



## THE COMMITTEE ON WAYS AND MEANS

### Committee on Ways and Means Provisions in the *Build Back Better Act*

#### *Universal, Comprehensive Paid Family and Medical Leave for Workers*

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The *Build Back Better Act* would permanently authorize the first-ever, universal, comprehensive paid leave benefit for all U.S. workers.

- Starting in January 2024, all workers would be eligible for up to four weeks of paid leave for new parents, workers dealing with their own serious medical conditions, and workers who need leave to care for a loved one with a serious medical issue.
  - Benefits would be progressive, with lower-income workers receiving higher levels of wage replacement so they can afford to take leave.
  - Wage replacement would be about two-thirds for the average worker.
- The federal benefits would not be taxed, and the amount has been adjusted to compensate for an expected 5.7 percent budget sequestration (to ensure the benefits are correct after the sequester is applied).
- Workers would receive their guaranteed benefits in one of three ways:
  - Via a public program administered by the Social Security Administration that covers all public and private sector workers without regard to employer size, including part-time and self-employed workers;
  - Via an already-enacted “legacy state” paid leave program which provides benefits that are equivalent to or better than the federal benefit, and for which the state would be reimbursed up to what it would have cost to cover their workers in the federal program; or
  - Via a plan (self-insured for via an insurer) from an employer who voluntarily chose to offer 100 percent of employees paid leave that is **equal to or better than the public benefit in every respect** and includes job reinstatement protection even if a worker is not FMLA-covered. Those employers would be reimbursed for the lesser of 90 percent of the national average cost of paid leave benefits or 90 percent of their insurance premium.
- In addition to providing funding for the full cost of administering the new paid leave benefit, the Build Back Better Act would provide the Social Security Administration with an additional \$2 billion to address customer service challenges and backlogs in non-paid leave programs.