



## Expanding Access to Paid Family Leave (TCI)

Rhode Island is leading the way in providing security for workers and their families through the enactment in 2013 of Temporary Caregiver Insurance (TCI). The third state in the nation to pass a paid family leave program, TCI provides up to four weeks of partial (about 60%) wage replacement for workers who need to take time from their jobs to care for a seriously ill family member or to bond with a newborn, adopted or foster child. The worker's job and seniority are protected while the worker is on leave.

TCI is an expansion of the Temporary Disability Insurance (TDI) fund, created in 1942 to provide wage-replacement benefits to workers injured outside the workplace. To be eligible for TCI, claimants must have worked in RI and paid into TDI. TCI is funded through employee contributions to the fund.

In calendar year 2016, more than 5,800 workers used TCI to take time from work to bond with a new child (80% of claimants) or provide care for a seriously ill family member (20% of claimants).

### **TCI is Working for Workers and Employers:**

A study by researchers at the University of Rhode Island found that workers who used TCI reported greater satisfaction with their ability to maintain financial stability, greater satisfaction with their transition back to work and better overall physical health and lower stress than workers who needed to take leave but could not access TCI. Overall, users were very satisfied with TCI.<sup>1</sup>

A survey of 213 small and mid-size businesses by the Columbia Business School found that a majority (61%) had a favorable opinion of TCI. The survey was focused on employers in the food services and manufacturing sectors.<sup>2</sup>

### **Legislation to Improve TCI**

Evaluations of Rhode Island's TCI program, conducted by researchers at URI and funded by the U.S. Department of Labor, found that employees need more time and higher wage replacement to make TCI more effective. Public sector employees, who are excluded from TCI, indicated strong interest in having this benefit.

Legislation introduced by Representative Maldonado (H-5894) & Senator Goldin (S-678) would improve the program by:

- Covering more workers by:
  - exempting a portion of lower wage workers salary from contribution to the TDI fund so they are able to keep more of their paycheck while they are working,
  - increasing the average wage replacement percentage from 60% to 100% (up to a statutory benefit cap) to provide more financial stability while workers are on leave and to open the door for lower-wage workers to take time to bond with a child or care for a family member
  - allowing state workers to use TCI and TDI
- Making TCI more responsive to work-life balance by:
  - increasing the number of weeks a worker can use from four to six weeks in 2018 (and up to eight weeks in 2019)
  - expanding the category of qualifying family members to include grandchildren and siblings
- Making TDI and TCI more affordable by adjusting the contribution formula so that the majority of workers pay less than they currently do

<sup>1</sup> Silver, Mederer & Djurdjevic, "Temporary Caregiver Insurance: Findings from the First Year", Schmidt Labor Research Center, URI

<sup>2</sup> Barte, Rossin-Slater, Ruhm and Waldfoegel, "Assessing RIs Temporary Caregiver Insurance Act: Insights from a Survey of Employers" January 2016.