

Expand Access to Paid Family Leave (TCI)

Enact S-436 and H-5789 to better meet the caregiving needs of all workers

Rhode Island led the way in providing security for workers and their families through the enactment of Temporary Caregiver Insurance (TCI) in 2013. 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, bond with a newborn, or bond with an adopted or foster child. The worker's job and seniority are protected while the worker is on leave.

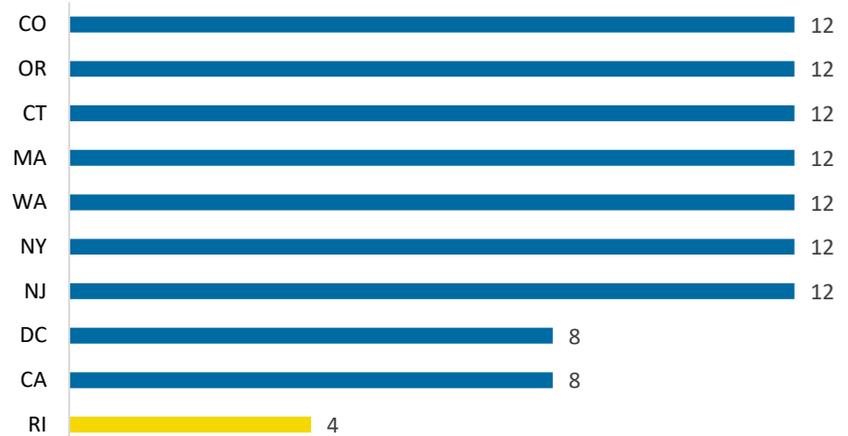
TCI is an expansion of the Temporary Disability Insurance (TDI) fund, created in 1942 to provide wage-replacement benefits to workers injured outside the workplace. To be eligible for TCI, claimants must have worked in RI and paid into TDI/TCI. TCI is funded through employee contributions to the fund.

In 2020, 8,803 workers used TCI, an increase of 18% from 2019, to either take time from work to bond with a new child (59.5% of claimants) or provide care for a seriously ill family member (40.5% of claimants). The spike in 2020 claims was chiefly due to the COVID-19 pandemic, as health turbulence placed thousands of Rhode Islanders in need of paid time off from work to care for loved ones. With thousands of more Rhode Islanders needing to rely on TCI to manage home and work responsibilities, COVID-19 reinforced the need to improve the program for three key reasons:

1) Rhode Island offers the shortest Paid Family Leave in U.S.

Rhode Island's TCI provides a maximum of 4 weeks of paid leave. This is the shortest length of any Paid Family Leave policy in the country. Other states provide double or triple this time, providing between 8-12 weeks of paid leave. Many of these other states also provide extended durations of paid leave for serious medical conditions and/or complications relating to pregnancy. Rhode Island's 4 weeks of paid leave do not meet public health and medical guidelines for new parents and many other caregiving needs.

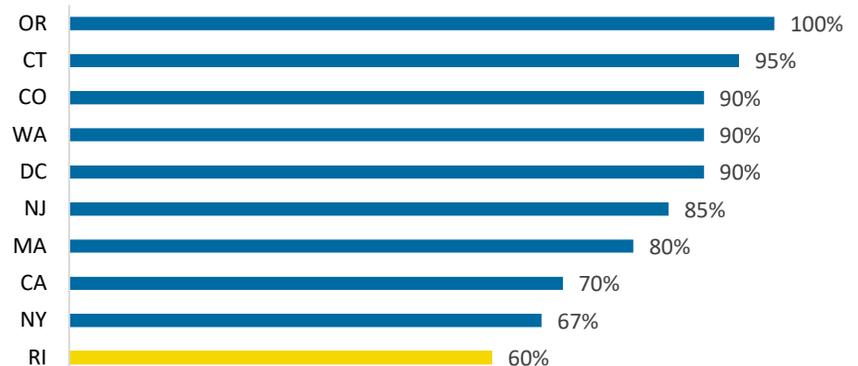
RI offers shortest Paid Family Leave program in U.S.
(Maximum Number of Weeks per year)



2) Rhode Island's Wage Replacement is the Lowest in U.S.

Rhode Island's TCI wage replacement is currently 60%, meaning that workers can only receive up to 60% of their regular pay when on leave. This wage replacement is the lowest amongst all Paid Family Leave policies in the country.

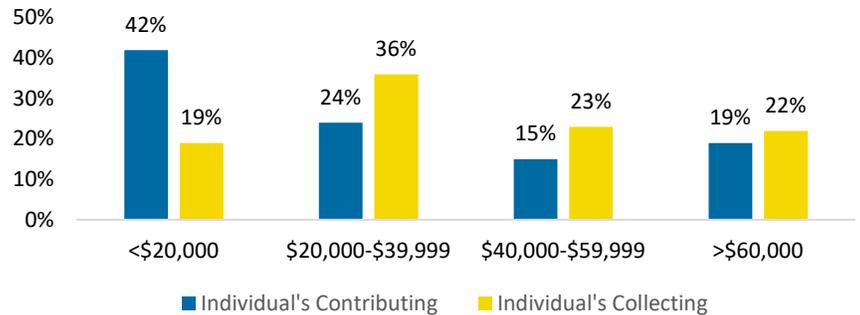
RI's wage replacement is the lowest in the U.S.
(Percent of Wages Replaced While on Leave)



3) **Workers with lowest incomes are least likely to use TCI**

Data shows that workers with the lowest incomes, less than \$20,000 per year, are least likely to access and use paid leave in Rhode Island. In 2017, these workers made up the largest share of those contributing to the TDI/TCI fund, yet they were the smallest share of workers to collect benefits and are the only group to experience this trend. With RI's wage replacement at 60%, these workers may be unable to afford to take paid leave as 60% of their income is not enough to cover household expenses.¹

Workers with lowest incomes least likely to use Paid Family Leave in RI



Legislation to Improve TCI

Legislation introduced by Senator Goldin (SB436) & Representative Liana Cassar (HB5789) would improve the program by better meeting all caregiving demands and the needs of all workers, especially those with lower incomes. This legislation would:

- Increase the number of weeks a worker can use from 4 to 12 weeks in 2022.
- Expand the category of who a worker can take time to care for to include: grandchildren, siblings, and care recipients.
- Increase the benefit rate from the current 60% of wages to 90% in 2022 for those earning minimum wage; to 75% in 2022 for those earning twice the minimum wage.
- Expand TDI/TCI benefits to gig workers and self-employed individuals.
- Increase the wage cap to \$250,000.
- Create a tax credit of \$150 for those earning less than twenty-five times the minimum wage who paid into the TDI/TCI fund, but who did not receive TDI/TCI benefits.
- Institute fines and penalties for not reinstating an employee to work if they use TCI.

¹ "Working Parents, Child Care, and Paid Family Leave in Rhode Island", Rhode Island Kids Count, 2018.