

September 3, 2021

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Leader Schumer, Leader McCarthy and Leader McConnell:

As organizations providing paid leave benefits to millions of American workers across the country, we recognize the importance of helping employees care for a new child or tend to their own — or a family member's — serious health issue. Our companies are at the forefront of innovative programs to help employees balance personal and work responsibilities. As the U.S. Congress considers legislation to create a federal paid family and medical leave benefit, it is vitally important to protect and promote employer-provided paid leave programs. Doing so is critical to assure millions of workers that they can keep the benefits they value and to enable the federal government to mitigate the cost and complexity of a new national program.

We strongly support federal paid leave legislation that builds on private-sector solutions and allows employers to treat workers equitably regardless of where they live or work. Managing the plethora of state and local employee paid leave mandates is extremely burdensome for multistate employers and compels them to treat employees differently based on their location. This problem has become even more complex as the COVID-19 pandemic resulted in a dramatic rise in remote work and many remote workers have permanently relocated to other states.

In a recent informal poll of nationwide employers conducted by the American Benefits Council, 95% characterized the burden imposed by multiple state and local paid leave laws as "significant," with 68% of those companies considering it "very significant." However, this is not just a function of administrative complexity and cost for employers. It is also a matter of fundamental fairness and equity for employees. When asked about their chief concerns regarding the growing number of state and local laws (they could choose more than one

option), 97% of the Council's survey respondents selected "administrative burden," 88% selected "employee confusion" and 74% selected "inequitable treatment of employees"; all significantly greater than the 56% who cited cost as a concern.

We recognize that not all workers have access to the generous paid family and medical leave benefits provided by the Council's members. The federal government can play an essential role filling the gaps while preserving employer plans. If a new national program is established, it will be essential to keep employers engaged both to prevent disruption for millions of workers who currently receive benefits through their employer *and* to enable the federal program to function properly and provide benefits to those who do not receive paid leave from their employers or are performing work independently.

Establishing a new federal paid family and medical leave program will be extremely complex. This task will be infinitely more challenging for both the government agency administering the program and for workers if those who currently enjoy a seamless experience receiving paid leave benefits from their employer must adapt to a new system managed by the federal government, or potentially a combination of employer-provided and government-provided leave. Doing so would place a complicated and time-consuming burden on workers at the very time they are dealing with the personal and family obligations that necessitate them taking leave.

Maintaining a robust employer-sponsored system will also substantially mitigate the cost of a federal program. To support the existing framework and avoid the costs and complications noted above, federal legislation must provide employers the flexibility to offer paid leave programs that meet a single set of standards for their employees nationwide. This approach would not be new or novel. For nearly 50 years Congress has embedded flexibility in the design and operation of health and retirement plans for different workforces, alongside federal uniformity for employers who operate in more than one state.

We urge you to consider these matters as you undertake this important effort to establish federal paid leave policy; and offer our support and experience to help Congress develop legislation in a manner that best serves the needs of workers, families, employers and the federal government.

Sincerely,

American Electric Company, Inc.
American Fidelity Corporation
BAE Systems, Inc.
Ball Corporation
B. Braun Medical Inc.
Beam Suntory Inc.
eBay, Inc.
Greyhound Lines, Inc.
HealthEquity, Inc.
HERE Technologies
IBM Corporation
IHG Hotels & Resorts

International Paper
KBR, Inc.
Moog Inc.
Nordson Corporation
Shure Incorporated
Silicon Valley Employers Forum
Southwest Airlines Co.
T. Rowe Price Group, Inc.
TE Connectivity Corporation
Veritiv Corporation
Verizon
WestRock Company

cc: Members of Congress