



Paid Family and Medical Leave, Means-Tested Benefits, and Taxes

How State Paid Leave Benefits Affect Workers' Taxes, Eligibility, and Benefits

Created with ATTIS

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September 2024

The US has no federal program providing paid family and medical leave (PFML) benefits, and although many employers offer these benefits, they do not reach all employees. As of 2023, among civilian workers in the lowest wage quartile, only 14 percent have access to paid family leave and 22 percent have access to short-term disability insurance (DI) to provide some level of wage replacement during family and medical leaves.¹ States are expanding access to PFML benefits to a growing number of workers, including many workers in low-wage positions. These workers and their families may also receive, or become eligible for, benefits from means-tested programs. Benefits received from state PFML programs can impact an individual's eligibility for means-tested benefits and the amount of benefits received. PFML benefits may also affect income for purposes of state and federal taxes. Both have implications for low-income workers and families who experience medical and family caregiving needs.

This brief examines the treatment of PFML for purposes of state and federal taxation, as well as determining income and eligibility in five means-tested programs: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Care and Development Fund (CCDF), Low-Income Home Energy Assistance Program (LIHEAP), and Supplemental Security Income (SSI). The purpose of this landscape analysis is to assess how PFML benefits affect taxes and means-

¹ "Employee Benefits in the United States, March 2023," US Bureau of Labor Statistics, accessed September 25, 2024, <https://www.bls.gov/ebs/publications/employee-benefits-in-the-united-states-march-2023.htm>.

tested programs serving workers and families with medical and caregiving needs. It also documents assumptions used in microsimulation modeling of PFML benefits using the Urban Institute's Analysis of Transfers, Taxes and Income Security (ATTIS) model in an accompanying report, *Understanding Equity in Paid Leave through Microsimulation: National Report* (Boyens et al. 2024).

Key Findings

- PFML benefits are often not addressed in program manuals for means-tested programs in states with PFML benefits, creating uncertainty in how receipt of PFML affects workers who are potentially eligible for other benefit programs.
- When addressed in state program manuals, disability benefits are discussed in general terms. It is often unclear whether the guidance applies to employer-provided short-term disability benefits or publicly financed temporary disability insurance (TDI) and medical leave benefits provided in PFML programs, or both.
- Because PFML programs are state-based programs, with no federal role, a lack of guidance exists at both the state and federal level on how to treat PFML benefits. Similarly, the IRS has not provided clear guidance on how PFML benefits should be treated for federal tax purposes.
- Family leave benefits, such as for bonding with a newborn and caring for a seriously ill family member, are more often not addressed in program manuals, which can result in uncertainty over how these benefits are treated under program rules. Paid medical leave or disability benefits are more often addressed.
- Our review finds that PFML benefits are generally considered countable income, which reduces eligibility for means-tested benefits.
- California is unique in being the only state that allows workers to exclude a portion of income from PFML benefits for purposes of determining eligibility for a means-tested program. California allows \$600 of PFML benefits to be disregarded from income for purposes of calculating eligibility for TANF.
- DC and Oregon have uniform program manuals that specify rules for multiple programs, however neither manual directly addresses PFML benefits. One exception is a recent update to Oregon's CCDF rules that does specify the treatment of benefits under the Paid Leave Oregon program.

In the following sections, we provide background on PFML benefits, summarize their treatment for purposes of eligibility in means-tested programs by program and state, and the treatment of PFML for purposes of state and federal taxes. Last, we list the assumptions used in ATTIS microsimulation modeling based on this review and discuss implications of our findings.

Background

Thirteen states and the District of Columbia (DC) have adopted PFML benefit programs.² Of these, 10 programs are operating and providing benefits to workers as of February 2024: California, Colorado, Connecticut, DC, Massachusetts, New Jersey, New York, Oregon, Rhode Island, and Washington. The four states not yet issuing benefits are Delaware, Maine, Maryland, and Minnesota. The findings in this report are limited to states with active PFML programs.

Our analysis focuses on how PFML benefits are treated for purposes of eligibility and benefit computation in five key safety net programs, including SNAP, TANF, CCDF, LIHEAP, and SSI. These programs are state administered, except for SSI, which is federally managed, though states may provide a supplemental benefit. In addition, we examine how PFML benefits are treated for purposes of state and federal income taxes and federal payroll taxes.

Depending on their circumstances, PFML benefits can affect workers' total resources differently. Some workers may already be eligible for means-tested benefits or become newly eligible when they experience a qualifying health or caregiving event. For some families, receiving a PFML benefit can increase resources if it replaces what otherwise would have been a period of unpaid leave from work. In this case, the family's higher resources from PFML may reduce their eligibility or benefits from means-tested programs. Conversely, some workers may see decreased resources while taking PFML due to the partial wage replacement from a PFML program and may gain eligibility or receive higher benefits from a means-tested program. The change in a family's resources does not account for any increase in overall utility or well-being derived from being able to take a needed paid leave.

For our analysis, we divide PFML benefits into two categories:

- **Personal disability or medical leave**, which includes state temporary and short-term DI and paid medical leave to address one's own serious health condition, including maternity-related disability
- **Family leave**, which includes leave to bond with or care for a new child (including adoption and fostering a new child), family caregiving leave to care for a family member with a serious health

² For a comprehensive list of state PFML programs and detailed descriptions, see "Comparative Chart of Paid Family and Medical Leave Laws in the United States," A Better Balance, accessed September 25, 2024, <https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/> and "State Paid Family & Medical Leave Insurance Laws," National Partnership for Women and Families, July 2024, <https://nationalpartnership.org/wp-content/uploads/2023/02/state-paid-family-leave-laws.pdf>.

condition, safe leave related to domestic violence, and military leave related to deployment of a family member

Although a common goal drives PFML programs, considerable variation exists in the structure and operation of state PFML programs. A summary of the state PFML programs covered in this analysis is detailed in the appendix, including program name, covered reasons for leave, and earnings eligibility criteria by program.³ In the following sections, we summarize our review of state program manuals to determine how each state treats PFML benefits for determining eligibility and benefit amounts in the selected means-tested programs. We present this information by program. When information on the treatment of PFML was not available in state program manuals, we designate it as not specified. We define common terms used in means-tested programs for determining the treatment of various types of income and resources in table 1, which are used in our summary below.

TABLE 1
Types of Income in Government Assistance Programs

Income type	Description
Countable Income	The amount of income that is used to determine income eligibility and benefits for various safety net programs
Disregard	The amount of income that can be subtracted from total gross income when determining eligibility or benefits
Earned income	Type of countable income that includes income obtained from a job or from self-employment, such as wages and salaries
Unearned Income	Type of countable income that includes income that is obtained without providing a good or service, such as unemployment compensation or other government benefits
Income set asides	Includes income that has been given for charitable and educational purposes and is nontaxable

Source: Authors' description of income in government assistance programs.

Note: These are general definitions based on the authors' review of definitions of income used across a wide range of means-tested programs. Individual programs may use more specific definitions of these concepts.

Supplemental Nutrition Assistance Program (SNAP)

Among the 10 states with currently enacted PFML programs, program manuals suggest that all but 2 states considered disability and medical leave benefits to be countable, unearned income for eligibility and benefit computation purposes. The exceptions were DC and Oregon, which did not clearly specify its treatment. In many cases, it was not clear whether the program manual was only addressing

³ Additional details on state PFML programs can also be found at "State Paid Family & Medical Leave Insurance Laws," National Partnership for Women and Families, July 2024, <https://nationalpartnership.org/wp-content/uploads/2023/02/state-paid-family-leave-laws.pdf>.

employer-provided disability benefits or if it also included disability or medical leave from state PFML programs. This was consistently an issue throughout state manuals we reviewed.

TABLE 2

Treatment of Personal Disability or Medical Leave in Supplemental Nutrition Assistance Programs (SNAP)

Treatment of benefits	States
Unearned income	CO, CT ^a , MA ^a , NJ, NY, RI ^a , WA ^a , CA ^a
Not specified	DC, OR

Source: Authors' analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income.

TABLE 3

Treatment of Family Leave in Supplemental Nutrition Assistance Programs (SNAP)

Treatment of benefits	States
Unearned income	CA ^a , CT ^a , MA ^a , NJ, NY, RI, WA ^a
Not specified	CO, DC, OR

Source: Authors' analysis state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical income.

Countable Unearned Income

The California Food Stamps Regulations classify disability benefits as countable, unearned income.⁴ The California state disability insurance (SDI) program “provides short-term DI and Paid Family Leave (PFL) wage replacement benefits to eligible workers who need time off work.”⁵ Therefore, we assume that paid family leave would be treated similarly to disability benefits.

In New Jersey, state regulations say that “payments from federal, state, or local government-sponsored programs which can be construed to be a gain or benefit” are considered unearned income. It also describes disability benefits as unearned income. Given these details, we feel reasonably confident that TDI and family leave insurance in the state are both counted as unearned income.⁶ Similarly, in New York, disability benefits are counted as unearned income, as are benefits from “government

⁴ “Food Stamp Manual,” California Department of Social Services, accessed March 27, 2024, <https://www.cdss.ca.gov/ord/entres/getinfo/pdf/fsman05.pdf>.

⁵ “State Disability Insurance: Disability Insurance and PFML Benefits,” State of California Employment Development Department, accessed January 25, 2024, <https://edd.ca.gov/Disability/>.

⁶ New Jersey Supplemental Nutrition Assistance Program (NJ SNAP) Manual, Unearned Income N.J.A.C. 10:87-5.5 (March 7, 2012).

sponsored programs.”⁷ Based on these categorizations, we presume that family leave benefits in New York would also be considered unearned income.

Rhode Island’s SNAP regulations categorize disability benefits as unearned income. However, the regulations do not specify whether TDI is included within this group of benefits. The state’s SNAP regulations also do not detail the treatment of temporary caregiver insurance (TCI).⁸ In nearly all cases, TDI and TCI are discussed together, including on the state website.⁹ Therefore, we presume that disability benefits generally include TDI and, by proxy, TCI.

Colorado’s SNAP manual states that disability benefits are counted as unearned income. However, it is not clear whether this applies only to employer-sponsored disability benefits or to state PFML. As a result, we infer that personal medical and disability leave payments would be considered unearned income.¹⁰

The SNAP manuals and regulations from Connecticut, Massachusetts, and Washington clearly outline the treatment of PFML income as countable, unearned income.

Not Specified

The Oregon Programs Eligibility Notebook documents how income is categorized across assistance programs; however, it does not specifically address PFML income for SNAP. The manual is clear on the treatment of employer-sponsored DI but does not address state paid medical and disability insurance, stating that for SNAP eligibility and benefits determinations, “income from employer-sponsored DI is counted as earned income if paid to a participant who is still employed while recuperating from a temporary illness or injury.”¹¹ As a result, the treatment of state PFML benefits is uncertain.

⁷ “Supplemental Nutrition Assistance Program (SNAP) Source Book,” New York State Office of Temporary and Disability Assistance, Center for Employment and Economic Supports, April 30, 2005, <https://otda.ny.gov/programs/snap/SNAPSB.pdf>.

⁸ Supplemental Nutrition Assistance Program, 218-RICR-20-00-1 (December 15, 2023), <https://rules.sos.ri.gov/regulations/part/218-20-00-1>.

⁹ “Temporary Disability/Caregiver Insurance,” State of Rhode Island Department of Labor and Training, accessed January 25, 2024, <https://dlt.ri.gov/individuals/temporary-disability-caregiver-insurance>.

¹⁰ Supplemental Nutrition Assistance Program, 10 CCR 2506-1 (March 30, 2022), <https://www.sos.state.co.us/CCR/GenerateRulePdf>.

¹¹ “Oregon Programs Eligibility Notebook,” Oregon Department of Human Services, January 2024, <https://sharedsystems.dhsoha.state.or.us/DHSForms/Served/de2818.pdf>.

DC began administering PFML benefits in 2020, but the Economic Security Administration (ESA) Policy Manual, which includes SNAP policies, has not been updated since 2017.¹² As a result, no publicly available guidance exists for determining the treatment of PFML income. The manual does state that disability benefits are counted as unearned income if the worker does not plan to continue to work or if the employer contributes part of the premium or benefit. We believe this pertains to the treatment of employer-provided disability benefits, and therefore, it is unclear whether the same standards would apply for all PFML income.

Colorado’s SNAP manual does not specifically address the treatment of paid family leave benefits.

Temporary Assistance for Needy Families (TANF)

Our conclusions about the treatment of PFML income for TANF were often similar to the treatment for SNAP. In Massachusetts and Washington, all PFML benefits are counted as unearned income. California’s TANF manual classifies all PFML benefits as disability-based unearned income and provides a special disregard. The remaining states do not specifically address PFML benefits for TANF eligibility. In these instances, we inferred the treatment of PFML based on information provided for similar types of income and benefits, as discussed below.

TABLE 4

Treatment of Personal Disability or Medical Leave in Temporary Assistance for Needy Families (TANF) Programs

Treatment of benefits	State
Disability-based unearned income	CA ^a
Unearned income	CT, CO ^a , MA ^a , NJ ^a , NY ^a , RI ^a , WA ^a
Not specified	DC, OR

Source: Authors’ analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income.

¹² ESA Policy Manual,” Government of District of Columbia Department of Human Services, January 2017, <https://dhs.dc.gov/sites/default/files/dc/sites/dhs/publication/attachments/ESA-Policy-Manual-Combined-Revised-2.pdf>.

TABLE 5

Treatment of Family Leave in Temporary Assistance for Needy Families (TANF) Programs

Treatment of benefits	State
Disability-based unearned income	CA ^a
Unearned income	MA ^a , RI, WA ^a
Not specified	CO, CT, DC, NJ, NY, OR

Source: Authors' analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income.

Disability-Based Unearned Income

California's CalWORKS (TANF) regulations state that SDI is considered disability-based unearned income.¹³ Because SDI encompasses both DI and paid family leave wage replacement benefits, we concluded that both types of benefits are counted as unearned income for TANF. California's TANF regulations allow a portion (up to \$600, plus 50 percent of any remaining unearned income, as of June 1, 2022) of disability-based unearned income to be disregarded for purposes of eligibility and benefit computation.

Countable Unearned Income

New Jersey's TANF regulations specify TDI as a form of countable, unearned income.¹⁴ Similarly, New York's TANF manual classifies DI as countable, unearned income.¹⁵

Rhode Island's TANF program manual specifies that TDI is considered countable, unearned income, but does not directly address family leave (known as TCI in Rhode Island). We assume that Rhode Island will treat TCI as countable, unearned income for TANF.¹⁶

Massachusetts and Washington both clearly outline the treatment of PFML income within their TANF manuals, so we concluded with confidence that all PFML income in both states is treated as countable, unearned income.

¹³ SHD Paraphrased Regulations – CalWORKs, 139-1 (September 2007), <https://www.cdss.ca.gov/shd/res/pdf/paraRegs-CalWORKs-Unearned-Income.pdf>.

¹⁴ Work First New Jersey Program, Income--WFNJ TANF/GA N.J.A.C. 10:90-3.9 (August 17, 2009).

¹⁵ "Temporary Assistance Source Book: Employment and Income Support Programs," New York Office of Temporary and Disability Assistance, March 29, 2011, <https://otda.ny.gov/programs/temporary-assistance/tasb.pdf>.

¹⁶ Rhode Island Works Program Rules and Regulations, 218-RICR-20-00-2 (November 4, 2023), <https://rules.sos.ri.gov/Regulations/Part/218-20-00-2>.

Much like Colorado's SNAP manual, the Colorado Works (TANF) manual does not specifically address PFML benefits. It does list disability benefits as countable, unearned income, but it is not clear whether this would apply to state PFML benefits.

Connecticut's TANF program manuals do not outline the specific treatment of Connecticut's PFML benefits. Connecticut's Uniform Policy Manual mentions that sick pay benefits from an employer are considered earned income, while sick pay benefits received through private insurance are considered unearned income.¹⁷ Because state PMFL benefits are not paid by the employer, we assume that PFML benefits are treated as countable, unearned income.

Not Specified

DC and Oregon do not specify the treatment of any PFML benefits for purposes of TANF. Although Colorado, Connecticut, New Jersey, and New York program manuals provide some mention of disability and medical leave benefits, they do not specify the treatment of paid family leave benefits.

Child Care and Development Fund (CCDF)

The treatment of PFML benefits for CCDF is outlined less clearly than that for SNAP or TANF. Only Oregon's CCDF manual clearly identifies all PFML income as countable, unearned income. Massachusetts, New Jersey, New York, Rhode Island, and Washington recognize personal disability or medical leave as countable income but do not specify whether this income is considered earned or unearned. CCDF manuals often make fewer distinctions between earned or unearned income and focus primarily on whether income is countable. We determined that five states (California, Massachusetts, Oregon, Rhode Island, and Washington) treat family leave income as countable income. No information was provided about the treatment of PFML income in Colorado, Connecticut, or DC, and no information exists on the treatment of family leave specifically in New York and New Jersey.

¹⁷ "Uniform Policy Manual: 5050.75 Sick Pay," Connecticut State Department of Social Services, January 1, 1988, <https://portal.ct.gov/DSS/Lists/Uniform-Policy-Manual/UPM5---Treatment-of-Income-Income-Eligibility>.

TABLE 6

Treatment of Personal Disability or Medical Leave in Child Care and Development Fund (CCDF) Programs

Treatment of benefits	State
Countable, unearned income	OR ^a
Countable income	CA ^a , MA, NJ, NY, RI, WA
Not specified	CO, CT, DC

Source: Authors' analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income. For modeling purposes, we treat paid family and medical leave benefits as countable, unearned income.

TABLE 7

Treatment of Family Leave in Child Care and Development Fund (CCDF) Programs

Treatment of benefits	State
Countable, unearned income	OR ^a
Countable income	CA ^a , MA, RI, WA
Not specified	CO, CT, DC, NJ, NY

Source: Authors' analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income. For modeling purposes, we treat paid family and medical leave benefits as countable, unearned income.

Countable Income

We came to similar conclusions regarding the treatment of PFML income for CCDF as we did for SNAP in California. In California's Funding Terms and Conditions Manual, which includes the state's child care subsidy policies, disability compensation is included as countable income.¹⁸ We assume that SDI benefits fit within this description. Because SDI provides DI and paid family leave wage replacement benefits, we concluded that both medical and family PFML income is counted as unearned income for CCDF.

New Jersey's CCDF application requires applicants to include disability benefits in their total income when applying for care.¹⁹ Therefore, disability and medical leave income is considered countable in New Jersey. New York's Child Care Subsidy Participant Manual states that SDI is

¹⁸ "Funding Terms and Conditions," California Department of Social Services, July 1, 2023, <https://www.cdss.ca.gov/Portals/9/CCDD/Funding-Terms-and-Conditions-FY-23-24.docx>.

¹⁹ "NJ Child Care Subsidy Program Documentation Checklist," State of New Jersey Department of Human Services Division of Family Development, August 2019, <https://www.childcarenj.gov/getattachment/Parents/SubsidyProgram/NJChildCareSubsidyProgram-ApplicationDocumentationChecklist.pdf>.

considered countable income.²⁰ We presume, without complete certainty, that disability and medical PFML would also be considered countable income. However, it is not clear from the manual whether this income would be earned or unearned.

It is simpler to draw conclusions regarding the treatment of TDI and TCI income for CCDF in Rhode Island using the same connections as for SNAP and TANF. The state's CCDF regulations include TDI as countable income.²¹ It does not, however, specify whether TDI income is considered earned or unearned income. Because TCI is part of TDI, we presume that the programs treat income the same way. For modeling purposes, we treat Rhode Island's TDI and TCI benefits as countable, unearned income for CCDF.

Washington's Working Connections Child Care regulations state that disability payments are countable income.²² The regulations do not specify whether this income is considered earned or unearned. Although unclear, we assume PFML benefits would be treated similarly to disability payments and assessed as countable, unearned income for CCDF.

Massachusetts' Financial Assistance Policy Guide for CCDF mentions that PFML is considered a temporary income change.²³ We assume PFML income is countable because the manual specifies that a decrease in income due to a temporary income change could reduce parent fees. However, it is unclear whether this income should be treated as earned or unearned income based on the information from the policy guide.

Countable, Unearned Income

Oregon's Employment Related Day Care regulations, which is the state's CCDF program, provide a clear evaluation of the treatment of PFML income, which is considered countable, unearned income.²⁴

²⁰ "Child Care Subsidy Program: Participant Manual," New York State Office of Children and Family Services, April 2018, <https://ocfs.ny.gov/main/childcare/assets/2018-Child-Care-Subsidy-Participant-Manual.pdf>.

²¹ Child Care Assistance Program Rules and Regulations, 218-RICR-20-00-4 (April 1, 2023), <https://rules.sos.ri.gov/regulations/Part/218-20-00-4>.

²² Working Connections and Seasonal Child Care Subsidy Programs, WAC 110-15-0060 (April 26, 2019), <https://apps.leg.wa.gov/wac/default.aspx?cite=110-15-0060>.

²³ "Financial Assistance Policy Guide," Massachusetts Department of Early Education and Care, February 1, 2022, <https://www.mass.gov/doc/eecs-financial-assistance-policy-guide-february-1-2022/download>.

²⁴ Employment Related Day Care Program, 414-175-0035 (July 1, 2023), <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=7871>.

Not Specified

In New Jersey, family leave benefits are not mentioned in the state's child care services regulations, so we cannot discern whether this income is considered earned or unearned, nor is it clear whether these benefits are considered countable. Similarly, the New York Child Care Subsidy Participant Manual does not mention the treatment of family leave income.

Colorado's Child Care Assistance Program (CCDF) regulations do not mention disability or PFML benefits income.²⁵ We also lacked information on the treatment of PFML income for CCDF in Connecticut. The Care 4 Kids (CCDF) regulations were last updated in 2020 before Connecticut's PFML program was implemented in 2022.²⁶

As with TANF and SNAP, there was a lack of information on DC's treatment of PFML income for CCDF. The District's CCDF manual has not been updated since the implementation of paid family leave in 2020.²⁷

Low-Income Home Energy Assistance Program (LIHEAP)

To discern how PFML income is treated by state LIHEAP programs, we examined LIHEAP application materials and state program handbooks. We found that, in many circumstances, PFML income is considered countable. A distinction between earned and unearned income for LIHEAP eligibility was less frequently included.

²⁵ Colorado Child Care Assistance Program, 9 CCR 2503-9 (July 1, 2022), <https://www.sos.state.co.us/CCR/GenerateRulePdf>.

²⁶ "Care 4 Kids Regulations," Connecticut Office of Early Childhood, November 9, 2020, <https://www.ctoec.org/care-4-kids/care-4-kids-regulations/>.

²⁷ "Eligibility Determinations for Subsidized Child Care Policy Manual," District of Columbia Office of the State Superintendent of Education, September 2019, <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/Eligibility-Determinations>.

TABLE 8

Treatment of Personal Disability or Medical Leave in Low-Income Home Energy Assistance Programs (LIHEAP)

Treatment of benefits	State
Countable income	CA ^a , CT, DC, NJ, NY, RI ^a
Countable, unearned income	CO ^a
Not specified	MA, OR, WA

Source: Authors' analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income.

TABLE 9

Treatment of Family Leave in Low-Income Home Energy Assistance Programs (LIHEAP)

Treatment of benefits	State
Countable income	CA ^a , CT, RI ^a
Not specified	CO, DC, MA, NJ, NY, OR, WA

Source: Authors' analysis of state program manuals.

^a The program manuals include exact language regarding the treatment of paid family and medical leave income.

Countable Income

California's LIHEAP application notes, specifically, that paid family leave and short-term DI are countable income. This income is definitively included.²⁸

Connecticut stipulates that, if a LIHEAP applicant qualifies for SNAP, TANF, SSI, or other benefits, they automatically meet LIHEAP income requirements and do not need to submit proof of income.²⁹ Because CT PFML is considered unearned income for SNAP, we assume the same is true for LIHEAP.

New Jersey's LIHEAP handbook defines unearned income based on New Jersey state income regulations.³⁰ These income regulations state that temporary disability payments are unearned income.³¹ We concluded, therefore, that TDI is considered countable, unearned income, but we could

²⁸ "LIHEAP Application Instructions," Community Action Partnership of Kern, accessed February 12, 2024, <https://energy.capk.org/wp-content/uploads/2023/01/2023-LIHEAP-Application-Instruction.pdf>.

²⁹ "Energy & Water Assistance Application: Application Checklist," State of Connecticut Department of Social Services, August 2022, <https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Winter-Heating-Assistance/LIHEAP-Application-2022-2023.pdf>.

³⁰ "Home Energy Assistance Programs Guideline," State of New Jersey Department of Community Affairs, Division of Housing and Community Resources, accessed February 12, 2024, https://www.nj.gov/dca/dhcr/offices/pdf/FY2024_Handbook_Updated.pdf.

³¹ Work First New Jersey Program, Income--WFNJ TANF/GA N.J.A.C. 10:90-3.9 (August 17, 2009).

not conclude how family leave income would be treated for LIHEAP. For modeling purposes, we treat New Jersey's family leave benefits as countable, unearned income for LIHEAP.

Similarly, New York's LIHEAP requirements state that if an individual in a household applying for LIHEAP qualifies for SNAP, TANF, SSI, or other benefits, they automatically meet the income requirements for LIHEAP, and they do not need to submit proof of income.³² Because temporary disability is treated as unearned income for TANF, we concluded the same is true for this LIHEAP.

Rhode Island's LIHEAP manual states that TDI and TCI are considered fixed income for LIHEAP.³³ As a result, we concluded that paid leave benefits are countable for LIHEAP considerations.

DC's LIHEAP application notes that proof of disability benefits must be provided when applying for LIHEAP.³⁴ We are, therefore, inclined to say these benefits are counted as income. However, they do not specify the treatment of paid family leave.

Countable, Unearned Income

Colorado's LIHEAP manual clearly states that disability income is a form of countable, unearned income but does not address paid family leave.³⁵

Not Specified

LIHEAP applications for Massachusetts, Oregon, or Washington were not accessible online, so we do not have information on the treatment of PFML or disability income for these states.

States that provided information regarding the treatment of PFML income, except Colorado, identified PFML benefits as countable income. In most cases, LIHEAP applications or regulations only specify the treatment of disability leave but not family leave, so the treatment of family leave income is

³² Isabella Colello, "HEAP: How much can households receive this year?" ABC News 10, October 21, 2021, <https://www.news10.com/news/ny-news/heap-how-much-can-households-receive-this-year/>.

³³ "Low-Income home Energy Assistance Program: Administration and Procedures Manual," Rhode Island Department of Human Services, June 11, 2019, <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/docket/4290-DHS-DR-PUC-3-6-attachment-LIHEAP-Manual-2020---Final.pdf>.

³⁴ "Documentation Checklist," DC Homeowner Assistance Fund, May 23, 2022, https://haf.dc.gov/sites/default/files/dc/sites/haf/page_content/attachments/HAF_Documentation_Checklist-English_Version_5.23.22_Final.pdf.

³⁵ Low-Income Energy Assistance Programs (LEAP). 9 CCR 2503-7 (November 1, 2022), <https://www.sos.state.co.us/CCR/GenerateRulePdf.do?ruleVersionId=10442>.

not specified for most states. For modeling purposes, we assume paid family leave benefits are countable, unearned income for LIHEAP.

Supplemental Security Income (SSI)

SSI guidelines are set by federal regulations and do not vary by state, though some states offer supplemental benefits. The Code of Federal Regulations includes disability benefits as countable, unearned income.³⁶ However, because PFML is not federally implemented, these regulations do not specify the treatment of state PFML benefits. Based on how SSI treats other benefits, it is likely that whether paid family leave benefits are treated as earned or unearned income depends on whether the individual is still considered to be employed. If still considered employed, PFML could be treated as wages, which is earned income. If not considered employed, PFML is likely treated in the same way as annuities, pensions, and other periodic payments, which are unearned income. For the purposes of modeling, we assume that PFML benefits are treated as unearned income based on the treatment of disability benefits.

Tax Treatment

The treatment of PFML income for tax purposes may vary depending on the state, the reason for leave, whether the benefit is financed by employer or employee contributions, and whether taxation occurs at the federal or state level. To date, the IRS has not issued an opinion on how PFML benefits should be treated for tax purposes at the federal level, introducing uncertainty for state program administrators, employees, and employers. In January 2024, the governors of Colorado, Connecticut, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, and Washington sent a letter to the IRS requesting guidance on the federal tax treatment of PFML benefits.³⁷ We used publicly available information on how states currently treat PFML benefits and the tax guidance states provide to employers and employees to draw conclusions about the taxability of benefits at the state and federal levels.³⁸ In the absence of federal guidance, most states have chosen to issue 1099-G, Certain

³⁶ "Types of Unearned Income." 20 CFR § 416.1121. (2023). https://www.ssa.gov/OP_Home/cfr20/416/416-1121.htm.

³⁷ "Taxability Letter," Colorado Family and Medical Leave Insurance Program (FAMLI), January 18, 2024, <https://drive.google.com/file/d/1Nh8DcEswiks6b9SzlRbqpx4oT7CViGeW/view?usp=sharing>.

³⁸ "Tax Treatment of Paid Family Leave Benefits", Vermont State Legislature, Office of Legislative Counsel Damien Leonard, last revised February 21, 2019, <https://legislature.vermont.gov/Documents/2020/WorkGroups/House-Ways-and-Means/Bills/H.107/W~Damien-Leonard~H.107-Tax-Treatment-of-Paid-Family-Leave~2-22-2019.pdf>.

Government Payments forms,³⁹ for the portion of benefits they expect to be taxable. In general, they have set an expectation this income would be subject to federal income tax.

One factor affecting the taxability of PFML benefits is whether it is financed by employee or employer contributions and to what extent. In general, states appear to expect the employer-financed portion of the benefit to be taxable. However, states' programs vary substantially in how they fund PFML benefits. Only DC's PFML program is entirely employer-funded. California, Connecticut, and Rhode Island are entirely employee-funded. Colorado, Massachusetts, New Jersey, New York, Oregon and Washington expect employers and employees both to contribute to PFML. Tables 10 and 11 summarize the treatment of PFML for federal income taxes, tables 12 and 13 summarize the treatment of PFML for state income taxation, and tables 14 and 15 show the treatment of PFML benefits for payroll taxes. We then summarize the tax treatment of PFML benefits by state.

TABLE 10
Federal Income Tax Treatment of Temporary Disability and Medical Leave

Subject to federal income tax	State
Yes (will issue 1099G unless otherwise noted)	CO, CT, DC, MA, NJ ^b , OR*
Employer portion taxed, employee portion not taxed	NY
No	CA ^a , RI**, WA**

Source: Authors' analysis of state program manuals.

^aIn California, paid personal disability or medical leave benefits are not subject to the state income tax unless they are considered a substitute for unemployment insurance.

^bIn New Jersey, employee contributions that are pre-tax are taxable. No 1099G is issued unless received during unemployment insurance.

* 1099MISC issued instead of a 1099G.

** 1099G not issued.

TABLE 11
Federal Income Tax Treatment of Family Leave

Subject to federal income tax	State
Yes (will issue 1099G unless otherwise noted)	CO, CT, DC, MA, OR, WA
Yes, contributions deductible (will issue 1099G unless otherwise noted)	CA, NJ, NY, RI

Source: Authors' analysis of state program manuals.

Note: Family leave includes leave to bond with a new child, care for a family member with a serious health condition, safe leave, military exigency leave, and all other types of family leave.

³⁹ A 1099-G tax form is issued by a government agency to inform taxpayers of funds they have received that may need to be reported on their federal income tax return.

TABLE 12

State Income Tax Treatment of Family Leave

Subject to state income tax	State
Yes	CT, DC, NY, OR
Yes, contributions deductible	RI
No, contributions post-tax	CA, NJ
No	CO
Not decided or no state income tax	MA, WA

Source: Authors' analysis of state program manuals.

Note: Family leave includes leave to bond with a new child, care for a family member with a serious health condition, safe leave, military exigency leave, and all other types of family leave.

TABLE 13

State Income Tax Treatment of Temporary Disability and Medical Leave

Subject to state income tax	State
Yes	CT, DC, OR
Employer portion taxed, employee portion not taxed	NJ, NY
No	CA ^a , CO, RI
Not decided or no state income tax	MA, WA

Source: Authors' analysis of state program manuals.

^a In California, paid personal disability or medical leave benefits are not subject to the state income tax unless they are considered a substitute for unemployment insurance.

TABLE 14

Payroll Tax Treatment of Temporary Disability and Medical Leave

Subject to payroll tax	State
Employer portion taxed, employee portion not taxed	NJ, NY
No	CA, RI
Not specified	CO, CT, DC, MA, OR, WA

Source: Authors' analysis of state program manuals.

TABLE 15

Payroll Tax Treatment of Family Leave

Subject to payroll tax	State
Not specified	CO, CT, DC, MA, OR, WA
No	CA, NJ, NY, RI

Source: Authors' analysis of state program manuals.

Note: Family leave includes leave to bond with a new child, care for a family member with a serious health condition, safe leave, military exigency leave, and all other types of family leave.

California

Most PFML benefits in California are not subject to state income tax, with no exceptions. California short-term disability benefits are subject to the state income tax if they are considered a substitute for unemployment insurance. California family leave is assumed to be taxable at the federal level. California issues a form 1099-G with the benefits paid, which must be reported as taxable income on the federal income tax return. Contributions to the state's PFML program are reported in box 14 of form W-2 and are deductible.

Colorado

Colorado currently plans to issue 1099-G forms for paid family and medical leave income, creating an expectation this income will be subject to federal income tax. However, PFML income is not subject to state income tax.⁴⁰

Connecticut, DC, and Oregon

Connecticut,⁴¹ DC,⁴² and Oregon,⁴³ meanwhile, subject paid family and medical leave to state income tax and are issuing 1099-G forms, with an expectation PFML income will be subject to federal income tax.

Massachusetts

Massachusetts has not yet decided whether PFML income will be subject to state income tax. However, the state is issuing 1099-G forms to participants receiving PFML benefits.⁴⁴

⁴⁰ "New Tax Guidance from the CO Department of Revenue," Colorado Family and Medical Leave Insurance Program (FAMLI), Department of Labor and Employment, November 29, 2022, <https://famli.colorado.gov/news-article/new-tax-guidance-from-the-co-department-of-revenue>.

⁴¹ "Frequently Asked Questions: Explore commonly asked questions about CT Paid Leave," Connecticut Paid Leave, accessed August 7, 2024, <https://service.ctpaidleave.org/s/frequently-asked-questions>.

⁴² "Paid Leave Taxability," DC Office of Tax and Revenue, accessed August 7, 2024, <https://otr.cfo.dc.gov/page/paid-family-leave-taxability>.

⁴³ "Taxability," Paid Leave Oregon, December 2023, <https://d1o0i0v5q5lp8h.cloudfront.net/paidleave/live/assets/resources/Taxability-Fact-Sheet-EN.pdf>.

⁴⁴ "Taxes on Paid Family and Medical Leave (PFML) benefits," Massachusetts Department of Family and Medical Leave, last revised December 5, 2023, <https://www.mass.gov/info-details/taxes-on-paid-family-and-medical-leave-pfml-benefits>.

New Jersey

In New Jersey, the portion of TDI benefits funded by the employer is subject to federal and state income tax. New Jersey does not tax paid family leave benefits but expects that the federal government does. Paid family leave benefits are reported on form 1099-G and are included in federal taxable income.⁴⁵

New York

In New York, the portion of personal disability benefits funded by the employer is subject to federal and state income tax, while the employee portion is not taxed.

All family leave benefits are subject to state income tax, and the state expects the federal government to tax these benefits at the federal level. Paid family leave benefits are included in federal taxable income, and individuals taking family leave must report these benefits via form 1099-G.

Rhode Island

Rhode Island does not subject personal medical or disability leave to state, federal, or payroll tax. However, family leave is subject to state income tax and will presumably be subject to federal income tax, though contributions are deductible.⁴⁶

Washington

Washington does not subject personal medical or disability leave to federal tax, but family leave will presumably be subject to federal income tax and the state requires all people who take paid family leave to complete a 1099-G form.⁴⁷ Washington is not subject to state income tax.

⁴⁵ "New York State Paid Family Leave," New York State, last updated January 10, 2019, https://www.tax.ny.gov/pit/file/paid_family_leave.htm.

⁴⁶ "TDI and TCI Tax Information," State of Rhode Island Department of Labor and Training, accessed August 7, 2024, <https://dlt.ri.gov/individuals/temporary-disability-caregiver-insurance/claimants/tdi-and-tci-tax-information>.

⁴⁷ "Payments," Washington Paid Family & Medical Leave, accessed August 7, 2024, <https://paidleave.wa.gov/help-center/individuals-and-families/payments/>.

Assumptions Used in the Microsimulation Modeling of Paid Family and Medical Leave

This review of how PFML benefits are treated in means-tested programs helps guide assumptions made for microsimulation analysis using the Urban Institute's ATTIS model in the *Understanding Equity in Paid Leave through Microsimulation: National Report*. The ATTIS modeling used data from the 2018 American Community Survey for the analysis. In 2018, four states had paid family and medical leave programs in operation: California, New Jersey, New York, and Rhode Island. For modeling purposes, assumptions about the treatment of PFML follow what is shown in the tables above. For all other states in the analysis, we assume PFML is countable income. Below is the specific type of countable income assumed for each program, as well as assumptions made regarding taxability of benefits, based on the detailed review described above. In addition, while this landscape analysis does not include a detailed analysis of the treatment of PFML benefits in the Women, Infants and Children and public/subsidized housing programs, we did review rules for both programs and include our assumptions for modeling purposes below.

- **Unearned income.** CCDF, LIHEAP, TANF, SNAP, SSI, WIC, and public/subsidized housing.
- **Earned income.** We assumed that no state treats paid family and medical leave benefits as earned income.
- **Disability income.** For the California TANF program only, we assume that short-term disability benefits (California's term for paid medical leave) are treated as disability-based unearned income and include an additional variable to account for the \$600 income disregard that applies.
- **State income taxes.** We assumed that states would subject PFML to state income taxation to the same extent that tax benefits from unemployment insurance.
- **Federal income taxes.** The portion of benefits funded by employer contributions is treated as taxable income.

Conclusion

State PFML programs provide workers and their families with needed wage replacement when they take leave from work to address health and caregiving needs, thereby increasing family resources and reducing poverty among families who receive benefits by 16 percent (Boyens et al. 2024). Some individual workers and their families who receive PFML may also be eligible for, or become eligible for,

means-tested benefits when they experience a health or caregiving event. As a result, the treatment of PFML benefits for purposes of taxes, as well as eligibility and benefits under means-tested programs, has important implications for workers taking paid leave.

In our review of program manuals, however, we find that significant ambiguity exists at the federal and state levels in how PFML benefits are treated for income and eligibility. For purposes of means-tested benefits, we find that, in general, income from PFML benefits is treated as countable income, which reduces eligibility for means-tested programs and increases tax liability. This means that for a worker who would have otherwise taken unpaid leave, PFML benefits increase their income and reduce their eligibility and participation in means-tested programs. A worker who could not take leave before gaining access to state PFML may see their income decline by a small amount because PFML benefits do not typically replace 100 percent of wages. Some of these workers with very low incomes may become newly eligible for a means-tested benefit, even though state PFML programs provide higher wage replacement for lower earners.

Our review of state program manuals shows that many states and programs do not specifically address PFML benefits or clearly identify how they should be treated for eligibility purposes. This lack of clarity in program rules can create uncertainty for people applying for benefits about what they are entitled to and how taking PFML will affect other benefits and their total income. In addition, without clear policies, individuals may not receive consistent treatment by program eligibility workers, who may need additional guidance and training. Lack of information and inconsistencies could reduce take-up of PFML among lower-income workers who are already less likely to access benefits.

States may be missing an opportunity to better support workers with care needs by not addressing the interaction between state PFML and other programs. California allows a portion of paid medical leave benefits to be disregarded from income to determine eligibility for TANF. This disregard allows workers receiving TANF and taking paid leave from a job for a serious health condition to receive a higher combined benefit. Other states could consider adopting similar disregards for family and medical leave benefits that would increase total resources for affected families or could consider exempting them entirely for purposes of benefits and eligibility. This would provide additional income security at times when workers are experiencing significant care needs that can be costly. In addition, it could prevent programmatic “churn” that results when eligible workers are temporarily ineligible for means-tested benefits and must reapply again later.

Last, the IRS has not issued clear guidance on the tax treatment of PFML benefits and contributions. This creates additional uncertainty for both individual workers and for state PFML administrators who

must provide guidance to both employers and employees. Clear guidance from the IRS on the taxability of PFML would improve workers' ability to understand how PFML will affect their income and improve their ability to plan family finances.

Appendix

TABLE A.1

California 2004 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
State disability insurance (SDI)	<ul style="list-style-type: none"> ▪ Care for a serious illness or injury ▪ Prenatal care and child birth 	<ul style="list-style-type: none"> ▪ Work for a covered employer in California ▪ Be unable to do your regular or customary work for at least eight days ▪ Have lost wages because of your disability ▪ Have earned at least \$300 in the 12-month base period from which State Disability Insurance deductions were withheld ▪ Be under the care and treatment of a licensed physician/practitioner or accredited religious practitioner within the first eight days of your disability
Paid family leave (PFL) or family temporary disability insurance (FTDI)	<ul style="list-style-type: none"> ▪ Care for a seriously ill family member ▪ Bond with a new child ▪ Participate in a qualifying event because of a family member's military deployment to a foreign country 	<ul style="list-style-type: none"> ▪ Work for a covered employer in California; be unable to do your regular or customary work ▪ Have lost wages due to a qualifying reason ▪ Be employed or actively looking for work at the time family leave begins ▪ Have earned at least \$300 in the 12-month base period from which state disability insurance deductions were withheld ▪ Complete and submit your claim form no earlier than the first day your family leave begins, but no later than 41 days after leave begins ▪ Provide supporting documentation as required

Sources: "State Disability Insurance," California Employment Development Department, accessed September 25, 2024, <https://edd.ca.gov/Disability/>; "Disability Insurance Eligibility Requirements," California Employment Development Department, accessed September 25, 2024, https://edd.ca.gov/en/disability/Am_I_Eligible_for_DI_Benefits/; "Celebrating 20 Years of Paid Family Leave," California Employment Development Department, accessed September 25, 2024, <https://edd.ca.gov/en/disability/paid-family-leave/>; "Am I Eligible for Paid Family Leave Benefits?" California Employment Development Department, accessed September 25, 2024, https://edd.ca.gov/en/disability/Am_I_Eligible_for_PFL_Benefits/.

TABLE A.2

Colorado 2024 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Paid Family and Medical Leave Insurance (FAMLI)	<ul style="list-style-type: none"> ▪ Care for a new child, including adopted and fostered children ▪ Care for own serious health condition ▪ Care for a family member's serious health condition ▪ Make arrangements for a family member's military deployment ▪ Address the immediate safety needs and impact of domestic violence and/or sexual assault 	<ul style="list-style-type: none"> ▪ Work for a covered employer in Colorado ▪ Earned at least \$2,500 in total over a designated one-year period prior to taking leave

Sources: Individuals and Families FAQs | Family and Medical Leave Insurance (colorado.gov), Colorado Department of Labor and Employment, accessed September 25, 2024, <https://famli.colorado.gov/individuals-and-families/individuals-and-families-faqs>; Molly Weston Williamson, "Fast Facts about Paid Leave in Colorado," Center for American Progress, December 13, 2023, <https://www.americanprogress.org/article/fast-facts-about-paid-leave-in-colorado/>.

TABLE A.3

Connecticut 2022 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Connecticut Paid Leave (CTPL)	<ul style="list-style-type: none"> ▪ Own serious health condition ▪ Start or expand a family ▪ Care for a family member ▪ Take military caregiving leave ▪ Qualify for exigency leave ▪ Take family violence leave 	<ul style="list-style-type: none"> ▪ Work for a covered employer in Connecticut or did work for a covered employer within the 12 weeks immediately before your leave began ▪ Earned at least \$2,325 from a covered employer in the highest-earning quarter of the first four of the five most recently completed quarters

Sources: "Coverage and Eligibility," Connecticut Paid Leave, accessed September 25, 2024, <https://www.ctpaidleave.org/How-CT-Paid-Leave-Works/Coverage-and-eligibility>; "Qualifying Reasons," Connecticut Paid Leave, accessed September 25, 2024, <https://www.ctpaidleave.org/how-ct-paid-leave-works/qualifying-reasons>.

TABLE A.4

District of Columbia 2020 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Paid Family Leave (PFL)	<ul style="list-style-type: none"> ■ Care for a family member with a serious health condition ■ Care for your own serious health condition ■ Bond with a new child, including parents of newborns, adopted children, and foster children ■ Receive medical care related to your pregnancy 	<ul style="list-style-type: none"> ■ Spend more than 50% of your time working in DC (including teleworking and telecommuting) and must have completed that work during the year prior to needing leave ■ Are self-employed and have opted into the Paid Family Leave program ■ Are employed when you apply for the benefit ■ Meet specifications as a temporary or seasonal worker

Sources: “About the DC Office of Paid Family Leave,” DOES Office of Paid Family Leave, accessed September 25, 2024, <https://does.dc.gov/page/about-dc-office-paid-family-leave/>; “Family Leave,” DOES Office of Paid Family Leave, accessed September 25, 2024, <https://dcpaidfamilyleave.dc.gov/family-leave/>; “Medical Leave,” DOES Office of Paid Family Leave, accessed September 25, 2024, <https://dcpaidfamilyleave.dc.gov/medical-leave/>; “Parental Leave,” DOES Office of Paid Family Leave, accessed September 25, 2024, <https://dcpaidfamilyleave.dc.gov/parental-leave/>; “Prenatal Leave,” DOES Office of Paid Family Leave, accessed September 25, 2024, <https://dcpaidfamilyleave.dc.gov/prenatal-leave/>.

TABLE A.5

Massachusetts 2021 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Massachusetts Paid Family and Medical Leave (MAPFML)	<ul style="list-style-type: none"> ■ Care for your own serious health condition as certified by a health care provider, including illness, injury, or pregnancy/childbirth ■ Care for a family member with a serious health condition as certified by a health care provider, including illness, injury, or pregnancy/childbirth ■ Bond with your child during the first 12 months after birth, adoption, or placement ■ Care for a family member who was injured serving in the armed forces; Manage affairs while a family member is on active duty 	<ul style="list-style-type: none"> ■ Work for a covered employer in Massachusetts; Meet the minimum earnings amount established annually by the Department of Unemployment Assistance during the last 4 completed calendar quarters and earned at least 30 times the benefit amount that you are eligible for ■ Pay the contribution rate for both family and medical leave for at least 2 of your last 4 completed calendar quarters before claiming benefits ■ Qualify as a covered individual, as defined by the state, or work for an employer who doesn't have a DFML approved private paid leave plan that provides benefits that are equal to or greater than the state's coverage

Source: “Your Eligibility for Paid Family and Medical Leave” Mass.gov, last updated May 10, 2023, <https://www.mass.gov/info-details/your-eligibility-for-paid-family-and-medical-leave-pfml>.

TABLE A.6

New Jersey 2009 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
New Jersey temporary disability insurance	<ul style="list-style-type: none"> Care for your own physical or mental health condition or other disability unrelated to work 	<ul style="list-style-type: none"> Work for a covered employer in New Jersey Pay into the program through your employment Worked 20 weeks earning at least \$260 weekly (2023) or \$283 weekly (2024), or have earned a combined total of \$13,000 (2023) or \$14,200 (2024) in the base year
New Jersey family leave insurance	<ul style="list-style-type: none"> Bond with a newborn, newly adopted, or newly placed foster child Care for a seriously ill or injured loved one 	<ul style="list-style-type: none"> Same as temporary disability insurance

Sources: "Cash Benefits for Health Conditions and Pregnancy/Childbirth Recovery," New Jersey Department of Labor and Workforce Development, accessed September 25, 2024, [https://www.nj.gov/labor/myleavebenefits/assets/pdfs/PR-117-20\(2-23\)](https://www.nj.gov/labor/myleavebenefits/assets/pdfs/PR-117-20(2-23));

"When You're Sick, Injured, or Post-Surgery," New Jersey Department of Labor and Workforce Development, accessed September 25, 2024, <https://www.nj.gov/labor/myleavebenefits/worker/tdi/index.shtml>.

TABLE A.7

New York 2018 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Temporary disability insurance	<ul style="list-style-type: none"> Care for a nonwork related temporary illness or injury 	<ul style="list-style-type: none"> Work for a covered employer in New York Work for a covered employer and meet the minimum time-worked requirements. FTE must have worked for at least 4 consecutive weeks PTE must have worked for at least 25 days
Paid family leave	<ul style="list-style-type: none"> Bond with a newly born, adopted or fostered child Care for a family member with a serious health condition Assist loved ones when a spouse, domestic partner, child, or parent is deployed abroad on active military service 	<ul style="list-style-type: none"> Work for a covered employer and meet the minimum time-worked requirements. FTE who work a regular schedule of 20+ hours per week are eligible after 26 consecutive weeks of employment PTE who work a regular schedule of less than 20 hours per week are eligible after working 175 days Employees with irregular schedules should look at their average schedule to determine if they work, on average, fewer than 20 hours per week

Sources: "Eligibility: Paid Family Leave," New York State, accessed September 25, 2024, <https://paidfamilyleave.ny.gov/eligibility>; "Fact Sheet: Know Your Rights: New York's Temporary Disability Insurance Law," A Better Balance, last updated April 19, 2022, <https://www.abetterbalance.org/resources/temporary-disability-insurance-ny-factsheet/>.

Notes: FTE = full-time employment; PTE = part-time employment.

TABLE A.8

Oregon 2023 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Paid Leave Oregon	<ul style="list-style-type: none"> ■ Care for and bond with a child in the first year after birth, adoption or placement in foster care home and caring for a family member with a serious health condition ■ Care for your own serious health condition ■ Care for yourself or your child who is a survivor of sexual assault, domestic violence, harassment, bias crimes or stalking 	<ul style="list-style-type: none"> ■ Work for an employer in Oregon ■ Earn at least \$1,000 the year before you apply for benefits

Source: "Employees and Paid Leave Oregon," Paid Leave Oregon, accessed September 25, 2024, <https://paidleave.oregon.gov/employees/overview.html>.

TABLE A.9

Rhode Island 2014 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Temporary disability insurance	<ul style="list-style-type: none"> ■ Care for your own nonwork-related temporary disability or injury 	<ul style="list-style-type: none"> ■ Work for a Rhode Island covered employer ■ Earn \$16,800 in base period wages (base period is the first four of the last five completed calendar quarters before the start of the claim) or earn at least \$2,800 in one of the base period quarters ■ Have total base period wages of at least 1.5 times the highest quarter earnings, and total base period earnings of at least \$5,600 ■ Pay into the program through employee wage deductions ■ Are unable to work due to illness/injury at least 7 days
Temporary caregiver insurance	<ul style="list-style-type: none"> ■ Care for a seriously ill child, spouse, domestic partner, parent, parent-in-law or grandparent ■ Bond with a newborn child, new adopted child, or new foster-care child 	<ul style="list-style-type: none"> ■ Monetary requirements are the same as for temporary disability insurance ■ Claimants must have worked in Rhode Island and paid into the temporary disability insurance fund for at least a year

Sources: "TDI / TCI For Employers," State of Rhode Island Department of Labor and Training, accessed September 25, 2024, <https://dt.ri.gov/individuals/temporary-disability-caregiver-insurance/employers>; "Temporary Caregiver Insurance Press Release," Rhode Island Government, January 6, 2014, <https://www.ri.gov/press/view/21049>; Rhode Island Temporary Disability and Temporary Caregiver Insurance," The Hartford, accessed September 25, 2024, <https://www.thehartford.com/paid-family-medical-leave/ri>.

TABLE A.10

Washington 2020 Paid Family and Medical Leave Programs and Eligibility Standards

State program	Reasons for leave	Wage and earnings eligibility
Paid Family Medical Leave	<ul style="list-style-type: none"> ▪ Care for one's own serious health condition that prevents them from working ▪ Care for a family member with a serious health condition ▪ Bond with a new baby or child in your family, ▪ Spend time with a family member who is about to be deployed overseas or is returning from overseas deployment 	<ul style="list-style-type: none"> ▪ Work a minimum of 820 hours (about 16 hours a week) in Washington during the qualifying period ▪ If self-employed, earned at least \$11,070 in the last year

Sources: "Six Things to Know about Paid Leave," Washington State Employment Security Department, December 2021, <https://paidleave.wa.gov/app/uploads/2021/12/2021.12.Six-things-to-know-about-Paid-Leave.pdf>; "Qualifying for Paid Leave," Washington State's Paid Family and Medical Leave, accessed September 26, 2024, <https://paidleave.wa.gov/find-out-how-paid-leave-works/>.

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Acknowledgments

This report was funded by the U.S. Department of Labor’s Women’s Bureau. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute’s funding principles is available at urban.org/fundingprinciples.

The authors would like to thank the subject matter experts and technical expert panel members who reviewed the progress of this project and provided valuable comments on project design and simulation assumptions.

This project made use of the Urban Institute’s ATTIS model and would not have been possible without the past work of the ATTIS microsimulation team to develop the 2018 baseline used for the analysis. We are grateful to Linda Giannarelli, Laura Wheaton and Kevin Werner for their contributions to initial discussions on how to link ATTIS and Worker PLUS, to Linda Giannarelli, Lauren Simpson, and Katherine Hueston for researching and implementing in ATTIS the safety net and tax rules regarding PFML benefits, to Paul Johnson and Dilovar Haydarov for ATTIS programming assistance, and to Katherine Hueston and Margaret Todd for table production. We also thank the funders who previously supported the development of the ATTIS model, including the Robert Wood Johnson Foundation, the Annie E. Casey Foundation, and the MacArthur Foundation.

In addition, we thank Heather Sandstrom for her thoughtful comments and feedback on an earlier version this report. Alex Dallman was responsible for editing.

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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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