

California's Governor Proposes the Most Generous Parental Leave in the Country

Article By:

Alkida Kacani

On January 10, 2019, newly elected California Governor Gavin Newsom proposed funding six months of partial-paid leave for new parents. The plan, which was announced as part of the governor's budget, would compensate new parents or caretakers up to 70 percent of their wages to care and bond with a newborn or adopted baby. Newsom stated that "public health and economic research shows that providing up to six months of paid parental leave leads to positive health and educational outcomes for children, greater economic security for parents, and less strain on finding and affording infant child care."

Currently, each parent may qualify for up to six weeks of paid family leave benefits, and a birth mother may qualify for State Disability Insurance pay for any additional time she is unable to work due to pregnancy or childbirth (often six to eight weeks to recover from childbirth), thus granting some parents access to a combined average of four months of leave at partial pay. However, adoptive and single parents may not have the same access to paid leave benefits. Newsom's proposal would permit two caretakers to split six months of paid leave.

The administration will convene a task force to consider different options to phase in and expand the current Paid Family Leave program. Currently, workers in the state pay a 1 percent payroll tax on wages of up to \$115,000 to fund the program, which is running a surplus. Newsom mentioned that one way to pay for an expansion would be to utilize the surplus or raise the payroll tax or income limit so that those earning more than the current taxable ceiling would pay more.

If passed, Newsom's proposal would set a precedent in the United States, which is the only developed country in the world that does not guarantee paid time off for new mothers. Since there is no national paid family leave, some states have enacted their own legislation to provide paid leave. For example, New Jersey, New York, and Rhode Island offer paid parental and caregiving leave and Washington, Massachusetts, and the District of Columbia have paid leave policies that are set to start paying out within the next couple of years. It is clear that there is a momentum to enact family-friendly legislation.

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