



Impact of Paid Family and Medical Leave in Michigan

An Analysis of the Michigan Family Leave Optimal Coverage Act

Created with ATTIS

Chantel Boyens, Karen E. Smith, Katherine Hueston, and Lauren Simpson

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In this brief, we present estimates of benefits, costs, interactions with other means-tested programs, and impact on poverty for the proposed **Michigan Family Leave Optimal Coverage (FLOC) Act of 2023** as part of the Department of Labor (DOL) Women's Bureau study, "Understanding Equity in Paid leave through Microsimulation."¹ Using an enhanced version of the Department of Labor's Worker Paid Leave Usage Simulation (Worker PLUS) model, in concert with the Urban Institute's Analysis of Taxes, Transfers and Income Security (ATTIS) model,² we examine the following questions:

- How much would workers have been projected to receive in benefits, and how would they have been distributed by demographic group and benefit type under the Michigan FLOC Act of 2023?

¹ For more information on the "Understanding Equity in Paid Leave through Microsimulation" study and to access related reports and resources, please see "Understanding Equity in Paid Leave through Microsimulation Analysis," Women's Bureau, U.S. Department of Labor, accessed September 18, 2024, <https://www.dol.gov/agencies/wb/Understanding-Equity-in-Paid-Leave-Microsimulation-Analysis>.

² For more information on Worker PLUS, see "Microsimulation Model on Worker Leave," Office of the Assistant Secretary for Policy, U.S. Department of Labor, accessed September 18, 2024, <https://www.dol.gov/agencies/oasp/evaluation/completedstudies/Microsimulation-Model-on-Worker-Leave>.

For more information on ATTIS, see "ATTIS Microsimulation Model," Urban Institute, accessed September 18, 2024, <https://www.urban.org/research-methods/attis-microsimulation-model>.

- Would benefits under the FLOC Act have reduced poverty overall and for families who took benefits? By how much? How would taxes and participation in other safety net programs have been affected?

To answer these questions, we simulate the impact of the FLOC Act proposal as if it had been operational in 2018, the most recent year for which we have data and modeling capabilities in Worker PLUS and ATTIS. We find the following:

- In 2018, the Michigan FLOC Act proposal would have provided 4.1 million workers with access to paid family and medical leave (PFML), covering 82 percent of the workforce. An estimated 5.8 percent of eligible workers would have taken a covered leave that year.
- Workers would have received an average weekly benefit of \$464 and the average duration of leave would have been approximately 8.6 weeks. About half of all leaves, 51 percent, of all leaves would be for maternity or bonding leave, 36 percent for own medical leave, and 13 percent for family caregiving leave.
- The proposal would have reduced the poverty rate among families receiving benefits in Michigan by 8.8 percent under the Supplemental Poverty Measure (SPM), but increased the poverty rate by 0.3 overall. The FLOC Act would have reduced the SPM poverty gap—the additional resources needed to lift all poor families up to the poverty threshold—by 15.1 percent for families receiving benefits and by 0.1 percent overall. The reduction in the poverty rate and poverty gap indicates that the program would reduce both the number of people in poverty and the depth of poverty experienced by families receiving benefits.
- Participation in means-tested programs would have fallen, resulting in a combined reduction in benefits of \$66 million.

In the following sections, we provide background on PFML programs in the United States, followed by a description of the Michigan proposal. Next, we show results from our analysis on access and cost of benefits by worker characteristics and the impact of the Michigan FLOC Act on poverty.

Background

Currently, 13 states and the District of Columbia have enacted PFML programs. No federal program providing PFML benefits exists but current state programs build on the federal law guaranteeing job-protected unpaid leave to a little over half of U.S. workers known as the Family and Medical Leave Act (FMLA) of 1993.³ The FMLA provides workers up to 12 weeks away from their jobs to care for a seriously ill or injured parent, spouse, or child; to address their own serious health issue; or to care for a newborn, newly adopted, or newly placed foster child. It also provides two types of military caregiving leave that guarantees up to 26 weeks to care for a wounded service member by a parent, child, spouse, or next of kin, and up to 12 weeks for circumstances related to the deployment of a parent, spouse, or child. State PFML programs provide workers with a benefit that replaces a share of their prior wages while they are on leave. Although the details of state programs vary, at a minimum, all states cover the first three FMLA reasons for leave and are financed by payroll tax contributions from employers, employees, or a combination of both.⁴

Michigan Family Leave Optimal Coverage Act

The Michigan Family Leave Optimal Coverage (FLOC) Act ([H.B. 4574/S.B. 332](#)) was introduced in 2023 by State Representative Helena Scott and State Senator Erika Geiss. The House version of the bill was referred to the Committee on Labor and the Senate version was referred to the Committee on Housing and Human Services in May 2023. Since the proposed legislation was referred to its respective committee, no legislative action has been taken. As of the publication of this report, the state has not enacted the FLOC Act.

The FLOC Act proposal would assign administration of the proposed PFML program to the Michigan Department of Labor and Economic Opportunity.⁵ The proposed legislation does not yet provide information on the estimated cost of benefits and administration of the program nor are the expected employer and employee contribution rates available, as of the publication of this report. However, the current version of the legislation proposes that contributions to the family leave optimal coverage fund would begin on January 1, 2025, and the initial contribution rate would be reevaluated

³ “The Family and Medical Leave Act of 1993,” U.S. Department of Labor, Wage and Hour Division, February 5, 1993, <https://www.dol.gov/agencies/whd/laws-and-regulations/laws/fmla>.

⁴ Vicki Shabo, “Explainer: Paid Leave Benefits and Funding in the United States,” *New America* (blog), May 3, 2024, <https://www.newamerica.org/better-life-lab/briefs/explainer-paid-leave-benefits-and-funding-in-the-united-states/>.

⁵ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 1(i) (MI 2023).

for January 1, 2027 “based on a percent of employee wages at a rate necessary to obtain a total amount of contributions equal to 135% of the benefits paid during the previous fiscal year plus an amount equal to 100% of the cost of administration of the payment of those benefits during the previous fiscal year, minus the amount of net assets remaining in the...fund as of June 30 of the current calendar year.”⁶ The proposal aims to begin paying out benefits on January 1, 2026.⁷

TABLE 1
Michigan Family Leave Optimal Coverage Act Elements

Program element	Summarized policy
Inception	The Family Leave Optimal Coverage Act (H.B. 4574/S.B. 332) has been referred to the Michigan Senate Committee on Housing and Human Services and House Committee on Labor
Lead agency	The Michigan Department of Labor and Economic Opportunity
Funding	Contribution rates will depend based on implementation of the policy ^a
Implementation timing	January 1, 2026 (proposed)
Duration (weeks of leave)	15 weeks
Purposes	Own serious health condition; birth or adoption of a child; care for a family member with a serious health condition; deployment-related and military family caregiving needs; safe leave for needs relating to sexual or domestic violence; bereavement leave; during a public health emergency, if employer is closed, or if a family member needs caregiving services
Wage replacement	90% of the individual's average weekly earnings to the extent that such earnings do not exceed 50% of the statewide average weekly wage (SAWW), plus 50% for earnings greater than 50% of the SAWW. The 2023 SAWW was \$1,220.
Maximum benefits	65% of the SAWW, which was equal to \$793 in 2023 ^b
Job protection	Yes ^c
Waiting period	No
Intermittent leave	Yes ^d
Eligibility	The employee must not have been separated from employment for more than 26 weeks at the start of leave. The employee must also have been making contributions to the family leave optimal coverage fund in the 12-month period immediately preceding the date the individual submits a claim.

⁶ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 11(2-4) (MI 2023).

Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 11(4) (MI 2023).

⁷ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 5(1) (MI 2023).

Program element	Summarized policy
Coverage	Full- and part-time employees are eligible if they have met the eligibility requirements. Self-employed individuals may opt into the program. Federal government workers are not covered.
Family definition	"Family" includes a parent/stepparent, child, spouse, domestic partner, grandparent, grandchild, sibling, or familial equivalent

Source: Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. (MI 2023); Family Leave Optimal Coverage Act, H.B. 4574 (MI 2023).

^a The director will determine the contribution amount needed to fund FLOC benefits for the period between January 1, 2025 and December 31, 2026. Thereafter, the director will evaluate the contribution rate on an annual basis.

^b The state average weekly wage is determined by the unemployment insurance agency under section 21 of the Michigan Employment Security Act of 1936.

^c An employer shall restore an employee who takes family leave to one of the following job positions upon the employee's return from family leave: (1) The job position that the employee held before the employee took the family leave or (2) A different job position that is equivalent to the job position the employee held prior to taking leave, including seniority, status, employment benefits, wage rate and any other terms and conditions of employment

^d A covered individual may take paid family leave on an intermittent or reduced leave schedule. A covered individual shall make a reasonable effort to schedule paid family leave so as to not unduly disrupt the operations of the covered individual's employer.

To qualify for PFML benefits under the proposed FLOC Act, employees must meet the following employment requirements:

- Have been separated from work for no more than 26 weeks in the past calendar year,⁸ and
- Have made (unspecified) contributions to the family leave optimal coverage fund in the 12-month period immediately preceding the employee's paid leave claim.⁹

The FLOC Act would guarantee 15 weeks of paid leave for the following qualifying reasons: following the birth, adoption, or placement of a new child; care for one's own serious health condition; care for a family member with a serious health condition; care for oneself during an ongoing public health emergency, if the employer is closed; care for a family member during a public health emergency; deployment-related and military family caregiving needs; safe leave for needs relating to sexual or domestic violence; or bereavement leave .¹⁰

Family members include a child (regardless of the child's age); parent/stepparent or spouse's parent/stepparent; spouse or domestic partner; grandparent; grandchild; sibling/stepsibling; any other

⁸ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 3(h)(ii)(A) (MI 2023).

⁹ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 3(h)(i)(B)(I) (MI 2023).

¹⁰ Benefits for bereavement leave are only guaranteed for up to 10 days for each death of a family member of the covered individual in a calendar year. Neither bereavement leave nor safe leave are modeled here.

Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 5(1)(a-t) (MI 2023).

individual whose close association with the employee is the equivalent of an immediate family relationship.¹¹

The legislation proposes 90 percent wage replacement for the employee's wages that do not exceed 50 percent of the statewide average weekly wage (SAWW).¹² The SAWW for 2023 was \$1,216.18.¹³ Income greater than 50 percent of the SAWW will be replaced at a rate of 50 percent, up to the maximum benefit level.¹⁴ The total maximum benefit any employee may receive is 65 percent of the SAWW, or \$793 in 2023, which will increase annually with the change in the SAWW.¹⁵

Like many other states currently implementing PFML programs, Michigan's plan would allow employees to take their paid leave on an intermittent basis, rather than taking it all at once, which allows greater flexibility for those with caregiving responsibilities.¹⁶ Employees taking paid leave are also guaranteed continuous health care coverage while on leave.¹⁷

In conjunction with the guarantees of the state's Paid Medical Leave Act (2018), employees who take paid leave are guaranteed to return to the position they held before taking leave, or a different position of the same seniority, status, employment benefits, wage rate, and any other conditions of employment.¹⁸ Retaliatory or discriminatory action against employees who take paid leave is also prohibited, under the FLOC Act.¹⁹

¹¹ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 3(q)(i-xi) (MI 2023).

¹² Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 9(1)(a) (MI 2023).

¹³ "State Average Weekly Wage Chart," MI Dept of Labor and Economic Opportunity Workers' Disability Compensation Agency, December 18, 2023, https://www.michigan.gov/-/media/Project/Websites/leo/Documents/WDCA-Calculation-Program/wca_averageweeklywage_chart.pdf.

¹⁴ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 9(1)(b) (MI 2023).

¹⁵ For example, the SAWW for 2024 is \$1,259.91, so wage replacement would be 90 percent of income up to \$629.96 (50 percent of SAWW), and 50 percent of income above \$629.91, if the program were implemented in 2024. The maximum benefit would be \$818.94 (65 percent SAWW), if implemented in 2024.

Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 9(2) (MI 2023).

¹⁶ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 7(7) (MI 2023).

¹⁷ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 13(2) (MI 2023).

¹⁸ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 13(1)(a-b) (MI 2023).

¹⁹ Family Leave Optimal Coverage Act, S.B. 332, 102nd Leg., 1st Sess. § 29 (MI 2023).

Methods

To examine the Michigan FLOC Act proposal, we used two linked microsimulation models: DOL’s Worker PLUS model and Urban Institute’s ATTIS model. The linked approach allows us to estimate the distributional impact of PFML on means-tested program eligibility and enrollment, and on the SPM poverty rate and poverty gap. These estimates account for each means-tested programs’ rules for treating paid family leave benefits and the shifts in employment and earnings as workers change work behaviors in response to newly available paid leave benefits. Both ATTIS and Worker PLUS use data from the 2018 American Community Survey and the simulations estimate the impact of the Michigan FLOC Act proposal using 2024 thresholds indexed to 2018. For additional details on our methods and assumptions, please see appendix A in *Understanding Equity in Paid Leave through Microsimulation: National Report* (Boyens, Smith et al. 2024) and the brief “Paid Family and Medical Leave, Means-tested Benefits and Taxes: How State Paid Leave Benefits Affect Workers’ Taxes, Eligibility and Benefits” (Boyens, Hueston et al. 2024).

Results

Tables 2 through 19 present results from the Worker PLUS model for the Michigan FLOC Act. Tables 20 through 23 present results from the ATTIS model. Table 2 shows the following:

- 4.1 million Michigan workers would have been eligible for paid leave under the state program.
- 240,000 workers (5.8 percent of eligible workers) would have taken 285,000 family and medical leaves and claimed benefits.
- About half of all leaves would have been for maternity and bonding and half for workers’ own medical leave or to care for a family member with a serious health condition.
- Benefits would have been paid for an average of 8.6 weeks.

TABLE 2
Simulated Annual Coverage and Usage of Leave under Michigan’s Proposed Family Leave Optimal Coverage Act

Annual coverage and usage	Number
Number of people with positive earnings (thousands) ^a	5,072
Number of people with taxable earnings (thousands) ^b	4,565
Number of people eligible for paid leave (thousands) ^c	4,140
Number of people receiving a benefit (thousands)	240
Percent of workers eligible for PFML benefits in 2018 (%)	82

Annual coverage and usage	Number
Percent of eligible workers receiving benefits in 2018 (%)	5.8
Number of medical leaves taken (thousands)	102
Number of maternity and bonding leaves taken (thousands)	146
Number of family care leaves taken (thousands)	37
Number of total leaves taken (thousands)	285
Distribution of medical leaves taken (%)	36
Distribution of maternity and bonding leaves taken (%)	51
Distribution of family care leaves taken (%)	13
Average duration of medical benefits (weeks)	9.7
Average duration of maternity and bonding benefits (weeks)	8.3
Average duration of family care benefits (weeks)	6.7
Average duration of benefits for all reasons (weeks)	8.6
Medical leave usage rate (%) ^d	2.5
Maternity and bonding leave usage rate (%) ^d	3.5
Family care leave usage rate (%) ^d	0.9

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: Amounts and claims are for 2018. Family care includes ill child, ill spouse, and ill parent leaves.

^a This includes all people with any earnings (including wage, salary, and self-employment).

^b Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. ^c Workers must work at least 26 weeks in the calendar year prior to claiming a benefits to be eligible for leave.

^d The usage rate is the number of people receiving a paid leave benefit divided by the number of people eligible for a benefit.

Table 3 summarizes benefit costs and taxable earnings and projects the following:

- Michigan FLOC Act would provide over \$1.1 billion in PFML benefits to workers and their families.
- The average weekly benefit for all claims is \$464 and workers would receive an average of \$3,856 in total benefits.
- A payroll tax of 0.53 percent on employees would have been needed to fully fund the projected benefits using Michigan's taxable wage base, or 0.44 percent if taxable wages were not capped (not shown).

TABLE 3

Annual Total Benefit Costs, Average Benefits, and Taxable Earnings under the Michigan Family Leave Optimal Coverage Act

Type of benefits paid	Number
Total medical leave benefits (millions of dollars)	\$427
Total maternity and bonding leave benefits (millions of dollars)	\$558
Total family care leave benefits (millions of dollars)	\$116
Total benefits for all reasons (millions of dollars)	\$1,101
Average annual medical benefit (dollars)	\$3,856
Average annual maternity and bonding benefit (dollars)	\$3,812
Average annual family care benefit (dollars)	\$3,165
Average annual benefit for all reasons (dollars)	\$3,856
Average weekly medical benefit (dollars)	\$438
Average weekly maternity and bonding benefit (dollars)	\$482
Average weekly family care benefit (dollars)	\$470
Average weekly benefit for all reasons (dollars)	\$464
Taxable earnings (millions of dollars)	\$208,100
Total payroll tax (millions of dollars)	\$1,224
Worker payroll tax (millions of dollars)	\$1,224
Employer payroll tax (millions of dollars)	\$0
Benefit cost as percentage of taxable earnings (%)	0.53%
Benefit cost as a percent of PFML payroll tax (%)	89.95%

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: Claims are for 2018. Family care includes ill child, ill spouse, and ill parent leaves. Eligible workers are limited to workers in eligible employment sectors with 26 or more work weeks in 2018 for a Michigan employer. An employee-only payroll tax rate equal to 0.588 percent is assumed for modeling purposes, which is sufficient to fund benefits and administrative costs.

Tables 4 through 11 summarize the characteristics of Michigan FLOC Act beneficiaries. They show the following:

- Approximately 4.1 million workers, 82 percent of workers with earnings, would have been eligible, with approximately 5.8 percent of eligible workers taking a paid leave in 2018.
- Uncovered workers include federal government workers, self-employed workers that opt out of the program, and workers who do not meet the eligibility requirements.
- Compared with higher earners, low earners would have been more likely to receive benefits if they qualify, but fewer low earners qualify for benefits.
- Access to paid leave would be lowest among employees working less than 20 hours per week, those with less than a high school diploma, and workers older than 65.

- Usage of leave would be highest among those ages 26 to 35 and those with family income below 200 percent of the poverty level.
- The hours worked eligibility requirement effectively excludes most part-time workers from coverage.

TABLE 4

Access to and Usage of Paid Leave by Annualized Earnings and Family Poverty Rate

Simulation results for Michigan

Annualized earnings and family poverty rate	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
< \$25,000	1,333	70	7.6
\$25,000–\$40,000	862	92	5.2
\$40,000–\$60,000	793	91	5.8
\$60,000–\$80,000	482	88	4.3
\$80,000–\$100,000	263	88	4.3
\$100,000 or more	405	78	3.9
Income < 200% poverty level	807	73	9.0
Income 200–400% poverty level	1,330	84	6.2
Income > 400% poverty level	2,004	84	4.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. The share of workers receiving benefits is the number of people receiving a benefit divided by the number of people with earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 5

Access to and Usage of Paid Leave by Race and Ethnicity

Simulation results for Michigan

Race and ethnicity	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
Asian, non-Hispanic	141	81	6.0
Black, non-Hispanic	493	82	5.9
Hispanic	215	85	5.2
Native American and Pacific Islander, non-Hispanic	21	83	5.8

Race and ethnicity	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Other, non-Hispanic	87	85	7.1
White, non-Hispanic	3,183	81	5.8

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. All Hispanic people are classified as Hispanic regardless of race. The share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 6

Access to and Usage of Paid Leave by Sex

Simulation results for Michigan

Sex	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
Men	2,128	80	5.3
Women	2,013	83	6.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Washington state employer. The share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 7

Access to and Usage of Paid Leave by Age

Simulation results for Michigan

Age group	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
16-25	671	75	7.3
26-35	942	87	10.7
36-45	831	86	5.8
46-55	867	85	2.5
56-65	662	80	2.5

Age group	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
66 and older	167	61	2.4

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. The share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 8

Access to and Usage of Paid Leave by Usual Hours Worked per Week

Simulation results for Michigan

Usual hours worked per week	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
1-19	224	52	5.9
20-34	641	72	6.3
35-44	2,179	88	5.8
45 or more	1,096	86	5.4

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. The share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 9

Access to and Usage of Paid Leave by Education Level*Simulation results for Michigan*

Education level	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
Less than high school	255	66	4.6
High school or equivalent	1,025	81	5.8
Some college	1,497	83	6.0
Bachelor's or higher degree	1,363	84	5.9

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. The share of covered workers receiving benefits is the number of people receiving a benefit divided by the number of people with covered earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 10

Access to and Usage of Paid Leave by Household Composition*Simulation results for Michigan*

Household composition	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
Married two-earner	1,733	84	6.8
Married one-earner	650	74	7.2
Single one-earner	1,758	83	4.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. The share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

TABLE 11

Access to and Usage of Paid Leave by Class of Worker*Simulation results for Michigan*

Class of worker	Number of eligible workers (thousands)	Share of workers eligible for covered leaves (%)	Share of eligible workers receiving compensation for leaves (%)
Overall	4,140	82	5.8
Private sector	3,737	91	5.8
State and local government	404	92	6.0

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Michigan employer. The share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. The number of eligible workers would be higher if self-employed workers enrolled.

Table 12 through 19 summarize average weekly benefits, annual benefits, and duration of leave. They show the following:

- Black workers would have received the lowest average weekly and annual benefits when compared with other racial and demographic groups.
- Average weekly and annual benefits are lowest for workers who work less than 20 hours per week and those with income below \$25,000. These same groups also take the longest average leaves.

TABLE 12

Paid Leave Benefit Amounts and Weekly Benefit Duration by Annualized Earnings and Family Poverty Rate*Simulation results for Michigan*

Annualized earnings and family poverty level	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
< \$25,000	243	2,352	9.7
\$25,000–\$40,000	496	4,162	8.4
\$40,000–\$60,000	617	4,774	7.7
\$60,000–\$80,000	625	4,783	7.7
\$80,000–\$100,000	625	5,061	8.1
\$100,000 or more	625	5,152	8.2
Income < 200% poverty level	343	3,080	9.3
Income 200–400% poverty level	486	3,922	8.4

Annualized earnings and family poverty level	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Income > 400% poverty level	550	4,475	8.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. Annualized earnings is covered weekly earnings times 52. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. Family poverty level is based on 2018 American Community Survey classifications.

TABLE 13

Paid Leave Benefit Amounts and Weekly Benefit Duration by Race and Ethnicity

Simulation results for Michigan

Race and ethnicity	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
Asian, non-Hispanic	568	4,400	8
Black, non-Hispanic	401	3,227	8.5
Hispanic	483	4,377	9.3
Native American and Pacific Islander, non-Hispanic	495	3,077	6.8
Other, including multiracial	426	3,300	8.7
White	470	3,930	8.6

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 14

Paid Leave Benefit Amounts and Weekly Benefit Duration by Sex

Simulation results for Michigan

Sex	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
Men	516	4,025	8.1
Women	424	3,722	9.1

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 15

Paid Leave Benefit Amounts and Weekly Benefit Duration by Age*Simulation results for Michigan*

Age group	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
16–25	331	3,090	9.6
26–35	485	3,930	8.5
36–45	526	4,059	7.9
46–55	512	4,373	8.7
56–65	493	4,449	8.9
66 and older	420	3,914	9.1

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.**Notes:** The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 16

Paid Leave Benefit Amounts and Weekly Benefit Duration by Usual Hours Worked per Week*Simulation results for Michigan*

Usual hours worked per week	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
1–19	121	1,348	10.7
20–34	305	2,955	9.6
35–44	505	4,038	8.2
45 or more	568	4,674	8.4

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.**Notes:** The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 17

Paid Leave Benefit Amounts and Weekly Benefit Duration by Education Level*Simulation results for Michigan*

Education level	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
Less than high school	376	3,222	8.8
High school or equivalent	399	3,514	9.2
Some college	435	3,684	8.8
Bachelor's or higher degree	555	4,372	7.9

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.**Notes:** The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 18

Paid Leave Benefit Amounts and Weekly Benefit Duration by Household Composition*Simulation results for Michigan*

Household composition	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
Married two-earner	498	4,025	8.4
Married one-earner	487	3,935	8.3
Single one-earner	398	3,540	9.1

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.**Notes:** The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 19

Paid Leave Benefit Amounts and Weekly Benefit Duration by Class of Worker*Simulation results for Michigan*

Class of worker	Average weekly benefit (\$)	Average annual benefit (\$)	Average weekly duration (weeks)
Overall	464	3,856	8.6
Private sector	459	3,823	8.7
State and local government	513	4,145	8.3

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.**Notes:** The projections are for 2018 and include all people ages 16 and older with a covered paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Michigan plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

Tables 20 and 21 summarize the projected impact of the FLOC Act on poverty in Michigan:

- The FLOC Act would have reduced the poverty rate among families receiving benefits in Michigan by 9 percent under the SPM. In addition, the PFML program would have reduced the poverty gap—the additional resources needed to lift all poor families up to the poverty threshold—by 15 percent.
- The overall SPM poverty rate in the state, including covered and non-covered workers, would have increased by a very small amount, 0.3 percent, however, the total poverty gap would be reduced by 0.1 percent.
- Families receiving benefits but who newly fall below the poverty threshold because of the FLOC Act would have an average poverty gap of \$160. Families newly entering poverty partly reflects higher tax liability that is not offset by higher benefits and partly reflects a reduction in earnings as some workers replace workdays with paid leave days, which do not replace 100 percent of earnings.

TABLE 20
Impact on Supplemental Poverty Measure Poverty Rate in Michigan

Simulation results for Michigan FLOC Act	Baseline (%)	Michigan FLOC Act (%)	Change in the poverty rate (%)
All people (full population)	12.3	12.3	0.3
People in families paying Michigan FLOC Act payroll tax	8.4	8.5	0.6
People in families receiving FLOC Act benefit under Michigan FLOC Act	7.6	6.9	-8.8

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FLOC = Family Leave Optimal Coverage. The "Baseline" column reflects the poverty rate before Michigan FLOC Act benefits. The "Michigan FLOC Act" column reflects the poverty rate after including total benefits received by workers under the proposed Michigan PFML program.

TABLE 21
Impact on the Poverty Gap in Michigan

Simulation results for Michigan FLOC Act	Baseline (in 2018 dollars)	Michigan FLOC Act (in 2018 dollars)	Change (%)
Total poverty gap (full population)	\$4,760 million	\$4,756 million	-0.1
Total poverty gap (families paying Michigan FLOC Act payroll tax)	\$2,060 million	\$2,057 million	-0.2
Total poverty gap (families newly receiving benefits under Michigan FLOC Act)	\$141 million	\$120 million	-15.1

Simulation results for Michigan FLOC Act	Baseline (in 2018 dollars)	Michigan FLOC Act (in 2018 dollars)	Change (%)
Average poverty gap for families newly receiving benefits under Michigan FLOC Act for families who were below the poverty line in the baseline and remain below the poverty line under Michigan FLOC Act	\$8,933	\$7,775	-13.0
Average poverty gap for families newly receiving benefit under Michigan FLOC Act for families who were not below the poverty line in the baseline and but are below the poverty line under Michigan FLOC Act	N/A	\$160	N/A

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FLOC = Family Leave Optimal Coverage. N/A is not applicable. The poverty gap is the additional resources needed to lift all poor families up to the poverty threshold. The "Baseline" column reflects the poverty gap before Michigan FLOC Act benefits. The "Michigan FLOC Act" column reflects the poverty rate after including total benefits received by workers under the proposed Michigan PFML program.

Table 22 shows that under the FLOC Act proposal, revenue from federal and state taxes would fall by \$67 million, primarily due to lower taxable wages as some workers replace workdays with paid leave days, which do not replace 100 percent of earnings.

TABLE 22
Income Tax Change in Michigan

Simulation results for Michigan FLOC Act	2018 dollars	Change (%)
Federal taxes	-\$54 million	-0.2%
State income taxes	-\$13 million	N/A
Total	-\$67 million	N/A

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FLOC = Family Leave Optimal Coverage. N/A is not applicable.

Table 23 summarizes the impact of the FLOC Act on participation and benefits in means-tested programs as a result of workers receiving PFML benefits, making payroll tax contributions, and adjusting employment in response to newly available PMFL benefits. We estimate the following:

- Total spending on all programs would have declined by \$66 million, with the largest spending reductions occurring in the Supplemental Nutrition Assistance Program
- The largest decline in participation would have occurred in the Women, Infants, and Children (WIC) program, with 19,000 fewer people or units participating in the program on an annual

basis, or 7.5 percent. Spending on public/subsidized housing would also have declined slightly on an annual basis

- Spending on the federal earned income tax credit would have gone up by \$2 million, partially offsetting the impact of lower wages and additional payroll tax contributions for low-income workers

TABLE 23
Impact of Paid Leave Participation on Means-Tested Programs in Michigan
Simulation results for Michigan Family Leave Optimal Coverage

Program	Change in average monthly participating people or units (thousands) ^a	Percent change in average monthly participating people or units (%)	Change in annual people or units (thousands) ^a	Percent change in people or units (%)	Change in benefits (in 2018 millions of dollars)	Change in benefits (%)
SNAP	-7	-1.0	-14	-1.5	-54	-3.1
TANF ^b	-1	-5.1	N/A ^d	N/A ^d	-3	-8.2
CCDF	0	-1.3	0	-0.4	-2	-1.3
SSI	0	-0.0	0	-0.1	-1	-0.1
LIHEAP ^c	N/A	N/A	-1	-0.2	0	-0.2
WIC	-8	-3.7	-19	-7.5	-7	-5.3
Public/subsidized housing	0	0.0	0	-0.4	0	0.0
Federal EITC	N/A	N/A	-1	-0.1	2	0.2
Federal Refundable CTC	N/A	N/A	1	0.2	-1	-0.1
Total	N/A	N/A	N/A	N/A	-66	N/A

Source: Authors' calculations from ATTIS.

Note: N/A is not applicable. CCDF = Child Care and Development Fund; CTC = Child Tax Credit; EITC = Earned Income Tax Credit; LIHEAP = Low Income Home Energy Assistance Program; SNAP = Supplemental Nutrition Assistance Program; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children.

^a For SSI, TANF, public/subsidized housing, SNAP, and LIHEAP, the changes in caseload count numbers of assistance units, which may consist of one person, multiple people in a household, or an entire household; for child care subsidies, the changes count numbers of children with subsidies; for WIC, the changes count individual women, infants, and children receiving benefits; for tax credits, the numbers reflect changes in numbers of tax units.

^b TANF results include federally-funded benefits, separate-state-program (SSP) benefits funded with state maintenance-of-effort monies, and solely-state-funded (SSF) benefits.

^c LIHEAP benefits are generally provided once per heating or cooling season, not as a monthly benefit.

^d TANF ever-on results could be tabulated with additional effort.

Conclusion

Michigan's proposed FLOC Act covers more than 82 percent of the workforce, greatly expanding access to leave and benefits for workers, particularly lower income workers who are less likely to be covered by employer-provided benefits. Michigan's FLOC Act would also provide a relatively generous benefit due to its high replacement rate (90 percent) for low earners and minimum benefit. However, we project that about 18 percent of workers are not covered under the program because they do not meet the hours worked or earnings requirements, they are federal workers who are not covered, or they are self-employed, and we assume for modeling purposes that they do not opt-in. Eligibility would be higher if we estimated that more self-employed workers choose to enroll.

Michigan's proposed FLOC Act is projected to reduce SPM poverty by 8.8 percent for families who receive PFML benefits and but increase the SPM poverty rate slightly by 0.3 percent overall. It also closes 15.1 percent of the poverty gap for families receiving benefits. Lowering the requirement on the number of hours worked and minimum earnings threshold would improve Michigan's proposed FLOC Act's antipoverty effect. In addition, automatically enrolling self-employed workers would expand access and contribute to greater poverty reduction as well.

The cost of the program is estimated to be about 0.53 percent of taxable payroll, not including administrative costs. The proposed cap on earnings subject to the FLOC paid leave payroll tax generates a less progressive financing system compared with an uncapped wage base. Taxing uncapped earnings could reduce the required tax rate from 0.53 percent to 0.44 percent.

Last, under Michigan's FLOC Act, spending on means-tested programs would decline by \$66 million. States could consider improving how benefits and EITC policies are coordinated to offset the impact of additional payroll taxes on low-income workers. States could also disregard a portion of PFML benefits for purposes of eligibility in means-tested programs to reduce administrative burden, while continuing to support low-income families with medical and caregiving needs.

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About the Authors

Chantel Boyens is a principal policy associate in the Income and Benefits Policy Center at the Urban Institute. Her current work focuses on interactions between Social Security programs and retirement, pensions, disability, and paid leave policy. Before joining the Urban Institute, Boyens was acting branch chief and senior program examiner in the Income Maintenance Branch of the Office of Management and Budget where she led analysis of Social Security Administration programs and budget, as well as other income security programs in the Departments of Labor, Agriculture and Health and Human Services. Boyens received a master's degree in public policy from American University.

Karen E. Smith is a senior fellow in the Income and Benefits Policy Center, where she is an internationally recognized expert in microsimulation. Over the past 30 years, she has developed microsimulation models for evaluating Social Security, pensions, taxation, wealth and savings, labor supply, charitable giving, health expenditure, student aid, and welfare reform. Smith has played a lead role in the development of the Social Security Administration's Modeling Income in the Near Term microsimulation model, Urban's Dynamic Simulation of Income microsimulation model, and the Social Security Administration's Policy Simulation Model.

Katherine Hueston is a research assistant in the Income and Benefits Policy Center. Her work is primarily focused on the Child Care and Development Fund Database, tracking state and territory child care subsidy policies. She also works on microsimulation modeling of social safety net programs for low-income families. Hueston holds a bachelor's degree in political science from Haverford College.

Lauren Simpson is a research associate in the Income and Benefits Policy Center. She works with the Welfare Rules Database and the TRIM3 Transfer Income Model. Simpson holds a master's degree in public policy from Georgetown University.

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About ATTIS

The Urban Institute's Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model allows Urban experts to examine how today's safety net supports US families and how changes to it could affect their economic well-being. By using data and evidence created with ATTIS, today's decisionmakers are better positioned to advance equitable and effective policy solutions that help individuals and families meet their basic needs. To learn more, visit urban.org/attis.

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500 L'Enfant Plaza SW
Washington, DC 20024
www.urban.org

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