

# Paid Family Leave



Outcomes, Measures and Benchmarking



## Topics we will discuss

- How did we get here - the 21<sup>st</sup> Century Workforce ?
- Talent Acquisition and Retention
- Balancing Cost with Benefit Expansion
- One Companies Story – Analysis, Implementation & Adaptation
- Benchmarking Paid Family Leave
-

Unum is the leading provider  
of group and individual  
disability  
benefits in the U.S.<sup>1</sup>

**FORTUNE**  
**100**

We serve **53** of the  
**Fortune 100** companies.<sup>2</sup>



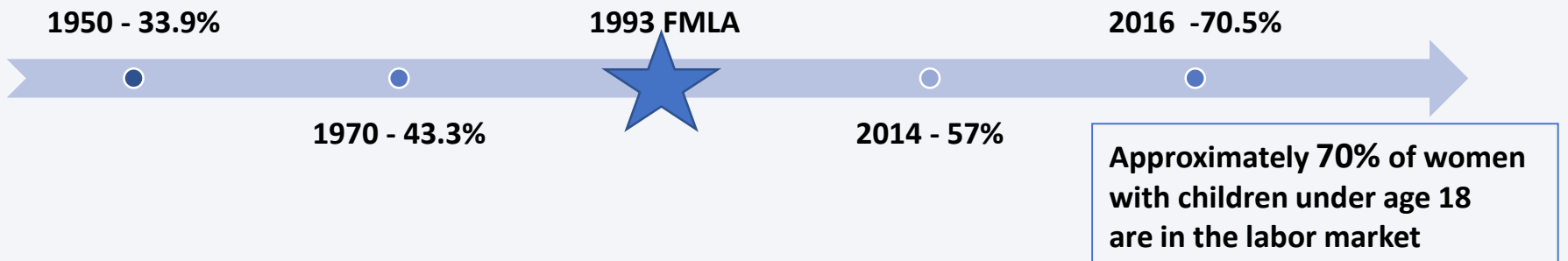
### **Headquartered in Portland, ME and Chattanooga, TN**

- Michelle Jackson, Asst. Vice President Workforce Solutions
- Expertise in leave management, disability, life insurance and supplemental benefit programs
- Administering over 300,000 new leaves in 2017 alone for over 600 customers.
- Insuring coordination and compliance with federal leave and over >200 state leave laws.

## How did we get here?



### Labor Force Participation Rate for Women Across the Years



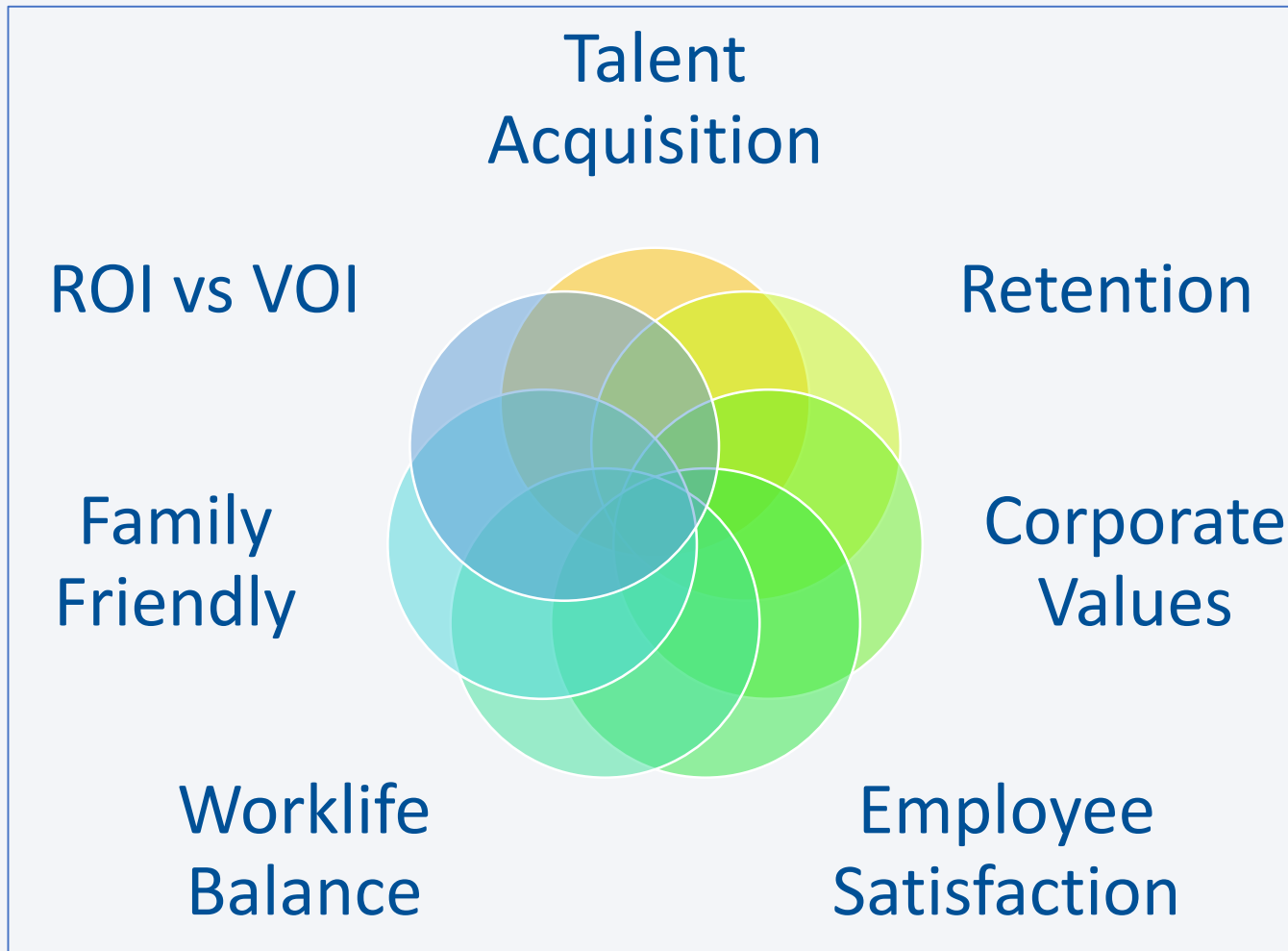
The Status of Women in the States; Institute for Women's Policy Research  
The Kaiser/HRET Employer Health Benefit Report & Survey , Oct 2017

## The Changing Workforce



- 63% of children live in households with 2 working parents\*
- Modern day families are struggling to balance work and family responsibilities
- As baby boomers age, caregiving responsibilities are increasing
- Father's involvement in child care and caregiving

# The Benefits of Paid Family Leave



80% saw positive impact on MORALE

70% reported an increase in productivity

xx% report no cost or cost neutral impact

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## One Employers Story

# American Family Insurance – Customer

INSPIRING, PROTECTING AND  
RESTORING DREAMS.

FOR OVER 90 YEARS.



**Headquartered in Madison, Wisconsin**

- Kristi Stormer, HR Benefits
- 9,000 employees at eight regional locations
- Providing Care, Home, Life & Business
- Shifting workforce – baby boomers and millennials



 **ARTICLES & STORIES**

 **On the Road**



**How to Avoid Hitting Deer**

[Read More >](#)



**Boat Equipment Checklists**

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 **At Home**

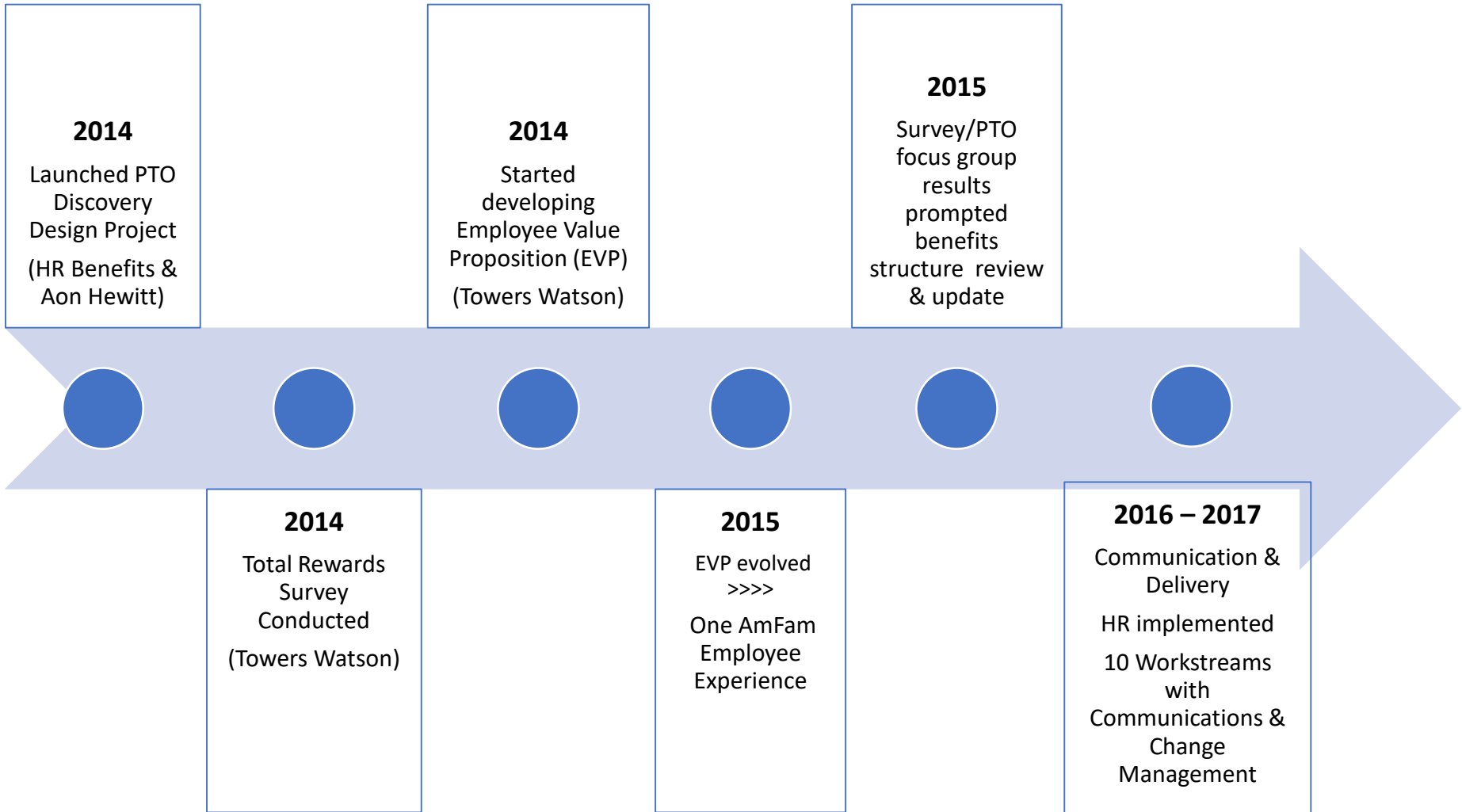


**Winter Tips for Your Home**



**Apartment Safety Tips for  
Peace of Mind**

# American Family Insurance Case Study



- ✓ Ask employees what they wanted and valued
- ✓ Identified deal breakers – healthcare and retirement
- ✓ Consideration for maternity incidence, PTO and family health needs

# PTO Project Timeline

## Discovery

- Set objectives
- Review current time-off programs
- Review prior design work
- Conduct benchmark competitive analysis
- Review Total Rewards Survey results
- Develop gap analysis
- Summarize current state

## Design

- Collect employee input on current plans and proposed design concepts
- Develop proposed designs
- Perform cost and employee impact modeling—of current versus proposed designs
- Refine designs and revise modeling
- Finalize designs and develop transition strategy
- Develop policies and procedures

## Delivery

- Develop communication strategy
- Create communication campaign
- Roll-out programs
- Measure results

*Two – three months*

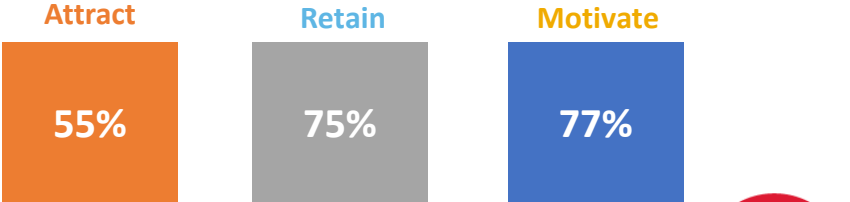
*Four – five months*

*Six – nine months*

# PTO Focus Group Highlights: Overall Paid Time Off

## Paid Time Off Impact

Employees agree the PTO Program helps to...



*"It helps employees maintain a healthy work/life balance. It is consistent with the name of our company -emphasis on family."*



*"For me, a company that understands the need for balance is attractive to potential employees and will ultimately attract quality employees."*

*"It helps to motivate employees. I am glad I work for a company that cares about their employees this way."*

Ease of taking time off depends on the type of PTO benefit

71% say it's easy to take a sick day  
44% say it's easy to take vacation

Over 80% have a good understanding of their Paid Time Off Benefits

PTO information is also easy to find

76% agree



## Top Sources of PTO Information

- HR Intranet
- HR Time & Attendance

When it comes to the amount of time they receive, perceptions vary...

### Employees who say they get enough:

- 56% Vacation
- 52% Personal Time
- 63% Holidays
- 74% Sick Leave

# PTO Focus Group Highlights: Vacation & Personal Time

## Vacation



**87%** have a **good understanding**

**56%** say they **get enough**

**66%** say they can use all their vacation time in a year

*"If I don't use it all, I at least can roll some of it over to the next year."*

### Biggest Challenges To Taking Time Off:

- Work load
- Staffing
- Available days

- Rewarded for longer service
- Flexibility in taking time off
- Carry over

- Limited time for new hires
- Slow accruals
- Limited carry over

## Personal



**81%** have a **good understanding**

**52%** say they **get enough**

*"It's a fantastic benefit and gives me the work-life balance that I need."*

*"I feel like my personal time never builds up fast enough."*

### Some confusion around:

- How Personal Time accrues
- When to use Personal Time

- Like having the benefit
- Flexibility: smaller increments

- 5-day cap
- Not paid out
- Slow accrual rate

Travel/relaxation

Advance notice/planned

**3 in 5** say

there's a difference between Vacation and Personal Time

Personal obligations/appointments

Last minute/spur of the moment

# PTO Focus Group Highlights: Holidays & Sick Leave

## Holidays



**94%** have a good understanding

**1 in 2** prefer the **same #** of Company/Floating

**1 in 3** prefer **more Company** holidays

**63%** say they **get enough**

Some say that when holidays fall in the middle of the week, or on a weekend, it makes scheduling difficult.



- Traditional holidays
- Spending time with families

- Flexibility in taking time off
- Flexibility of Floating holiday



- Holidays not honored for Care Center/24-7
- Do not match school days off



## Sick Leave

**82%** have a good understanding

**74%** say they **get enough**

**38%**

The percent of employees who say they take **3 to 5** sick days in a year

*Most others use less sick time.*  
**Nearly 1/2** say they take **0 to 2** sick days per year.



- Flexible
- Continual accrual

- Workload; come to work sick
- Some abuse
- Penalized for taking day

The rules around when sick time can be used and who it can be used for bring up a lot of questions.

*"What constitutes sick time? What situations can you use it for?"*

# 2015 Changes - American Family Insurance Case Study

## Bereavement Leave

- One size does not fit all loss the same.
- Changed from a 3 day limit to open ended and removed family member designation

## Well Being

- Implemented new vendor Virgin Pulse
- Expanded prior focus beyond Wellness



## 2016 Changes - American Family Insurance Case Study

### Paid Parental Leave

- **2 weeks PFL @ 100% for Primary & Secondary caregivers**
- Covers birth, adoption and foster events

### Paid Family Leave

- **2 weeks Caregiver Leave @ 100% for parent with serious health condition**
- Utilize Unum FML eligibility and approval decisions to certify paid family leave

### Paid Time Off (PTO) Bank

- Introduced paid time off
- Kept sick leave balances; now available for FMLA approved absences
- Eliminated vacation, personal time and sick leave accruals

### Short Term Disability

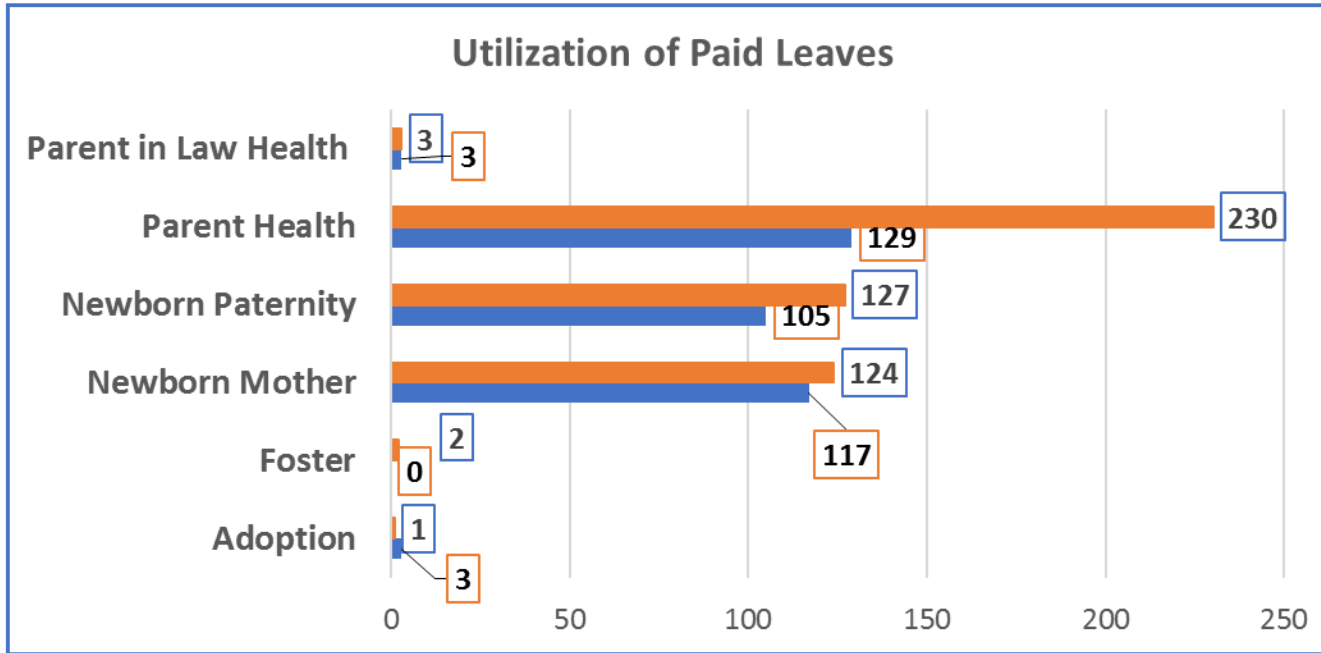
- Aligned maternity benefit to 8 weeks at 100%
- Other 100% benefit up to 8 weeks; then 70%
- Shortened elimination period from 14 to 7 days



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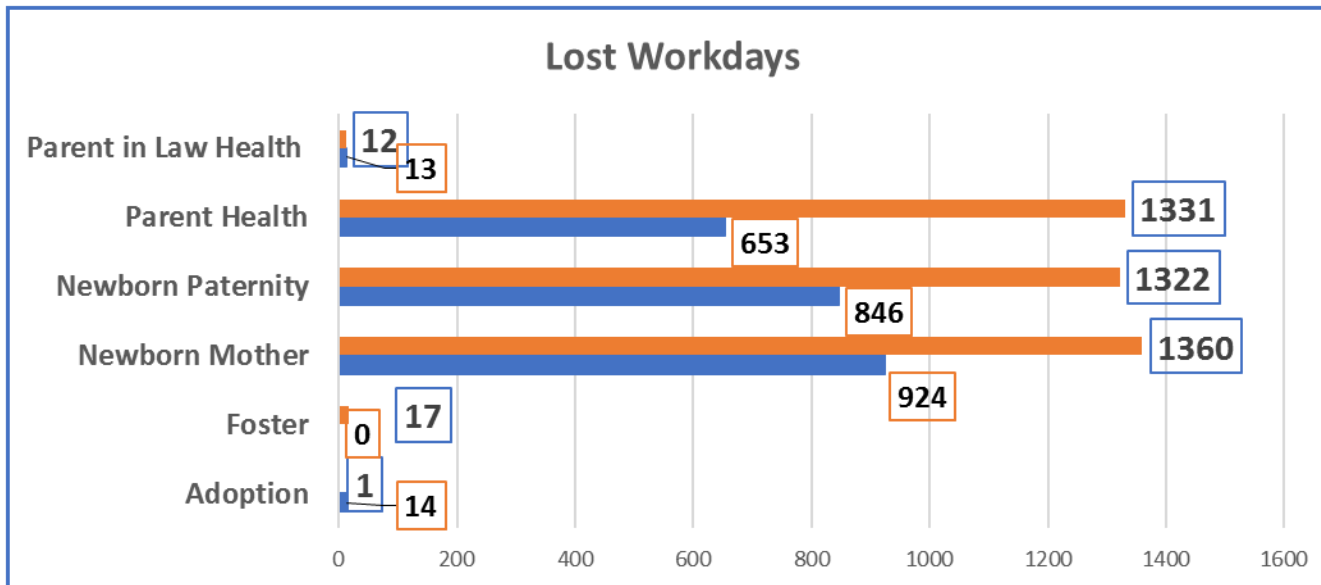
## Outcomes, Benchmarking and Trends

# Outcomes of American Family Paid Leave



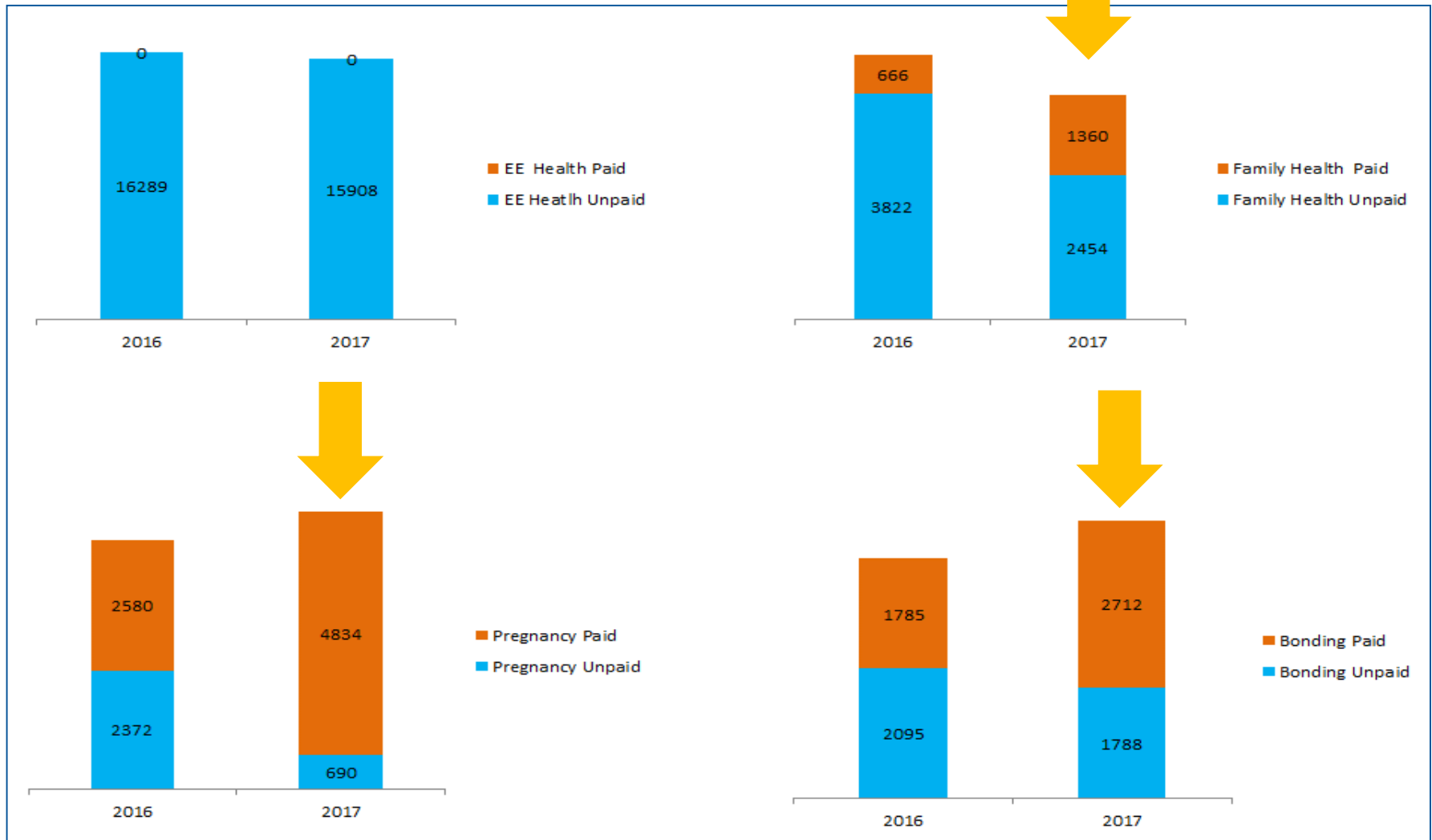
2017  
2016

78% increase in caregiving events  
21% increase in paternity events



100% increase in LWDs for caregiving  
56% increase in paternity LWDs

# American Family LWD's - 2016 - 2017



Definitions: Lost Workdays are the number of workdays missed by the employee. It is based on the work schedule provided by each customer for their employees. Note: Benchmark does not reflect comparison against pricing assumptions. Source: Unum internal data

# IBI Leave Management Benchmarking Report

Survey of 900 organizations with 170 in depth responses on PFL

Nearly 40% of employers offered parental leave to all employees

One third reported having a formal parental leave policy

Two thirds required a waiting period for new employees

40% offered between one to three months off for parental leave

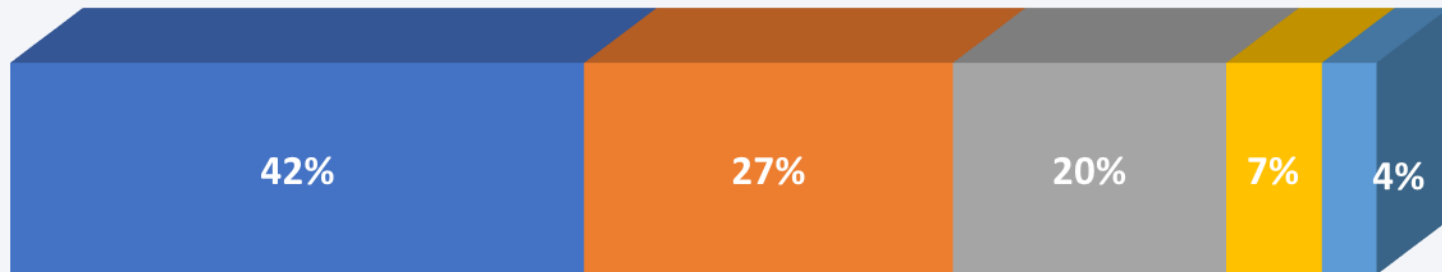
Two thirds paid 100% of wages during parental leave

Two thirds required some form of leave authentication

Four out of five reported the leave pay and duration went beyond what is required by law

## Outcomes from Paid Family Leave

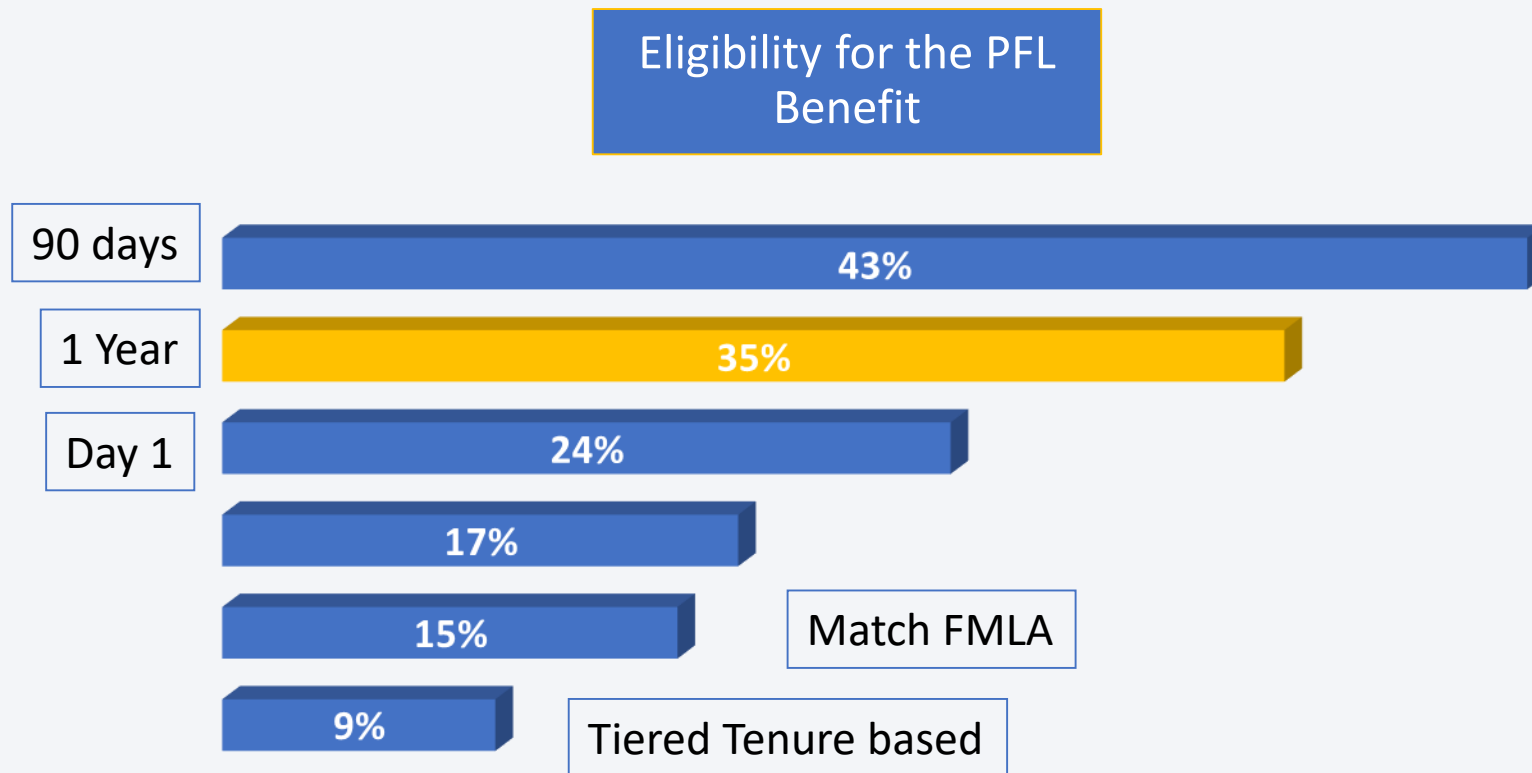
Length of Paid Family Leave Benefit offered



**Companies are customizing their PFL benefit to fit the need while balancing cost. There is standard:**

- 42% offer 2 weeks or less
- 27% offer between 3 - 4 weeks
- 20% offer 6 weeks
- 7% offer 12 weeks
- 4% offer benefits based on tenure or a tiered approach

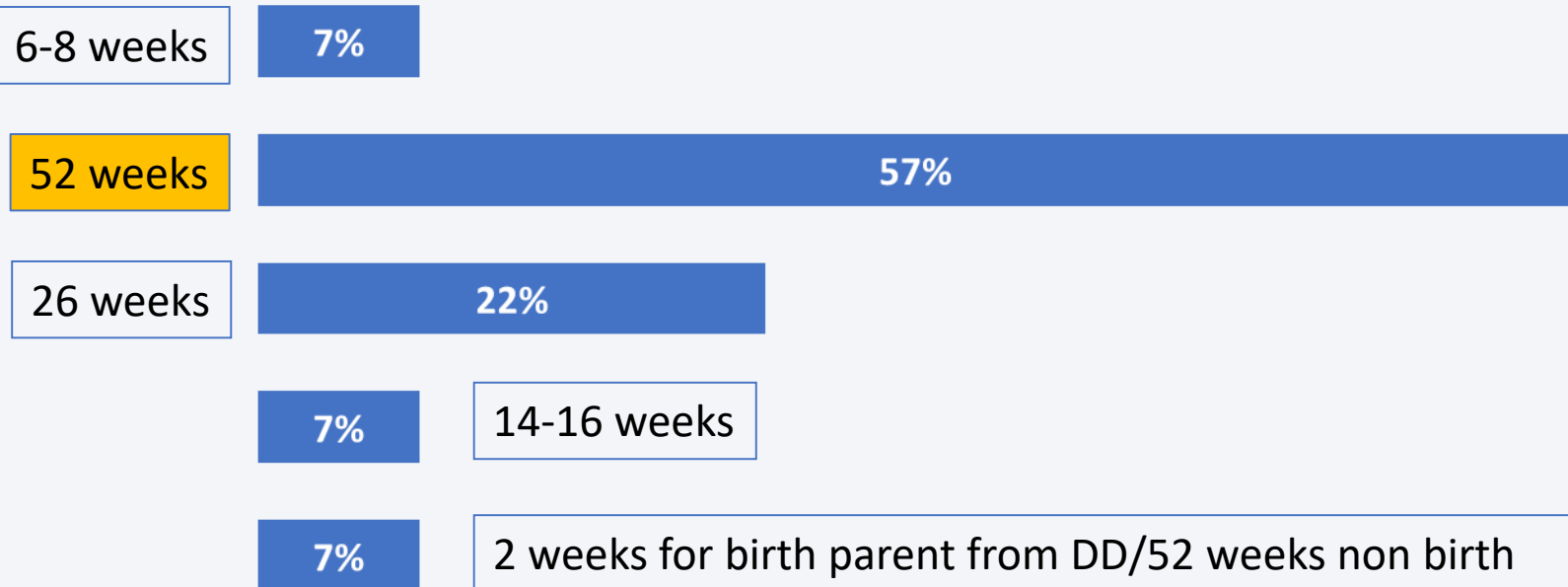
## Outcomes from Paid Family Leave



- 43% require at least 3 months tenure
- 35% offer PFL after 1 year of employment
- 24% offer eligibility for PFL from day 1 – 90 days
- 17% offer PFL based from day 1 based on FT/PT or Hrs
- 15% match the FMLA guidelines for eligibility
- 9% customize their eligibility based on a tiered tenure (YOS)

## Outcomes from Paid Family Leave

### Timeframe to Take Leave



Offering longer or flexible options for utilizing the benefit can afford parents extended in home child care coverage .

**79% allow atleast a 6 month period within which to take time**

**THANK YOU.**



**unum<sup>®</sup>**