The Strong Families Act – Summary

U.S. Senators Deb Fischer (R-Nebraska) and Angus King (I-Maine)

The Family Medical Leave Act (FMLA) is a federal law that requires employers to provide up to 12-weeks of **job-protected unpaid leave** for qualified medical and family reasons. To qualify for FMLA, a worker must be employed by a business with 50 or more employees within a 75-mile radius of his or her worksite, or a public agency, including schools and state, local, and federal employers. He or she must have also worked for that employer for at least 12 months (not necessarily consecutive) and 1,250 hours within the last 12 months. The FMLA mandates unpaid, job-protected leave for up to 12 weeks a year to:

- Care for a new child, whether for the birth of a son or daughter, or for the adoption or placement of a child in foster care;
- Care for a seriously ill family member (spouse, son, daughter, or parent) or to recover from a worker's own serious illness;
- Care for an injured service member in the family; or
- Address qualifying exigencies arising out of a family member's deployment.

Unfortunately, there are too many Americans – particularly hourly employees – who are unable to take unpaid leave.

The *Strong Families Act* introduced by Fischer and King would help solve that problem. Specifically, the bill:

- Creates a tax credit for employers who voluntarily offer at least four weeks of paid leave. These four weeks would be counted in addition to any state-based FMLA paid leave.
- Allows employers to receive a 25% nonrefundable tax credit for each hour of paid leave offered to qualified employees.
    - As an example, if an employee is paid $10 an hour for four weeks of paid leave, they would be paid $1,600 (10*40*4) in wages. The employer would claim a tax credit of $400.
    - If an employer offers a full 12 weeks of paid FMLA leave, the employee would be paid $4,800, and the tax credit available to the employer would be $1,200.
    - Employers would be allowed to claim the credit for up to 12 weeks of paid leave per qualified employee.
    - This credit would not be a refundable credit – meaning companies that do not owe taxes cannot claim the credit – and would be capped at $4,000 per year for each qualified employee.
- Consistent with the FMLA, permits employees to take FMLA leave after one year on the job. This ensures that the employer knows the employee won't take FMLA immediately after hiring.
- Allows employees to take the leave on an hourly basis. The leave would be separate from the other vacation or sick leave.
- Allows part-time employees to be eligible for a pro-rata portion of FMLA leave. For example, if someone works 20 hours a week, the employer could offer two weeks of paid leave to qualify for the tax credit.
- Includes a provision which states that employers will not interfere or restrain the employee in taking the paid leave offered by the employer. In addition, an employer would not be able to discharge or discriminate against the individual for taking the leave.