



*Milwaukee County*  
**Department of Human Resources**  
 INTER-OFFICE COMMUNICATION

Date: May 23, 2018

To: Theodore Lipscomb, Sr., Chairman, County Board

From: Mike Stanke, Benefits Manager  
 Tony Maze, Benefits Director *TM*

Subject: Informational Report: 18-243, authorizing and requesting that Human Resources evaluate Milwaukee County's parental and medical leave, and provide a written report with findings and recommendations regarding paid parental and medical leave.

**Background**

Human Resources was asked to evaluate Milwaukee County's parental and medical leave benefits, and provide a written report with findings and recommendations. As we strive to attract and retain talented employees at Milwaukee County, providing a competitive Total Rewards package is critical. Our Total Rewards package includes elements of compensation, benefits, work-life balance, recognition, and career development opportunities. These components all contribute to employee satisfaction.

Our evaluation of the County's parental and medical leaves includes comparisons to comparable counties, and includes data related to the following ordinances:

- Sick days (17.18)
- Personal days (17.172)
- Vacations and Holidays (17.17)
- Voluntary time off without pay (17.176)
- Personal leaves of absence-without pay (Section 2)

Our evaluation includes information from a Pew research study and a Parent Study conducted by Milwaukee County's benefits broker, Willis Towers Watson. It also includes information about the status of Parental Leave benefits in other counties and municipalities inside and outside of Wisconsin.

**Paid Time Off Summary**

Below is a table that depicts the current paid time off available to employees at Milwaukee County, which is often utilized to cover unpaid Family and Medical leaves. tenure:

	Vacation	Personal	Sick	Holiday	TOTAL HOURS
1 - 4.9 years of service	80	24	96	88	288 (7 weeks)
5 – 9.9 years of service	120	24	96	88	328 (8 weeks)
10 – 19.9 years of service	160	24	96	88	368 (9 weeks)
20+ years of service	200	24	96	88	408 (10 weeks)

Historically, the County's generous sick, vacation, and personal time provisions have been utilized by employees to provide ongoing pay during Family & Medical leaves. As you can see in the chart above, however, employees with less

tenure have less paid time off to draw from to cover pay during leaves of absence, while longer-term employees have a greater opportunity for salary replacement.

To the greatest degree possible, employees who take Family & Medical leaves for any reason (including maternity leave, bonding with a newborn, injury, illness, or taking care of a family member) typically utilize paid time off from their accrued banks.

### Parental Leave Policies

According to a recent Pew Research Study Report, the United States is the only major industrialized nation that does not require employers to offer paid maternity leave. This research includes industry, national and global parental leave benchmarking data. A full data summary is included in the appendix of this report. Below is a summary of parental leave policies among 9 Wisconsin municipalities and school districts, and 4 counties outside the state that are comparable to Milwaukee County:

Municipality	Weeks of Parental Leave Available
<b>Milwaukee County, WI</b>	<b>0 weeks</b>
Allegheny County, PA	6 weeks
Hennepin County, MN	3 weeks
Dane County, WI	6 weeks
Marathon County, WI	8 weeks
Burnett County, WI	4 weeks
City of Milwaukee, WI	0 weeks
Milwaukee Public Schools, WI	0 weeks
Waukesha County, WI	0 weeks
Racine County, WI	0 weeks
Kenosha County, WI	0 weeks
Wayne County, MI	0 weeks
DuPage County, IL	0 weeks

### Summary of those Counties with Paid Parental Leave Policies in our research

**Allegheny County** provides employees who have worked at least 1,250 hours during the 12 months prior to taking a leave, six weeks of paid parental leave. Allegheny County also offers employees an unpaid medical leave not to exceed one year.

**Hennepin County** provides full and part-time employees up to three weeks of paid leave time after the birth or adoption of a child. Paid parental leave can be used in conjunction with other types of leaves. Hennepin County also offers employees a medical leave, Short Term disability insurance policy, as well as an unpaid leave and a PTO-vacation donation program.

**Dane County** provides employees who qualify six weeks of paid parental leave once per payroll year. Can be continuous or intermittent, but any unused portion of the six weeks would be forfeited at the end of the year. The six weeks must be used within six months of the qualifying event.

**Marathon County** provides employees a total PTO bank of eight weeks, which can be used for parental leave

**Burnett County** provides employees with four weeks of paid parental leave. They are currently in the process of drafting their policy and will forward it to Milwaukee County Benefits Division when completed.

### **Industry Trends:**

In 2017 Willis Towers Watson surveyed 497 employers across the globe, with at least 100 employees, from various industries. Below are a few highlights from this survey:

- Federal pregnancy legislation mandates, with few exceptions, that an employer must offer equitable paid parental leave to both genders. There can be differences in the amount of time if primary/secondary parent rules are applied.
- More than half of employers surveyed offer paid leave to mothers and fathers.
- 52% of employers in the Public and Education sectors offered paid leave to mothers and fathers in 2017.
- New parents in the U.S. typically spend \$7,000 in a baby's first year (not including medical expenses).
- On average, a new baby takes at least one night of sleep per week away from his/her parents.
- Currently, eight states in the U.S. have laws that mandate Paid Family Leave.

### **Summary**

Milwaukee County's demographic data indicates that our workforce is trending younger. Surveys also show that younger workers increasingly place a high value on work flexibility, time off, and greater involvement in their children's lives. Although the County has generous paid time off ordinances, these ordinances are geared toward longer service employees.

Many employers in the U.S. do not offer parental leave benefits, however, there is growing interest in this topic. Many employers lean on their Short-Term Disability (STD) policies to meet these needs; Milwaukee County does not have an STD benefit that is paid for by the employer. Offering such benefits could increase employee engagement and help recruit and retain talented employees. It may also reduce turnover.

Since the trend across the country is moving toward more flexible paid time off in various forms, it is our recommendation to create a workgroup to evaluate the current paid time off ordinances. Workgroup members could consist of representatives from Corporation Counsel, the Office of the Comptroller, the Department of Administrative Services, and the Department of Human Resources to evaluate the current paid time off ordinances and developed recommended changes.

## Appendix

## WTW's 2017 Maternity, Family Leave, and Fertility Benefit Pulse Survey

**56%** of employers offer paid parental leave to mothers while 51% of employers offer this benefit to fathers in 2017

- 12% of employers are planning to offer this benefit to mothers and 11% for fathers in 2018
- 12% of employers are planning to offer this benefit to mothers and 13% for fathers in 2019

The median number of paid parental leave (excluding STD benefit) offered to:

- 6 week for mothers at 100% of pay (at 10th percentile: 2 weeks, at 90th percentile: 14 weeks)
- 4 week for fathers at 100% of pay (at 10th percentile: 1 week, at 90th percentile: 12 weeks)

**25%** of survey participants differentiate

between primary and secondary caregiver to determine number of eligible weeks



**50%** of employers offer paid leave

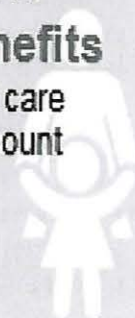
for adoptive parents while 43% offer paid leave for mothers and fathers of children born through surrogacy and only 30% of employers offer paid leave for parents of foster children placement

**51%** of employers offer a stipend for adoption benefits

(benefit amount: \$6,172 (mean)/\$5,000 (median) while 7% of employers offer a stipend for surrogacy (benefit amount: \$11,049 (mean), \$10,000 (median))

About 4 in 10

employers offer child care benefits beyond a dependent care flexible spending account

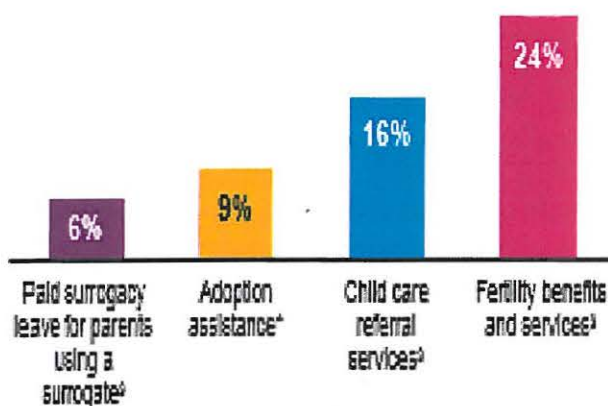


## Why Family Assistance Benefits Matter?

Competitive advantage – Improved productivity – Higher employee engagement

Family-assistance related benefits are gaining popularity in the workplace, but have not kept pace with current trends

Percent of employers offering select benefits



\*In addition to paid leave time<sup>4</sup> (up to \$25,000 per adoption; average of \$8,000<sup>4</sup>)

Percent of employers offering paid maternity leave and paid paternity leave<sup>4</sup>



**41%** Working parents that say the lack of family assistance-related benefits has hurt their work performance<sup>1</sup>

**83%** Millennials would leave their jobs for one with better family care benefits<sup>2</sup>

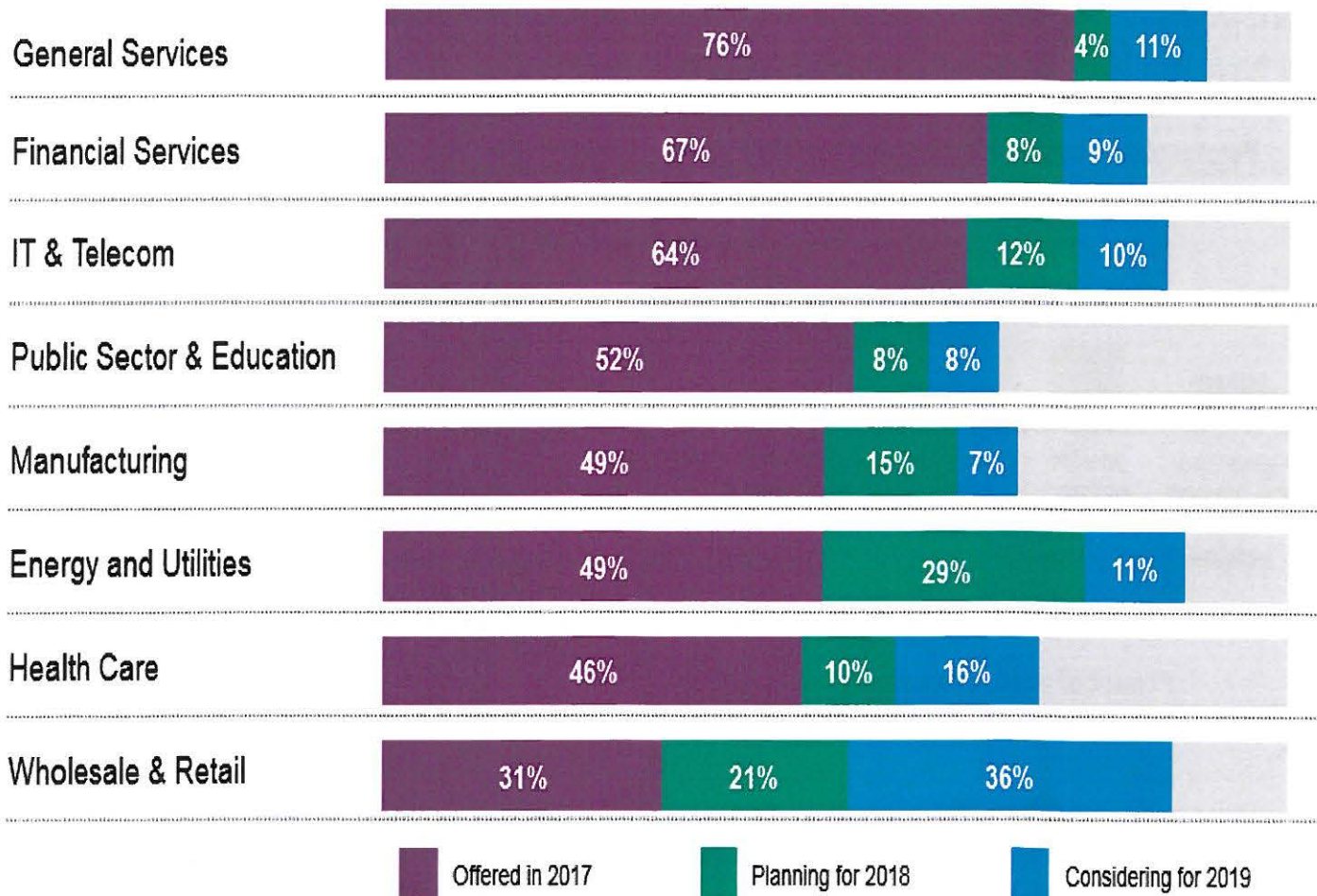
**A powerful recruiting tool to attract and retain the best talent**

**Demographics of the workforce have shifted:** Gen Y and millennials make up the largest proportion of the workforce – and there is increasing evidence that these employees place a high value of flexibility, time off and greater involvement in their children's lives<sup>5</sup>

<sup>1</sup> [Deloitte Benefits Survey](#), Care.com, August 12, 2015; <sup>2</sup> [Care.com Work Better Benefits Survey](#), August 2015; <sup>3</sup> Society of Human Resource Management (2012); [2014 Employee Benefits Institute Study of 2014 trends of employee benefits offerings in the U.S.](#), SHRM, June 20, 2014; <sup>4</sup> [UP2020 Survey Report: Family-Support Benefits Gain Popularity in the Workplace](#), August 9, 2015; <sup>5</sup> [How millennials and millennials have come to embrace work/life balance](#), Desert News, October 12, 2016

## Paid parental leave is offered by less than half of companies in 4 industries, but many plan to add it over the next two years

Does your organization offer paid parental leave to mothers?

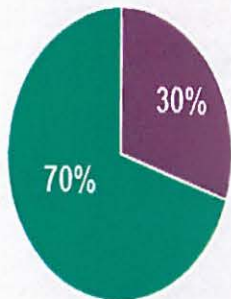


Sample: Companies with at least 100 employees

Source: 2017 Willis Towers Watson Maternity, Family, Fertility Pulse Survey.

## National Parental Leave Benchmarking

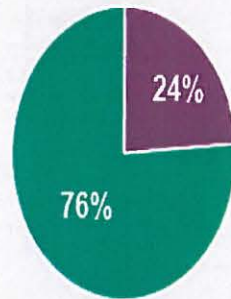
### Paid Maternity Leave



■ Provided ■ Not Provided

- Employers typically cover pregnancy disability for six weeks for normal delivery and eight weeks for C-section under the STD program
- Based on a 2017 SHRM study, 30% of employers provide paid maternity benefits in addition to what is covered by STD and statutory disability programs
- Of employers providing benefits beyond the STD program, the average benefit is 8 weeks of paid time

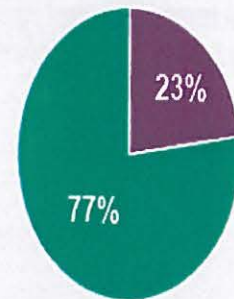
### Paid Paternity Leave



■ Provided ■ Not Provided

- Due to the Pregnancy Discrimination Act, many employers' legal counsel require equal bonding benefits for mothers and fathers
  - Some employers have retained primary and secondary caregiver distinctions
- Based on a 2017 SHRM study, 24% of employers provide paid paternity benefits in addition to what is provided by statutory programs
- Of employers providing benefits, the average benefit is 4 weeks of paid time

### Paid Adoption Leave



■ Provided ■ Not Provided

- Based on a 2017 SHRM study, 23% of employers provide paid adoption benefits in addition to what is provided by statutory programs
- Of employers providing benefits, the average benefit is 6 weeks of paid time
- 15% of employers provide paid foster care leave

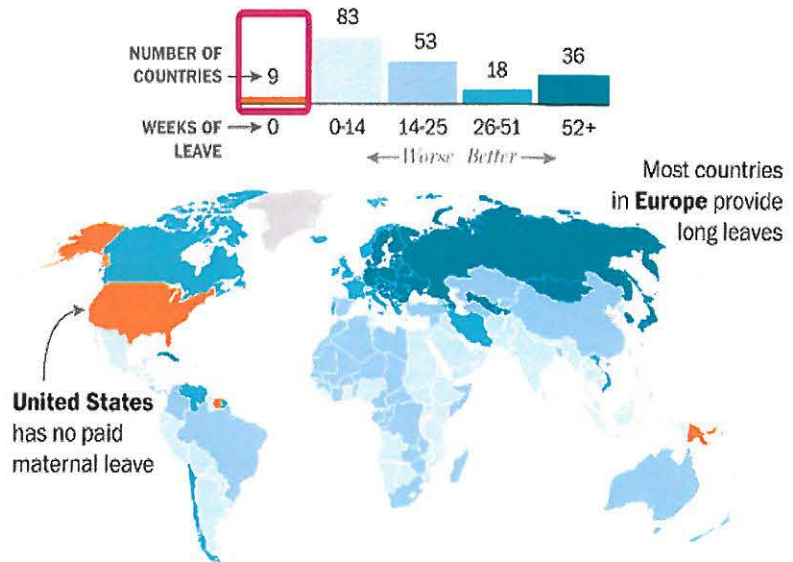
## A Global View of Parental Leave

### Countries that do not provide paid maternal leave include<sup>1</sup>

1. United States
2. Suriname
3. Micronesia
4. Marshall Islands
5. Niue
6. Nauru
7. Palau
8. Papua New Guinea
9. Tonga

*The U.S. is the only major industrialized nation that does not provide paid maternity leave*

### Paid maternal leave around the world



- A Pew Research Center report ranks the United States last out of 38 countries in government-supported time off for new parents<sup>2</sup>
- The smallest amount of paid leave from the other nations required is approximately 2 months<sup>3</sup>
  - In 19 of 41 countries: the majority of all paid leave available is allocated for maternity leave but only six countries provide no time off for new fathers

***In today's global economy more employers are looking to provide parity in parental leave benefits which can pose a challenge given the generous parental leave laws of other countries***

#### Sources:

<sup>1</sup>Chart Source: WORLD Policy Analysis Center, 2014 data; The Washington Post: The world is getting better at paid maternity leave. The U.S. is not (August 13, 2016)

<sup>2</sup>Employee Benefits News: Paid Parental Leave Goes Mainstream (September 15, 2016)

<sup>3</sup>Pew Research Center: <http://www.pewresearch.org/fact-tank/2016/09/26/u-s-lacks-mandated-paid-parental-leave/>