BACKGROUNDER

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How a Proposed Federal Paid Family Leave Policy Would Become a Federal Entitlement and Weaken Social Security

Rachel Greszler and Drew Gonshorowski

Abstract

The United States does not have a federal paid family leave (PFL) program. It does, however, have the most substantial—and growing—provision of privately provided and state-based PFL programs. The U.S. also has job-protected family leave through the 1993 Family Medical Leave Act (FMLA). Numerous states have created laws to expand on the federal FMLA by extending it or creating new family leave benefits. A federal PFL policy would cause many employers and states to give up their existing policies, and it would discourage those who otherwise would have established paid leave policies in the near term from doing so. It is important for lawmakers to consider the unintended—but likely—consequences of the superficially innocuous proposal of a federal PFL, including a weakened Social Security program, turning PFL into another federal entitlement, and potentially piling on significantly to federal deficits. While federal lawmakers should not enact a new national paid leave entitlement, they can and should enact policies that would make paid family leave more accessible and affordable for ordinary Americans.

Americans widely support paid family leave for workers, and that support is evident in the growth of employer-based and state-based paid family leave programs. Despite those expansions, many federal lawmakers seek to implement a national paid family leave program. A new proposal that has support among some conservative lawmakers would allow workers to trade future Social Security benefits for paid leave benefits. Tempting as this proposal is—giving workers the option to draw Social Security benefits when they need them most, while minimizing both costs and crowd-out effects

Key Points

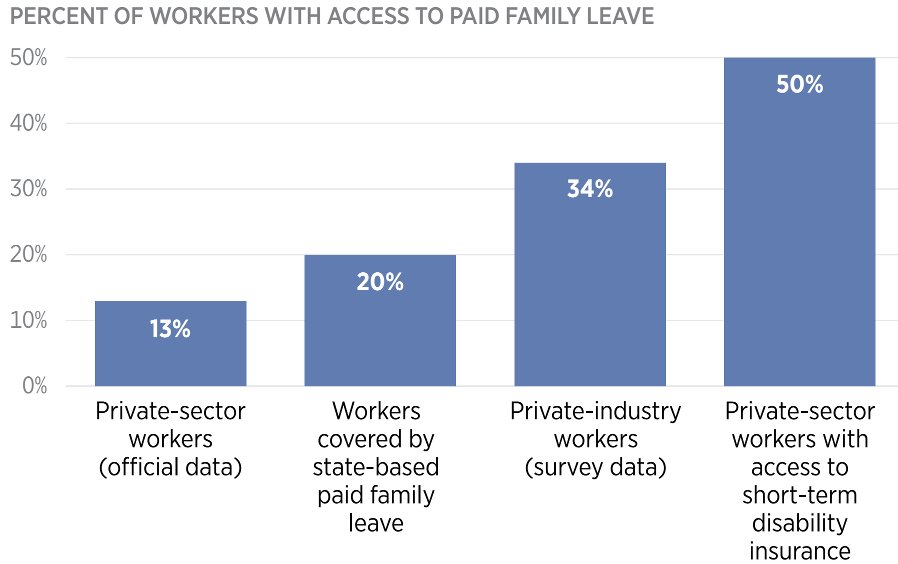
- A new proposal that has support among some conservative lawmakers would allow workers to trade future Social Security benefits for paid family leave (PFL) benefits. Although superficially innocuous, this proposal would add another national entitlement, weaken Social Security, and open the door to costly unintended consequences.
- The proposed federal PFL program would not meet the needs of many low-income and middle-income workers, who cannot afford the partial paychecks it would provide or who may not be eligible to take leave.
- The proposed PFL program would add between $9 billion and $12 billion to short-term federal deficits, and future expansions could cost between $101 billion and $231 billion over 10 years.
- Lawmakers have multiple ways to help make PFL more accessible and affordable for ordinary Americans without shifting the costs to taxpayers. Creating a new national entitlement within an insolvent old-age social insurance program is not one of them.

This paper, in its entirety, can be found at **http://report.heritage.org/bg3318**

The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002
(202) 546-4400 | heritage.org

CHART 1

Official Statistics Understate True Percentage of Workers with Access to Paid Family Leave



NOTE: Employment in the four states with existing paid family leave laws (California, New York, Rhode Island, and New Jersey) totaled 31.108 million in December 2017, out of a total U.S. employment of 154.021 million.
SOURCES: Bureau of Labor Statistics, "Employee Benefits Survey," March 2016, https://www.bls.gov/ncs/ebs/benefits/2016/benefits_leave.htm (accessed March 6, 2018); Bureau of Labor Statistics, "Economic News Release," Table 3, December 2017, https://www.bls.gov/news.release/laus.t03.htm (accessed March 6, 2018); Bureau of Labor Statistics, "National Compensation Survey: Employee Benefits in the United States," March 2017, Table 16, https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table16a.pdf (accessed February 12, 2018); and Nisha Kurani et al., "Paid Family Leave and Sick Days in the U.S.: Findings from the 2016 Kaiser/HRET Employer Health Benefits Survey," May 31, 2017, http://www.kff.org/womens-health-policy/issue-brief/paid-family-leave-and-sick-days-in-the-u-s-findings-from-the-2016-kaiserhret-employer-health-benefits-survey/ (accessed March 6, 2018).

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by requiring workers to pay for the benefits they receive—it would nonetheless add another national entitlement and open the door to significant and costly unintended consequences.

All federal entitlements have an overwhelming tendency to expand in size and scope over time, and with those expansions come increased costs, higher taxes, and unsustainable deficits. Instead of expanding Social Security into a social cure-all—creating a piggy bank that seeks to meet all of workers' socially desirable income needs—policymakers should reduce Social Security's drag on workers' paychecks by returning the program to its original purpose of poverty protection for the elderly. Most Americans already pay far more in Social Security taxes than they do in federal income taxes, and they do not need another component that could increase Social Security's costs and hasten its insolvency.

While federal lawmakers should not enact a new national paid leave entitlement, they can and should enact policies that would make paid family leave more accessible and affordable for ordinary Americans. Some of those policies include increased access to tax-free savings, allowing lower-wage private-sector workers to receive paid time off in exchange for overtime hours, giving states the option to use their Unemployment Insurance (UI) systems for paid family leave benefits, and increasing access to and enrollment in temporary disability insurance policies that provide maternity leave benefits.

Family Leave in the United States

The United States does not have a federal paid family leave (PFL) program. It does, however, have the most substantial—and growing—provision of privately provided and state-based PFL programs in the world. The U.S. also has job-protected family leave through the 1993 Family Medical Leave Act (FMLA). This law requires companies with 50 or more employees to provide their workers up to 12 weeks per year of job-protected family or sick leave.[1] Numerous states have created laws to expand on the federal FMLA by extending it or creating new family leave requirements that apply to employers with significantly fewer than 50 employees (as few as three in Connecticut), increasing the amount of leave that workers can take, or making leave available to a broader range of family members.

Despite the absence of a federal PFL policy in the U.S., many workers have access to paid family leave through a variety of formal employer-provided PFL policies; employer-provided vacation and sick leave; private or state-based temporary disability insurance programs, or state-based PFL programs.

The Bureau of Labor Statistics reports that about 13 percent of private-sector workers and 14 percent of all civilian workers have access to PFL.[2] However, this statistic almost certainly understates the true percentage of workers who have access to paid family leave. Some workers may not be aware they have access to PFL, it may come through policies not specifically labeled "paid family leave," and even though these data are only two years old, PFL policies appear to be on the rise.

State-based PFL policies alone cover 20 percent[3] of all workers and more states and localities have passed or proposed PFL laws.[4] Survey results show that 34 percent of private-industry workers report that they work for companies that offer PFL (while 21 percent have paid paternity leave).[5] Significantly more workers have access to vacation and paid time off that they can use for PFL.[6]

Short-term or temporary disability insurance is another way that many workers receive paid family leave in the United States. In 2017, 50 percent of full-time, private-sector workers had access to temporary disability insurance.[7] Five states also have mandatory temporary disability insurance coverage.[8]

Paid family leave is something many workers desire, and companies are responding to workers' desires by adding PFL policies or expanding their existing ones to include more workers and longer periods of leave.[9] Over just the past three years, more than 100 large, name-brand companies announced new or expanded PFL policies,[10] and as of February 1, 2018, when Lowe's announced its new policy, the largest 20 employers in the U.S. all provide PFL.[11] Particularly important is growth in PFL at compa-

1. Because of restrictions on eligibility for FMLA leave (such as having worked for at least 12 months and 1,250 hours for a company before becoming eligible) as well as the high percentage of workers who are self-employed or work for small businesses, the Department of Labor reports that only about 60 percent of workers in the U.S. are eligible for FMLA leave.
2. Bureau of Labor Statistics, "Employee Benefits Survey," March 2016, https://www.bls.gov/ncs/ebs/benefits/2016/benefits_leave.htm (accessed March 6, 2018).
3. Employment in California, New York, Rhode Island, and New Jersey totaled 31.108 million in December 2017, out of total U.S. employment of 154.021 million. Bureau of Labor Statistics, "Economic News Release," Table 3. Employees on nonfarm payrolls by state and select industry indicator, seasonally adjusted, December 2017, https://www.bls.gov/news.release/laus.t03.htm (accessed March 6, 2018).
4. Washington, DC, enacted a paid family leave law in December 2016, but benefits will not be available until July 1, 2020 (tax collections will begin a year earlier, on July 1, 2019). Washington State also passed, but indefinitely delayed the implementation of, a PFL law.
5. Nisha Kurani et al., "Paid Family Leave and Sick Days in the U.S.: Findings from the 2016 Kaiser/HRET Employer Health Benefits Survey," May 31, 2017, http://www.kff.org/womens-health-policy/issue-brief/paid-family-leave-and-sick-days-in-the-u-s-findings-from-the-2016-kaiserhret-employer-health-benefits-survey/ (accessed March 6, 2018).
6. Ibid.
7. Bureau of Labor Statistics, "National Compensation Survey: Employee Benefits in the United States," March 2017, "Table 16. Insurance benefits: Access, participation, and take-up rates, private industry workers," https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table16a.pdf (accessed February 12, 2018).
8. The four states that already have PFL policies (California, New Jersey, Rhode Island, and New York), as well as Hawaii, all have mandatory short-term disability insurance programs. Employment in these states equaled 20.6 percent of total employment in the U.S. in December 2017.
9. Stephanie Ramos, "I Convinced My Company to Adopt a Paid Family Leave Policy," *Time*, October 31, 2017, http://time.com/4999164/company-paid-leave-policy/ (accessed February 27, 2018).
10. National Partnership for Women & Families, "Leading on Leave," January 2018, http://www.nationalpartnership.org/research-library/work-family/paid-leave/new-and-expanded-employer-paid-family-leave-policies.pdf (accessed February 27, 2018).
11. Claire Cain Miller, "Lowe's Joins Other Big Employers in Offering Paid Parental Leave," *The New York Times*, February 1, 2018, https://www.nytimes.com/2018/02/01/upshot/lowes-joins-other-big-employers-in-offering-paid-parental-leave.html (accessed February 27, 2018).

nies like Wal-Mart, Target, McDonald's, Starbucks, Lowe's, and Home Depot, which employ many low-wage workers who traditionally lacked access to PFL.

Notwithstanding this recent uptick in PFL offerings among some large employers in low-wage industries, an overwhelming majority of lower-income workers do not have access to paid family leave—at least not formal paid leave (as opposed to using paid time off). This is due in part to the fact that low-wage workers are more likely to be employed by very small firms. While 18 percent of all workers ages 18 to 61 are employed by small firms with fewer than 10 employees, 28 percent of all workers who are in poverty, and 30 percent of families with one or more children and in poverty, are employed by such small firms.[12] Smaller firms are more likely to lack the financial and functional resources to provide paid leave. Not only does providing pay while an employee is not working account for a significant portion of small employers' costs, it can be more difficult for small employers to cover or replace the absent worker's contributions to the firm.

Expanding PFL to this difficult-to-reach group of low-wage workers without crowding out privately provided paid leave policies, and in a way that provides meaningful benefits, is a difficult task. A minimal policy that provided limited payments and that required workers who take the leave to bear some of the costs would help reduce crowd-out effects among existing programs because employees would still desire more than a minimal policy. Even a minimal policy would prevent, rather than encourage, employers who currently do not offer PFL from doing so.

A minimal federal PFL policy could also fail to provide meaningful benefits to workers who need them most. A federal paid leave policy that replaces roughly half of workers' wages for six to 12 weeks may not be useful to low-wage workers, because they are less likely to be able to forgo half of their wages while on leave, and because they tend to have little or no savings. Meeting these workers' needs with higher benefit levels would not only be more costly, but would lead to significantly greater crowd-out effects on existing policies.

Private and state programs are better-equipped to respond to the unique needs of their workers and citizens without requiring an act of Congress. Instead of a one-size-fits-all national entitlement or economically harmful mandates on employers, the U.S. has a flourishing system of private policies and state-based policies that reflect the unique system of federalism embodied in the U.S. polity.

Opinions on Paid Family Leave

Americans widely support paid family leave, but they do not believe the government should pay for it. According to a recent Pew poll, 82 percent of Americans believe that mothers should receive paid leave after the birth or adoption of a child, 69 percent believe fathers should receive similar leave, 85 percent of Americans believe workers should receive paid leave to deal with their own serious health condition, and 69 percent believe that leave should extend to workers to care for family members with serious health conditions.[13]

Overwhelmingly, Americans who support paid family leave think that employers—as opposed to the federal or state governments—should pay for that leave. Close to 60 percent of Americans think that employers should pay for paid leave; about 12 percent think the federal government should pay for it; and about 10 percent think state governments should foot the bill. That leaves about 18 percent who think that workers themselves should plan and save for their own leave.

Of course, employers and governments are abstract terms that actually refer to the people that work for, and receive goods and services from, employers and governments. Ultimately, employer-provided leave is paid for through factors such as lower pay for workers, higher prices for products and services, and lower profits distributed to shareholders. Government-provided paid leave must be paid for through higher taxes or fewer government services.

Underwhelming support for government-provided PFL coupled with relatively high support for employer-provided PFL suggests that policymakers should not rush to enact a federal PFL program. Instead, they should allow employer-provided PFL programs to continue to expand and look to fill the gaps in PFL through alternative pathways that would not disrupt existing paid leave programs.

12. Data are from the March 2017 Consumer Population Survey's Annual Social and Economic Supplement.

13. Juliana Menasce Horowitz, Kim Parker, Nikki Graf, and Gretchen Livingston, "Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Polices," Pew Research Center, March 23, 2017, http://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/ (accessed March 12, 2018).

TABLE 1

Americans Support Paid Family Leave and Want Employers to Provide It

PERCENT OF AMERICANS SUPPORTING

TYPE OF LEAVE	
Mothers following birth/adoption of child	**82%**
Fathers following birth/adoption of child	**69%**
Workers to deal with their own serious health condition	**85%**
Workers to care for family members with serious health conditions	**69%**

WHO SHOULD PAY?	
Employers	**62%**
Workers	**18%**
State Governments	**13%**
Federal Government	**11%**

NOTE: 82 percent of Americans support paid maternity leave. This implies that 18 percent believe workers who want to take leave from work should pay for it themselves through personal savings or using vacation and paid time off.
SOURCE: Juliana Menasce Horowitz, Kim Parker, Nikki Graf, and Gretchen Livingston, "Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Polices," Pew Research Center, March 23, 2017, http://www.pewsocialtrends.org/2017/03/23/americans-widely-support-paid-family-and-medical-leave-but-differ-over-specific-policies/ (accessed March 12, 2018).

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Using Social Security to Provide a New Federal Paid Leave Program

Recognizing a multitude of problems and disadvantages of a federal PFL policy for workers and taxpayers alike, conservative-minded Americans have traditionally opposed a national paid PFL policy. However, a recent proposal to use Social Security's trust fund to provide PFL has attracted the attention of a number of conservative lawmakers who would like to support a federal PFL program without disrupting existing private and state PFL policies, and without requiring taxpayers to foot the bill.

The proposal intends to function like a loan against future Social Security benefits. Workers who want to take PFL can receive a PFL payment from the federal government equal to their estimated future Social Security, in exchange for delaying their future Social Security retirement benefit. For example, a worker whose current earnings put him on track to receive a $1,600 monthly ($400 weekly) Social Security benefit could receive a $400 per week PFL benefit for up to 12 weeks, in exchange for delaying by six weeks the date at which he begins collecting Social Security benefits. The 2:1 ratio of PFL benefits to delayed retirement benefits is what the proposal authors initially estimated would create a "cost neutral" exchange, but the actual ratio would likely be closer to a 1:1 exchange (see the below section on costs for a more detailed analysis of the cost implications).[14]

The proposal would increase deficits in the short term by providing new PFL benefits from Social Security's trust fund. Social Security is currently running cash-flow deficits, so these new benefits would require issuing new, publicly financed debt. The Heritage Foundation estimates that this new benefit would cost between $9 billion and $12 billion annually in the short term. In theory—and by design of the program—those short-term deficits would be fully offset by future delays in benefit payments, leading to a net-neutral long-term effect on federal deficits and on Social Security's solvency.

The new PFL payments would also shorten Social Security's solvency, leading the program to run out of funds earlier than currently projected (2034 for Social Security's Old-Age and Survivors Insurance Program). The Heritage Foundation estimates that

14. Additional considerations not necessarily included in this cost-neutral exchange estimate would likely lead to a lower required ratio for a truly cost-neutral exchange. For example, the proposal would require issuing new debt, which would include decades of interest payments, and under current law, Social Security benefits will be cut by about 25 percent across the board beginning in 2035. Those factors are likely not included in the 2:1 exchange.

using Social Security for the proposed PFL program would cause it to become insolvent almost seven months earlier than scheduled.[15] Although not specified in the proposal, Congress could defuse this effect on the timing of Social Security's insolvency by allowing the Social Security trust fund to borrow general-revenue funds to maintain its otherwise scheduled solvency timeline.

Even if the appropriate exchange between PFL benefits and delayed retirement was established so that the program did not—at the outset—add to deficits, it is unlikely that future policymakers would maintain that cost neutrality. Federal policymakers have tried multiple times to exchange current spending increases for future cost reductions, but these future Congresses have almost always prevented those cost reductions from taking place. When confronted with certain individuals facing significantly later retirement dates than others because of having taken family leave earlier in their careers, federal lawmakers will almost certainly waive the requirement that individuals delay their retirement benefits.

In addition to the potential taxpayer costs, creating a new national entitlement through Social Security could lead to other costs and consequences. It is important for lawmakers to consider the unintended—but likely—consequences of this superficially innocuous proposal.

Social Security Is an Old-Age Social Insurance Program, Not a Social Piggy Bank. Social Security was designed to protect elderly individuals—those who were too old to work or lived longer than average—from outliving their own personal savings.[16] Contrary to conventional thinking, Social Security is not a retirement program whereby workers make contributions and later receive those contributions back. Instead, Social Security is a social insurance system that taxes current workers to provide specified old-age benefits to current retirees. It is not meant to support young workers who want or need to take time off from work to care for new children or sick family members.

Moreover, Social Security is a social insurance program, and workers have no legal claim on their future benefits. Congress can change, or even revoke, workers' Social Security benefits at any time. Allowing workers to exchange future potential Social Security benefits for current PFL benefits effectively grants workers a claim on future benefits that they may not actually earn. Considering that over 60 percent of Americans under the age of 50 do not think Social Security will be able to pay them a benefit when they retire, workers will likely take full advantage of any opportunity to cash in on any Social Security benefits that they can.[17]

Desirable as PFL is, using Social Security to provide it could transform this targeted social insurance program into a social piggy bank. If workers can cash in on future potential Social Security benefits for PFL, why not also allow them to exchange future benefits for a down payment on a home, for college tuition, or to repay student loans? And since those trade-offs would disproportionately benefit middle-income to upper-income earners, why not also allow workers to exchange future benefits for things that would benefit lower-income and middle-income workers, such as car purchases or rent deposits?

Such a move would not only expand Social Security's size and scope, but it would shift Social Security's distribution of benefits from older generations to younger ones. Social Security is already in the red, taking in tens of billions less in payroll taxes each year than it distributes in benefits. Exchanging future expected benefits for immediate benefits would cause Social Security's trust fund to become insolvent earlier than currently projected, leaving less for retirees.

Providing Benefits When Workers Need Them Most. Most workers—especially younger ones who have higher life expectancies—will be able to work well past Social Security's retirement eligibility age (currently 67 for anyone born in 1960 or later). So why not allow workers to use future Social Security benefits now—when they otherwise may

15. Using The Heritage Foundation's Social Security Model, implementing the proposed policy (allowing up to 12 weeks of PFL with benefits based on Social Security's benefit formulas), would cause the Social Security Trust Fund to become insolvent 6.5 months earlier than its currently projected date in 2034.

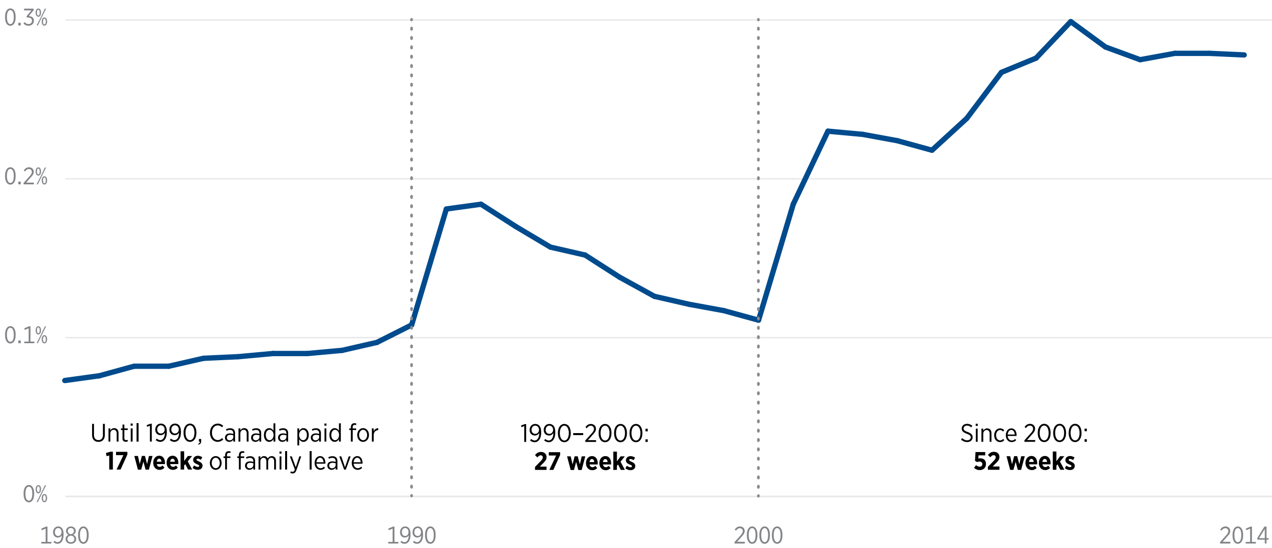
16. The Heritage Foundation, "Solutions 2018: The Policy Briefing Book," 2018, https://solutions.heritage.org/ensuring-opportunity-for-all/social-security/ (accessed March 9, 2018).

17. Frank Newport, "Many Americans Doubt They Will Get Social Security Benefits," Gallup, August, 13, 2015, http://news.gallup.com/poll/184580/americans-doubt-social-security-benefits.aspx (accessed March 9, 2018).

CHART 2

Canada's Paid Leave Expansion and Cost Growth

PUBLIC EXPENDITURES ON MATERNITY AND PARENTAL LEAVE, AS A PERCENTAGE OF GDP



NOTE: Paid family leave refers to total weeks of paid maternity, parental, and home care payments available to mothers.
SOURCE: Organization for Economic Cooperation and Development, "PF 2.5 Annex: Detail of Change in Parental Leave by Country," October 26, 2017, https://www.oecd.org/els/family/PF2_5_Trends_in_leave_entitlements_around_childbirth_annex.pdf (accessed February 12, 2018).

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not be able to afford to take time off to care for a new child or sick family member—instead of decades in the future when they likely will not need them?

That line of reasoning is a legitimate argument, but one that makes a better case for comprehensive Social Security reform that would reduce the program's size and scope instead of expanding it. The best way to help workers optimize their spending over a lifetime is to reduce their taxes so that they do not have to put such a high percentage of their income toward a program that provides significantly higher future benefits than the average worker will need.

If policymakers want workers to be able to exchange future unneeded Social Security benefits for paid family leave today, they should also allow workers to make the same exchange for consumption smoothing in general. In other words, why not allow workers to exchange lower payroll tax rates today for delayed Social Security benefits, or even to forgo their future Social Security claims altogether in exchange for a minimal payroll tax today?

Federal Entitlements Equal Ever-Expanding Programs. History demonstrates that federal entitlement programs follow one path—an expansive one. Social Security started out as a 2 percent payroll tax. It now consumes more than six times that amount at 12.4 percent of workers' wages. Even that tax—which is far more than most Americans pay in income taxes—does not come close to covering Social Security's costs, which, according to Social Security's trustees should be 15.3 percent to cover the program's expanded costs.[18] Other federal entitlement programs, such as Medicare and Medicaid, have followed similar expansions, shifting the costs of current, expanded benefits onto future taxpayers.

18. Social Security Administration, *The 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, p. 70, Table IV.B5, https://www.ssa.gov/oact/tr/2017/tr2017.pdf (accessed May 4, 2018). The stated actuarial deficit is 2.83 percentage points of taxable payroll, but the Trustees note that the payroll tax would have to rise by 2.93 percentage points because of behavioral responses.

PFL benefits would almost certainly grow in size and scope over time. European paid leave programs provide evidence of this growth. Between 1980 and 2011, the median amount of paid leave for mothers among Organization for Economic Cooperation and Development (OECD) countries increased from 14 weeks to 42 weeks.[19] Between 1980 and 2013, Canada's paid leave program expanded from providing 17 weeks of paid maternity leave to 35 weeks of paid parental leave (52 weeks including home care payments) while the program's costs roughly quadrupled from 0.07 percent to 0.28 percent of gross domestic product (GDP). Denmark's policy similarly expanded from two weeks of paid maternity leave at its inception to 17 weeks of paid maternity in 1980 and 32 weeks of paid parental leave in 2013 (64 weeks including home care payments) while the program's costs doubled from 0.24 percent of GDP in 1980 to 0.48 percent in 2013.[20]

Proponents of a federal PFL program have already criticized President Donald Trump's proposal as "amateurish, inadequate, insulting,"[21] and Republicans' proposal to use Social Security for PFL benefits as "a devious Republican attack on Social Security."[22] No sooner than a PFL program is enacted would critics call for an expansion in its qualifying conditions (not just maternity or paternity leave, but general family leave, grievance leave, and more); eligibility requirements (not just immediate family members, but grandparents, in-laws, maybe even good friends); and generosity (not just a Social Security–level benefit, but 100 percent of pay, and not just 12 weeks, but 20 weeks or 52 weeks). What advocates intend to be a cost-free proposal could end up imposing huge costs on taxpayers.

TABLE 2

How Using Social Security for Paid Leave Could Affect Retirement

	Weeks of Leave	Weeks Retirement Delayed
Initial Estimate from Proposal Authors	12	6
Baseline Heritage Social Security Model	12	9
Heritage Model with Behavioral Effects Incorporated	12	12

SOURCE: Authors' calculations based on data from the Heritage Social Security Model.

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Unlikely That PFL Within Social Security Will Be Cost-Free. Even if a new PFL program within Social Security is designed to be cost-neutral, it is unlikely to play out that way. For starters, when Social Security becomes insolvent, benefits are on track to fall by about 25 percent. Additionally, Social Security is already operating in the red—paying out more in benefits each year than it collects in payroll taxes—so any immediate paid leave benefits would require the government to issue new publicly held debt.

Moreover, it is extremely difficult to estimate what workers' future Social Security benefits will equal. Many workers—particularly women of young children—drop out of the labor force for a period of time, if not permanently. Another significant portion of workers collect disability insurance benefits well before they reach Social Security's retirement eligibility age (and workers who agree to delaying their

19. Gordon B. Dahl et al., "What Is the Case for Paid Maternity Leave?" National Bureau of Economic Research, October 2013, http://www.nber.org/papers/w19595.pdf (accessed March 5, 2018).

20. Organization for Economic Cooperation and Development, "PF 2.5 Annex: Detail of Change in Parental Leave by Country," OECD Family Database, Social Policy Division, last updated October 26, 2017, https://www.oecd.org/els/family/PF2_5_Trends_in_leave_entitlements_around_childbirth_annex.pdf (accessed February 12, 2018).

21. Christina Cauterucci, "Trump's Budget Takes an Amateurish, Inadequate, Insulting Stab at Paid Parental Leave," Slate.com, May 23, 2017, http://www.slate.com/blogs/xx_factor/2017/05/23/trump_s_paid_parental_leave_plan_in_the_budget_is_inadequate_and_insulting.html (accessed March 5, 2018).

22. Nancy Altman and Linda Benesch, "The Latest Devious Republican Attack on Social Security," *The Hill*, February 12, 2018, http://thehill.com/blogs/congress-blog/politics/373490-the-latest-devious-republican-attack-on-social-security (accessed March 5, 2018).

Social Security benefits would have more incentive to apply for disability insurance). There is also a subset of the population that dies before becoming eligible to receive Social Security benefits. Unless a newly established PFL program within Social Security takes all these factors into account, it will tend to underestimate the true cost of exchanging future Social Security benefits for current PFL benefits.

As initially put forward, the exchange of future Social Security benefits for current PFL would be 1:2, meaning that workers would give up one week of future retirement benefits for every two weeks of paid leave. However, this was a very rough initial estimate.

This analysis, using The Heritage Foundation's Social Security model, suggests that the trade-off would be closer to 2:3, or two weeks of delayed retirement for every three weeks of paid leave. In other words, 12 weeks of paid leave would require delaying retirement by eight weeks instead of six as originally suggested. When considering additional factors, such as the increased likelihood of workers who utilize PFL to drop out of the labor force for some period, as well as the increased likelihood of collecting disability benefits when facing a higher eligibility age for Social Security, the trade-off would be closer to 1:1, or one week of delayed retirement for every week of PFL. Thus, a woman who took 12 weeks of maternity leave for each of three children would need to delay retirement by roughly nine months.

In terms of costs, there would be short-term costs that would not be recouped (if at all) until decades into the future. Heritage analysts estimate that those short-term costs would amount to between $9 billion and $12 billion per year.

Although the proposal intends to recoup those short-term costs in future years when workers collect delayed retirement benefits, it is unlikely that Congress will actually require workers who took PFL to delay claiming their future Social Security benefits. As discussed above, any federal PFL program will inevitably grow more expansive over time, making it all the less likely that policymakers will hold workers to a future delay in benefits. The more likely scenario is that future taxpayers have to pick up the tab of what seems, today, like a cost-free proposal.

If a future Congress decides not to require workers to delay their retirement benefits in exchange for PFL, Heritage analysts estimate that the program would cost between $101 billion and $114 billion over the next 10 years. Moreover, if Congress expands the program, allowing workers to receive 100 percent of their pay—as opposed to the roughly 50 percent that Social Security would provide—for 12 weeks following the birth or adoption of a child, the program's costs would rise to $198 billion over 10 years. Finally, if Congress also allows workers to use the program for general PFL, as opposed to just following the birth or adoption of a child, its costs would rise to $231 billion over 10 years. These estimates only account for fiscal effects and not behavioral effects.

The actual costs for these two reforms (expanding benefits to 100 percent of pay and allowing workers to use Social Security for general PFL claims) would likely be higher than Heritage's initial analysis, because expanded benefits would create new incentives to use Social Security for PFL. Estimating the effects of PFL proposals that would tap Social Security is a relatively difficult task because the results require assumptions on many behavioral factors that the proposal itself would potentially alter. These behavioral factors generate a broad range of results. Heritage's analysis thus far suggests

TABLE 3

Costs of Expanding Paid Family Leave

Heritage analysts estimate the short-term costs of expanding paid family leave would be $9 to $12 billion annually in new borrowing. However, programs often grow more expansive over time. Here's how much the 10-year costs could rise under different scenarios.

Incremental Costs of Expanding Program	Cost in Billions
If Congress does not require workers to delay benefits	$114
Allowing workers to receive 100 percent of pay	$198
Extending benefits to other types of family leave*	$231

* Would allow workers to take PFL to care for themselves or sick relatives in addition to the birth or adoption of a child.
SOURCE: Authors' calculations based on data from the Heritage Social Security Model.

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that PFL reforms tied to Social Security would have a real cost, push the Social Security system closer to insolvency, and set a costly precedent to tap Social Security for other optional benefit expansions.

Weakening Prospects for Constructive Social Security Reform. Social Security is projected to run out of funding in 2035.[23] Maintaining the program in its current form will require either significant reforms or sizeable tax increases. As an inefficient and sometimes detrimental program that strips workers of the benefits of decades' worth of income growth and deprives them of personal ownership, Social Security should be condensed, not expanded. Adding a new PFL benefit to Social Security would make constructive reforms more difficult by expanding Social Security's scope, increasing reliance on the program, and complicating its structure.

For example, one of the most logical Social Security reforms is an increase in (and indexing of) Social Security's eligibility age to account for rising life expectancies and increased work capacities. If a subset of workers already have higher eligibility ages because they used Social Security to collect PFL benefits, policymakers will be less likely to increase Social Security's eligibility age for all workers.

Another goal of conservatives and liberals alike is for individuals to have more private savings that they can use for retirement as well as other life events. Conservatives generally support lower payroll taxes so that individuals have more money to save on their own. If individuals can use Social Security like a personal savings account, cashing in early on future benefits in exchange for paid family leave, student loan repayments or mortgage down payments, they will have less incentive to save on their own. Economic studies show that Social Security reduces personal savings.[24] Allowing workers to access Social Security benefits for other purposes—and doing so without increasing payroll taxes—could further reduce personal savings in the U.S.

Instead of paring Social Security back to its original purpose and financing it with lower taxes, including a PFL benefit would increase the likelihood of maintaining a larger-than-necessary Social Security system financed by higher-than-necessary payroll taxes.

Social Security Proposal Would Minimize, Not Eliminate, Consequences of Federal PFL

If the exchange of Social Security benefits for PFL benefits remained as limited in practice as initially proposed, it would minimize many of the adverse consequences of a federal PFL program. Most specifically, it would minimize the costs and crowd-out effects of a PFL program. By workers agreeing to give up something in return for taking PFL, the proposal intends to prevent taxpayers or employers from bearing the costs of PFL benefits. The requirement that workers give something up to take the benefit would also limit the crowd-out effects because without a federally financed option, employer-provided and state-based programs would remain highly valuable to workers.

However, some of the consequences of a new federal PFL program would remain even within the proposed Social Security exchange proposal. If the proposal were to expand over time—particularly to eliminate the requirement that workers delay their future retirement benefits—virtually all of those problems would remain. That is why it is important that policymakers remember the potential unintended effects of a new federal entitlement program.

Crowd-Out Effects. By providing a benefit that is already available to a significant number of workers, a federal paid leave program would almost certainly derail many existing employer- and state-based paid leave policies and prevent new ones from emerging. A recent economic analysis of expansions in government-provided health care between 1996 and 2002 estimated a 60 percent crowd-out rate, meaning that for every 100 people who gained government-provided health insurance, 60 lost privately provided health insurance.[25] The crowd-out effect could be significantly larger for a federal PFL program because paid leave is less of a necessity than health insurance, and it lacks the tax-preferred treatment of employer-provided health care—

23. Social Security Administration, "A Summary of the 2017 Trustee's Report," https://www.ssa.gov/oact/trsum/ (accessed March 1, 2018).

24. Congressional Budget Office, "Social Security and Private Saving: A Review of the Empirical Evidence," *CBO Memorandum*, July 1998, https://www.cbo.gov/sites/default/files/105th-congress-1997-1998/reports/ssprisav.pdf (accessed May 7, 2018).

25. Jonathan Gruber and Kosali Simon, "Crowd-Out Ten Years Later: Have Recent Public Insurance Expansions Crowded Out Private Health Insurance?" National Bureau of Economic Research, January 2007, http://www.nber.org/papers/w12858.pdf (accessed March 9, 2018).

both of which would make it less consequential for employers to eliminate, or never begin, PFL policies.

While the official statistics suggest that fewer than 15 percent of U.S. workers have access to PFL, state-based programs alone cover 20 percent of workers, and surveys suggest that at least a third of private-sector workers have access to PFL. Moreover, PFL access appears to be expanding rapidly as employers and states respond to workers' desires for PFL by starting new programs and expanding existing ones.[26] Over just the past three years, more than 100 large, name-brand companies announced new or expanded paid leave policies and the 20 largest employers in the U.S. now provide PFL.[27] A federal PFL policy would cause many employers and states to give up their existing policies, and it would discourage those who otherwise would have established paid leave policies in the near term from doing so. This would shift the costs currently born within private companies and state governments to federal taxpayers.

A One-Size-Fits-All Federal Program Would Not Meet Workers' Unique Needs. A national PFL program would require a one-size-fits-all policy that would have to establish rigid rules in terms of the total leave allowed, eligibility requirements, and payment levels. In contrast, employers can determine on a firm-by-firm, and even case-by-case, basis what types of PFL policies are beneficial for their company and which claims are legitimate.

At least at first, a federal PFL policy would likely be less generous than current employer-based policies, meaning that many workers could actually be worse off under a federal PFL program. Even if a federal program were to expand substantially over time, it would lack the flexibility and accommodations that employer-based policies can provide. For example, some employers allow employees to extend the length of their paid leave by working part-time, often remotely.

A federal policy could not do this. On the contrary, a federal policy would require all-or-nothing work. Instead of being able to choose if they want to remain connected, answering e-mails or taking phone calls based on their availability and willingness to do so, workers receiving federal PFL benefits would not be able to engage in any form of work.[28] This would hurt employers and employees by disrupting the flow of business operations and impeding employees' opportunities for success and advancement.

Misuse and Abuse. A federal PFL program would require the federal government to certify the legitimacy of workers' paid family leave claims. While pregnancy and childbirth are relatively straightforward claims, other family leave claims could be quite complicated and subject to misuse and abuse.

Employers have information and insight into their own employees to know when they need to crack down on unwarranted family leave claims. If employers are paying for the leave, it is in their financial interest to appropriately monitor PFL claims. If the federal government awards PFL claims and cuts PFL checks, who will police the program and make sure that it runs smoothly? Will a federal agent step in to make sure that an employee who takes time off from work to care for a sick family member is actually taking care of that person instead of taking a personal vacation? The Social Security Disability Insurance (SSDI) determination process—wrought with multi-year waiting periods, misuses, and abuses—suggests that administering and policing a PFL policy could be challenging and burdensome.

Unintended Consequences. The goal of paid family leave—whether by advocates of a federal policy or of more employer-based ones—is to spread the costs of leave across a wider group of workers so that those who take paid family leave do not bear the full cost of it.

When employers decide to offer PFL, they make a conscious decision that the benefits of providing PFL exceed the costs. When employers make this choice, they are less likely than an employer who is forced to provide PFL to put the costs back onto workers who use, or are most likely to use, PFL benefits. Employers who are forced to provide PFL may discriminate against workers who are likely to take PFL in the hiring process or they may provide fewer wage

26. Ramos, "I Convinced My Company to Adopt a Paid Family Leave Policy."

27. National Partnership for Women & Families, "Leading on Leave," January 2018, http://www.nationalpartnership.org/research-library/work-family/paid-leave/new-and-expanded-employer-paid-family-leave-policies.pdf (accessed February 27, 2018).

28. Since the law requires that employers pay workers for any work they perform, an employee who receives federal PFL benefits and does not receive his normal pay could not perform any form of work.

increases and promotions to those who take PFL. If the federal government provides PFL, however (even if employers do not have to pay for it), it could result in unintended consequences for individuals who are more likely to take leave. In other words, young women who are most likely to take paid leave would likely pay indirectly for government-imposed paid leave policies.

According to researchers at Cornell University, passage of the FMLA in 1993 measurably reduced women's prospects of promotion by 8 percent.[29] Moreover, while California's state-based PFL program may have increased the subsequent work hours and earnings of *employed* women with children[30] and increased women's labor force participation rates, it had the unintended consequence of increasing the unemployment rate and duration of unemployment among young women.[31] New Jersey's PFL program had a similar effect, reducing young women's employment rates by an estimated 8 percent to 9 percent.[32]

European-sized PFL policies have further consequences in terms of adverse impacts on women's future earnings and promotion prospects. A study of Great Britain's paid leave and job-protected leave concluded that the policies reduced highly educated women's prospects of being promoted or holding management positions.[33] A study on the economic consequences of parental leave mandates in Europe found that lengthier leave requirements tended to reduce women's relative wages.[34]

Voluntary, employer-based policies reduce these unintended consequences by allowing employers to assess the costs of PFL policies, to work out with employees the appropriate level of benefits to provide, and then to determine how best to spread the costs of those benefits across the firm.

High Costs. Existing state-based PFL policies are financed by roughly 1 percent payroll taxes, primarily on workers. This amounts to about $450 per year for the median earner.[35] Nationally, a 1 percent payroll tax based on Social Security's current structure would equal $67 billion.[36] State-based PFL policies are not only limited in scope, but are sufficiently underused as many workers do not even know they exist. A national policy, on the other hand would quickly become well-known, would almost certainly be more generous, and would likely expand over time—all leading to higher costs.

The American Action Forum estimated that a PFL policy that provided 16 weeks of paid leave (full wage replacement, up to $1,000 per week) would cost upwards of $300 billion per year.[37] Although more generous than existing state programs and federally proposed ones, this estimate is based on a far-less-generous policy than European PFL programs, which is what a U.S. program could become.

Generous PFL policies, such as those that exist in European countries, are very expensive. On average, OECD countries spend $12,300 in public expenditures for every child born, and some countries spend upwards of $35,000 per child born. (These figures exclude the

29. Mallika Thomas, "The Impact of Mandated Maternity Benefits on the Gender Differential in Promotions: Examining the Role of Adverse Selection," unpublished manuscript, University of Chicago, January 22, 2015, http://www.economics.cornell.edu/sites/default/files/files/events/Thomas%20paper.pdf (accessed September 21, 2016).

30. Maya Rossin-Slater, Christopher J. Ruhm, and Jane Waldfogel, "The Effects of California's Paid Family Leave Program on Mothers' Leavetaking and Subsequent Labor Market Outcomes," National Bureau of Economic Research *Working Paper* No. 17715, December 2011, http://www.nber.org/papers/w17715 (accessed June 13, 2017).

31. Tirthatanmoy Das and Solomom W. Polachek, "Unanticipated Effects of California's Paid Family Leave Program," Institute of Labor Economics *Discussion Paper* No. 8023, March 2014, http://ftp.iza.org/dp8023.pdf (accessed March 12, 2018).

32. Joshua Reed and Donald Vandegrift, "The Effect of New Jersey's Paid Parental Leave Policy on Employment," Munich Personal RePEc Archive, October 28, 2016, https://mpra.ub.uni-muenchen.de/74794/1/MPRA_paper_74794.pdf (accessed March 5, 2018).

33. Jenna Stearns, "The Long-Run Effects of Wage Replacement and Job Protection: Evidence from Two Maternity Leave Reforms in Great Britain," University of California, Davis, January 14, 2017, http://economics.ucdavis.edu/events/papers/28Stearns.pdf (accessed March 5, 2018).

34. Christopher J. Ruhm, "The Economic Consequences of Parental Leave Mandates: Lessons from Europe," National Bureau of Economic Research, July 1996, http://www.nber.org/papers/w5688.pdf (accessed March 5, 2018).

35. Bureau of Labor Statistics, Economic News Release, "Table 1. Median usual weekly earnings of full-time wage and salary workers by sex, quarterly averages, seasonally adjusted," Fourth Quarter 2017, https://www.bls.gov/news.release/wkyeng.t01.htm (accessed March 8, 2018).

36. This assumes that the payroll tax applies to the same wage base as Social Security's payroll tax.

37. Ben Gitis, "The Cost of Paid Family Leave Law," American Action Forum, October 7, 2015, https://www.americanactionforum.org/research/the-cost-of-paid-family-leave-law/ (accessed May 4, 2018).

costs of employer-mandated benefits.)[38] If the U.S. were to spend between $12,300 and $35,000 per child, this would result in $50 billion to $140 billion in new taxpayer costs.[39] That would only account for new births, however; paid *family* leave benefits covering more than just maternity leave would cost substantially more.

Although the proposal to use Social Security for a new PFL program aims be "cost-free" or "budget-neutral," it would almost certainly add new federal costs. Even if Congress were to establish a highly conservative method to account for Social Security's insolvency (including the additional debt the program would require, and the unknown future earnings paths of workers), future lawmakers would almost certainly reduce or eliminate the requirement that workers trade PFL benefits for a delay in their retirement benefits. As detailed above, likely expansions to the proposed PFL program in the U.S. would cause the program's costs to soar to between $101 billion and $231 billion over 10 years.

Better Policies to Support Family Leave

A federal paid family leave policy is not the best way to increase workers' access to PFL benefits. There are, however, productive steps that federal policymakers can take to help make family leave more accessible to American workers without creating a new entitlement, without crowding out existing paid family leave policies, and without increasing taxpayer costs. Those policies include:

The Working Families Flexibility Act. The Working Families Flexibility Act sponsored by Representative Martha Roby (R–AL) and Senator Mike Lee (R–UT) would allow private employers to give their workers the same option that state and local workers receive—to choose between time-and-a-half pay or time-and-a-half paid leave in exchange for overtime hours.[40] This option would be particularly helpful to the low-wage workers that lack access to PFL because it targets hourly employees who earn below about $24,000 per year.

The Working Families Flexibility Act would allow lower-wage workers to accumulate significant paid time off that they could use for PFL. For example, an employee who worked five hours of overtime every week for one year could accumulate 10 weeks of paid leave. Even working just two hours of overtime each week for a year could provide four weeks of paid leave.

Universal Savings Accounts. The U.S. double-taxes savings by taxing income when it is first earned, and then taxing the investment gains that it generates if workers save and invest it. Universal Savings Accounts would eliminate one of these layers of taxation and allow workers to save money for any purpose, instead of just targeting certain forms of savings, such as for that for retirement and education. When workers receive higher returns on their savings (because they are not taxed twice), they save more, which makes it easier for workers to access savings as an income source while taking family leave.

Penalty-Free Withdrawals from Retirement Accounts. Universal Savings Accounts would allow workers to save more and prepare better for all sorts of expected and unexpected events. However, allowing workers to make penalty-free withdrawals from their IRAs or 401(k)s for PFL could help increase workers' access to affordable PFL and may also increase their level of retirement savings.

Payroll Tax Credit for Qualified Disability Insurance Policies. Many workers who do not have access to formal PFL nevertheless receive maternity leave benefits through temporary disability insurance policies. Temporary disability insurance usually provides about 60 percent of workers' pay and almost all temporary disability insurance policies cover maternity leave. In 2017, 50 percent of full-time, private-sector workers had access to temporary disability insurance.[41] Additionally, more than 20 percent of workers live in states with mandatory temporary disability insurance policies.[42] States

38. Organization for Economic Cooperation and Development, "Data for Chart PF 2.1.D: Public Expenditure on Maternity and Parental Leave, 2013," OECD Family Database, Social Policy Division, last updated October 26, 2017, http://www.oecd.org/els/family/database.htm (accessed March 6, 2018). Data reported at current 2013 prices and in current purchasing power parity, in U.S. dollars.

39. Ibid.

40. 115th Congress, H.R. 1180, May 3, 2017, https://www.congress.gov/bill/115th-congress/house-bill/1180/text (accessed March 5, 2018).

41. Bureau of Labor Statistics, "Employee Benefits in the U.S.," "Table 16. Insurance benefits: Access, participation, and take-up rates, private industry workers," March 2017, https://www.bls.gov/ncs/ebs/benefits/2017/ownership/private/table16a.pdf (accessed February 12, 2018).

42. The number of employed workers living in states with temporary disability insurance policies in December 2017 equaled 31.767 million out of 154.021 million total workers in the U.S. Bureau of Labor Statistics, "Employees on nonfarm payrolls by state and selected industry sector, seasonally adjusted," https://www.bls.gov/news.release/laus.t03.htm (accessed March 8, 2018).

typically finance their temporary disability insurance policies through a payroll tax on employers.[43]

Federal policymakers could increase access to temporary disability insurance benefits by allowing employers and workers who purchase disability insurance policies that cover both long-term and temporary disability to receive a payroll tax credit to offset part of their SSDI payroll tax (currently 1.8 percentage points in total). In exchange for the credit, workers would utilize their privately provided disability insurance policy (which would be at least as generous as SSDI) for the first three years of disability.[44] In addition to improving outcomes for workers with long-term disabilities and improving the federal SSDI program, a Disability Insurance payroll tax credit could increase workers' access to temporary disability insurance benefits, including paid maternity leave benefits.

With or without a payroll tax credit, policymakers could also increase enrollment in employer-sponsored temporary disability insurance policies by clarifying in legislation employers' legal authority to automatically enroll employees into their temporary disability insurance policies. (All automatic enrollments must give workers the choice to opt out of enrollment at any time.) Congress specifically granted employers the authority to automatically enroll employees in 401(k) retirement plans, but there remains uncertainty about employers' legal authority to automatically enroll employees in temporary disability insurance plans.

Allowing States to Use Unemployment Insurance Systems for PFL. Rather than mandating that states implement paid maternity leave policies within their existing UI systems, as proposed in the President's fiscal year 2018 budget, the Administration could grant states the flexibility to use their UI systems as a source of paid parental leave (PPL), if they so choose.[45]

Since UI systems are almost exclusively funded at the state level, this would not constitute a new national entitlement. It would be important, however, that states not apply experience rating to the PPL component of their programs because if companies' UI tax rates were to increase based on the number of workers who took PPL, it could lead to hiring discrimination against women of child-bearing age.

Reducing Regulations. Employers have to comply with all sorts of costly regulations, some of which have provided no, or even negative, benefits to workers. Reducing unnecessary and burdensome regulations on employers would free up resources that could go toward providing PFL policies.

Lower Taxes. Lower taxes on individuals and businesses would free up income and resources to apply toward PFL—whether through higher personal savings or new employer-provided PFL. Recent reports on new and expanded PFL policies from large companies such as Lowe's and Chipotle following the Tax Cuts and Jobs Act of 2017 show that lower taxes have contributed to greater PFL benefits.[46]

Conclusion

The U.S. already has an expanding network of employer-based and state-based PFL policies that are better equipped to meet workers' individual needs and desires than a one-size-fits-all national policy. A federal PFL program would crowd out these existing programs and create a costly, administratively burdensome new national entitlement. Moreover, a PFL entitlement would inevitably grow in size and scope over time, and it could produce negative unintended consequences for the workers it aims to help.

While helping workers better spread their income needs over time is a laudable goal, tapping Social Security is not the best way to achieve this.

43. The exception is California, which does not tax employers, but instead assesses a 1.0 percent tax on employees to finance its TDI system.

44. For more on how this credit would work, see Rachel Greszler, "Private Disability Insurance Option Could Help Save SSDI and Improve Individual Well-Being," Heritage Foundation *Backgrounder* No. 3037, July 20, 2015, http://thf_media.s3.amazonaws.com/2015/pdf/BG3037.pdf.

45. On May 24, 1999, President Clinton issued a memorandum directing "the Secretary of Labor to propose regulations that enable States to develop innovative ways of using the Unemployment Insurance (UI) system to support parents on leave following the birth or adoption of a child." The Secretary of Labor promulgated a new rule in August 2000 in response to the presidential memorandum. The new rule allowed states to use the federal unemployment compensation system to provide benefits to parents who took unpaid leave under the FMLA. However, the rule would have still required states to enact their own changes to the UI program requirements, and no states enacted such requirements before the rule was rescinded by the Bush Administration in 2002.

46. Patrice Lee Onwuka, "5 Companies Expanding Parental Leave Thanks to Tax Cuts," Independent Women's Forum, February 15, 2018, http://www.iwf.org/blog/2805845/5-Companies-Expanding-Parental-Leave-Thanks-to-Tax-Cuts (accessed March 5, 2018).

Instead of allowing workers to exchange future benefits that they may not need for ones they want and need today, policymakers should pare Social Security down closer to its original purpose of protecting elderly individuals who are too old to work from living in poverty. Expanding Social Security by adding another entitlement to it will weaken the prospect for constructive Social Security reforms and will lead to higher payroll taxes.

Policymakers can help increase workers' access to PFL by enacting the Working Families Flexibility Act, enacting Universal Savings Accounts, or allowing workers to take penalty-free withdrawals from their retirement accounts for PFL; allowing states the option of using their UI systems to provide PFL benefits; or by increasing access to temporary disability insurance policies through a payroll tax credit and clarification on auto-enrollment eligibility.

Lawmakers have multiple ways by which they can to help increase access to PFL without shifting the costs to taxpayers—creating a new national entitlement within an insolvent old-age social insurance program is not one of them.

*—**Rachel Greszler** is Research Fellow in Economics, Budget, and Entitlements in the Thomas A. Roe Institute for Economic Policy Studies, of the Institute for Economic Freedom, at The Heritage Foundation. **Drew Gonshorowski** is Senior Policy Analyst for Simulations in the Center for Data Analysis, of the Institute for Economic Freedom.*