

A Win for Texas Businesses & Their Employees



The Legislature has given Texas businesses another tool to recruit, retain, and reward their employees with the passage of House Bill 1996 (Rep. Hull/Sen. Johnson) — **a private sector option for paid family leave.**

The measure puts **Texas at the forefront of a growing movement** to allow insurers to offer a type of insurance that employers can voluntarily purchase for their employees. Texas joins five other states that are pacesetters in adopting private sector paid family leave options.

Other States Adopting Market-Based Paid Family Leave Options:



- Florida
- Arkansas
- Alabama
- Tennessee
- Virginia

A Growing Concept That Both Employers and Employees Embrace

Currently, almost half of the U.S. workforce is covered by some form of **paid medical leave** or disability insurance offered by their employer.

Employers offer 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 take leave 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.



Keeping Texas Working

The new law had broad support among the business community and will strengthen the state's ability to attract and retain the type of workforce that will **sustain Texas as a hub of opportunity for businesses, workers, and families.**

“Once again, our Legislature moves to strengthen **Texas businesses’ ability to recruit talent, compete, and grow.** This market-based approach is not a mandate and lets employers choose whether they want to offer it as a benefit for their employees. This is a win for everyone.”

— Annie Spilman, State Director, Texas
National Federation of Independent Business



“This was a collaborative effort between a supportive legislature, our state’s business community, and the insurance industry. **Texas and Texans will benefit from HB 1996.**”

— Jennifer Cawley, President & CEO
Texas Association of Life and Health Insurers

Building on the framework of short-term disability insurance already offered by private insurers for paid medical leave benefits, this important law will allow state regulators to approve policies that can be used by employers to provide optional paid family leave benefits to their employees.

The new law takes effect on Sept. 1, 2023.

HB 1996 was supported by:



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