



MANDATING PAID LEAVE BENEFITS: COSTLY FOR EMPLOYERS, EMPLOYEES

We oppose legislation (SB 332-33, HB 4574-75) creating a one-size-fits-all state administered paid leave insurance program. Financed through a new payroll tax on employers, 50% of which can be passed on to employees, the Michigan Family Leave Optimal Coverage (MI-FLOC) program will fund partial wage replacement benefits for 15 weeks of paid leave. This is different, and in addition to, the existing state law requiring employers to provide 40 hours of paid medical leave to eligible employees each calendar year.

- ▶ Raises taxes on employers — and employees.
- ▶ Creates a bloated government bureaucracy, moving leave decisions from HR experts to state bureaucrats.
- ▶ Exacerbates workforce shortages and increases employee absenteeism.
- ▶ Forces businesses to rethink and pull back on existing paid leave and other paid time off (PTO) policies.
- ▶ Creates costly mandates on small businesses.
- ▶ Gives unfettered authority to state government to set employer/employee contributions.
- ▶ Forces employees and employers to begin paying taxes well before benefits are available to them.
- ▶ Creates the most expansive and expensive leave mandate in the country, making Michigan a national outlier.

**COST
MATTERS**

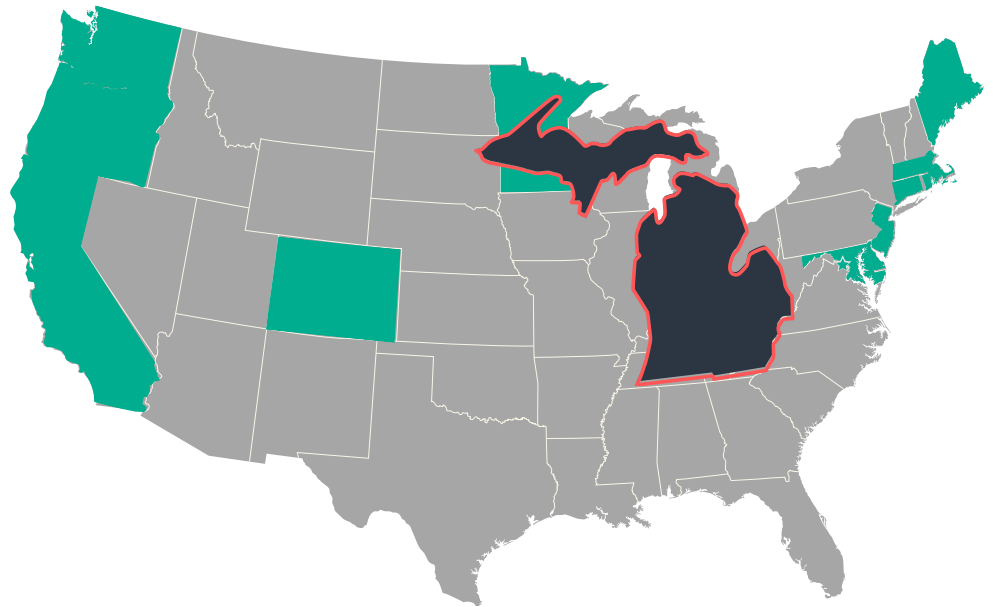


WE OPPOSE COSTLY AND RESTRICTIVE ONE-SIZE-FITS-ALL MANDATES.

Employers are in the best position to design benefit packages that serve the distinct needs of their businesses and employees. Michigan employers compete for workers every day and consistently receive national recognition for providing some of the best places to work. **If the state mandates expansive new benefits** without regard for their relevance to the employer and its workforce, **costs will go up.** The results are reduced staff, hours and job opportunities – **hurting workers and their families.**



Due to cost and complexity, only 13 states – CA, CT, MA, NJ, RI, WA, CO, DE, ME, MD, MN, OR and Washington, D.C. – have enacted versions of paid leave mandates. The Michigan proposal is arguably the *most onerous* in terms of eligibility, qualifying events, benefits, and employer obligation.



OUR ASK

- Oppose costly, restrictive one-size-fits-all mandates.
- Ensure changes proposed through Michigan state agencies consider negative impacts on employers and unintended consequences for employees.
- Create instead a voluntary paid family leave law allowing, or even incentivizing, businesses to provide family leave benefits through private insurance — allowing flexibility in determining weeks of leave, wage replacement rates, payroll deduction rates, and maximum weekly benefit.





UNITED AGAINST WORKPLACE MANDATES



Michigan employers compete worldwide for talent and strive to provide leading edge, competitive benefits. The so-called family and medical paid leave program amounts to a new \$1 to \$1.5 billion-plus annual payroll tax on every worker and business. We're united against this policy that would create a massive new state bureaucracy, putting the government in charge of paid-time off (PTO claims) and hurting those it claims to help, especially small businesses and Michiganders living paycheck-to-paycheck.

COALITION MEMBERS

Founding Members:

- Detroit Regional Chamber
- Grand Rapids Chamber
- Michigan Bankers Association
- Michigan Chamber of Commerce
- Michigan Manufacturers Association
- West Michigan Policy Forum
- ABC Michigan
- Barry County Chamber and Economic Development Alliance
- Battle Creek Area Chamber of Commerce
- Bay Area Chamber of Commerce
- Big I Michigan
- BrickWays
- Bronner's CHRISTmas Wonderland
- Business Leaders for Michigan
- Cadillac Area Chamber of Commerce
- DecentraCare
- Fifth Level Hospitality
- Foundry Association of Michigan
- Fresh Perspective Home Care
- Gosen Tool and Machine
- Greater Brighton Area Chamber of Commerce
- Greater Niles Chamber
- HealthBar
- HighPoint Electric
- Home Builders Association of Michigan
- Jackson County Chamber of Commerce
- Jude's Barbershop
- Lansing Regional Chamber of Commerce
- Michigan Agri-Business Association
- Michigan Association of Convenience Stores
- Michigan Ground Water Association
- Michigan Licensed Beverage Association
- Michigan Nursery & Landscape Association
- Michigan Petroleum Association
- Michigan Retailers Association
- Michigan Soft Drink Association
- Michigan West Coast Chamber of Commerce
- Midland Business Alliance | Chamber of Commerce
- National Federation of Independent Business
- Noble Films Corp.
- Nu-Wool Co. Inc.
- Plymouth Community Chamber of Commerce
- Potato Growers of Michigan, Inc.
- Robinette's Apple Haus & Winery
- Rochester Regional Chamber of Commerce
- Saginaw County Chamber of Commerce
- Small Business Association of Michigan
- South Haven Area Chamber of Commerce
- Southwest Michigan Regional Chamber
- Telecommunications Association of Michigan
- Three Rivers Area Chamber of Commerce
- Wyoming-Kentwood Area Chamber of Commerce