act’s aims.

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The Council looks forward to working with Congress to support employer innovations in paid leave and ensuring that the I-PLAN Act drives meaningful, reasonable, long-term and administrable harmonization. The Council stands ready to assist you in any way possible. Please do not hesitate to reach out with any questions.

Sincerely,



Ilyse Schuman  
Senior Vice President, Health and Paid Leave Policy