



HB 1996 (Rep. Hull)/SB 1618 (Sen. Johnson) would allow Texas to be one of the first states to make paid family leave plans a type of insurance that employers can voluntarily purchase for their employees.

Currently, almost half of the U.S. workforce is covered by some form of **paid medical leave** or disability insurance – paid by their employer. Employers provide this insurance so an employee can replace a percentage of their salary while they are recovering from a serious illness or injury and are unable to work.

Paid family leave benefits are a newer concept allowing for an employee to care for a newborn, or ill family member, or when the employee's family member is on active duty with the military.

As employers increasingly compete to meet the needs of a modern workforce the concept of an optional, market-based paid family leave benefit is growing.



Not a Mandate: Allowing Insurance Companies to Offer Paid Family Leave Options

The cost and bureaucratic nature of a government-run program to fund and administer a paid family leave program has led policymakers and employers to seek a separate private sector option. This market-based option is achieved by building on the framework of short-term disability income insurance already offered by private insurers.



Removing Regulatory Hurdles to an Optional Paid Family Leave Program

State regulations prohibit the use of short-term disability income insurance from being used for anything other than one's own medical leave. Using the disability insurance framework, HB 1996/SB 1618 allows for the approval by state regulators of insurance policies that can be used by employers to provide optional paid family leave benefits to their employees.

Keeping Texas Working

Texas's business-friendly ethos has been the driver for one of the strongest economies in the country and the world.

Taking steps to allow for voluntary paid family leave benefits will help ensure the state can continue to attract and retain the type of workforce that will sustain Texas as a hub of opportunity for businesses and workers.



Many employers now believe optional paid family leave is an important part of their efforts to **retain a happier, healthier, and more productive workforce**. They embrace the voluntary nature of providing this benefit through commercial insurance products.

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