

## **Success of family leave program contains lessons for public**

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On May 2, 2008, after a 14-year legislative battle, New Jersey became the third state in the nation to pass a paid family leave act, giving workers the opportunity to take off up to six weeks with compensation to care for newborn babies or adopted children, or for an ailing spouse, parent, child or other family member.

The reason it took so long to win passage for this worthy measure was the fear raised by business opponents that the benefit would be abused by people who didn't really need it and that the cost of the program would soar.

Those fears have proved unfounded - so unfounded, in fact, that starting in January, the \$35 tax that workers pay each year to subsidize payments to employees who use the program will be cut to \$17. Now that's a tax cut every New Jerseyan - Democrat or Republican, business owner or worker - can support!

As primary supporters of the Family Leave Insurance Program, we in the labor movement take pride in what this program has meant for working families.

In the 15-month period starting July 1, 2009, a total of 29,437 working mothers - and some working fathers - used the family leave program to care for and bond with newborn children. Another 296 working parents used the program to care for newly adopted children. These new parents were able to spend valuable weeks with their babies without having to worry about losing their jobs or their income at a time when they had to worry about all of the new costs that come with a new child. These new parents averaged 4.9 weeks of paid family leave and received an average of \$2,365 to make up for the salary they were giving up during that time. That's an average of \$483 a week paid for out of a fund supported by an annual payroll deduction that is about to drop to just \$17 a year.

As important as paid family leave is to the parents of newborns and adopted children, it is even more important for New Jersey workers who are trying to cope with the demands and heartaches of a family illness.

State records for the same 15-month time period show that 2,466 New Jersey workers took off an average of 3.8 weeks each to care for an ailing spouse, 1,975 spent an average of 3.6 weeks caring for a sick child, and 3,475 took off an average of 3.7 weeks to care for other family members, most often an elderly parent. Average payments to these workers ranged from \$1,575 for those caring for children to \$1,697 for the group that took time to care for a sick spouse.

Once again, the peace of mind afforded to people struggling to cope with caring for a child with cancer, or a spouse with heart disease, or a parent afflicted with Alzheimer's disease is incalculable.

The Family Leave Insurance Program represents the best that is in us, but it also carries other lessons: Employee benefit programs do not have to be onerous for taxpayers, as long as the money goes for the purpose for which it was intended. The cut in the payroll tax for family leave from \$35 to \$17 could actually have been accomplished earlier if \$29 million of the total \$131.7 million contributed by New Jersey workers had not been part of the hundreds of millions of dollars diverted from Temporary Disability Insurance funds to fill holes in the fiscal year 2010 state budget by Democratic Gov. Jon S. Corzine and in the fiscal year 2011 budget by Republican Gov. Chris Christie.

Raids on payroll taxes contributed by workers and businesses will no longer be possible thanks to a referendum passed by voters last month with strong backing by New Jersey's labor movement and business groups that made future fund diversions illegal.

It was only after the state government knew that it could no longer seize unspent worker funds that it decided to cut the payroll tax used to support the Family Leave Insurance Program.

This is not the only payroll-supported program that has been raided repeatedly. New Jersey businesses and workers would not be paying higher unemployment insurance taxes this year if the state's Unemployment Insurance Fund had not been raided repeatedly to balance the budget. And New Jersey's pension funds for state, county and municipal employees and teachers would not be in such a deep deficit if the state had not taken out billions in the past, then failed to make the required contributions for years.

The Family Leave Insurance Program is an object lesson not only in compassion, but in fiscal responsibility. Even more, at a time when unions are under attack, family leave is an example of why we need a strong labor movement in this country and of what unions accomplish for ordinary people, not just for their own members.

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