



Social Security Cares 101

Providing paid family leave through Social Security

Heather Boushey February 2010

What is the Family and Medical Leave Act?

The United States is the only developed country that does not require that workers have access to paid leave for the birth of a child or to care for a seriously ill family member. The Family and Medical Leave Act, which was enacted in 1993 and gives workers the right to job-protected unpaid leave, was the first national legislation to give workers time off to provide care.

This was a victory for working families, but FMLA still leaves significant gaps. To be eligible for FMLA, an employee must work in a company with more than 50 employees, work more than part time, and have worked in the company for more than a year. These exclusions mean that just over half of working Americans—and particularly low-wage workers who most need the assistance—are not able to benefit from family leave.

Social Security provides retirement assistance and disability benefits based on how much a worker has earned and paid into the system. When Social Security was created in 1934, most families had a stay at home caregiver—generally a woman. That is no longer the case. For the first time in our nation's history, women are half of all U.S. workers, and mothers are the primary breadwinner or co-breadwinner in nearly two-thirds of American families. We need to change our system to reflect the realities of today's workforce, while at the same time preserving Social Security's ability to provide retirement benefits for future generations.

Social Security Cares

Social Security Cares addresses the fundamental way families have changed since Social Security was created: most families no longer have a stay-at-home caregiver. It would allow workers to access Social Security benefits to provide them with income when they need leave from work due to the birth of a child or a serious illness.

Eligibility

Nearly every worker would be covered since nearly every worker already pays into Social Security. Eligibility should be structured so that workers have a minimal commitment to the workforce—have paid into the Social Security system at some point, for example—but at the same time ensure that young and low-wage workers would be covered. Eligibility would be tied to lifetime earnings, not job tenure, and workers in any size business would be eligible.

Allowing younger workers to access Social Security benefits other than disability payments before their retirement would create a broader coalition supporting the system by giving them immediate benefits. At the same time, older workers would benefit by having their younger family members able to care for them without sacrificing economic security.

Benefits

Workers would be entitled to Social Security benefits for paid leave to cover the same life events that are covered by the FMLA—the birth or adoption of a child, the worker’s own serious illness, or to care for a seriously ill family member. Coverage would be provided for a maximum 12 weeks per year, the same amount of time as is covered under FMLA.

Research shows that women with access to paid maternity leave are more likely to return to work after they have a child. And workers who have time off for a serious illness recover quicker, as do ill family members who have the care of a loved one.

Job protection

Only workers who are currently covered under FMLA would have job protection during their leave. Workers in small businesses not covered by FMLA, part-time workers, and those who have not been with their employer for a year would be eligible for Social Security Cares benefits, but would not receive the job protections under FMLA.

Extending FMLA to provide job protection for part-time workers, workers in businesses with fewer than 50 employers, and domestic partners would need to be done through separate legislation.

Ensuring retirement security into the future

Social Security’s ability to continue to provide retirement benefits for future generations is critically important, but paid family leave benefits could be added to the system without sacrificing its solvency. Because it would build off of existing infrastructure, Social Security

Cares will not add significant expenses to the system. In fact, Social Security Cares could strengthen the Social Security system by increasing the labor supply of mothers, workers with health problems, and workers who need to care for those with chronic or serious health problems, thus adding tax revenues to the system overall.

The most common reason workers borrow from their 401(k) retirement savings is to cope with a medical issue. Social Security Cares would give Americans access to income to provide care during their working years without sacrificing their economic security.