

AARP Oregon Testimony on HB 3336 – Family and Medical Leave Savings and Tax Credits

April 3, 2017

TO: House Committee on Early Childhood and Family Supports, Rep. Lively, Chair

FROM: Jon Bartholomew, Government Relations Director, AARP Oregon

On behalf of AARP Oregon's over 500,000 members, we urge you to oppose HB 3336. We strongly support the concept of family and medical leave that includes pay during the time an individual is caring for another. However, HB 3336 is not an approach that we believe will work for those who need it most.

We commend the bill sponsors for recognizing the importance of paid family and medical leave. The need to address this issue is real and urgent. There are nearly 470,000 family caregivers in Oregon who are taking care of an adult relative, spouse or friend. The value of this unpaid care is worth over \$5.4 billion each year. There are even more who are caring for children or grandchildren and most of these unsung heroes are doing so while working, raising families and trying to save for their kids' college or their own retirement. Most are doing so without basic workplace protections. In fact, only 14 percent of U.S. workers have paid family and medical leave through their employers.

Nearly everyone needs paid family or medical leave at some point in their lives, whether it's to care for a new child, an aging parent, or themselves. As workers struggle to balance caregiving with their job responsibilities, many end up facing economic hardship. Caregiving demands may even lead to adverse economic effects felt across years or a lifetime due to lost jobs, loss of health care coverage, missed raises, and reduced Social Security benefits.

National estimates have shown that the lifetime income-related losses sustained by family caregivers age 50 and older who leave the workforce to care for a parent can reach about \$115,900 in wages, \$137,980 in Social Security benefits, and conservatively, \$50,000 in pension benefits. That's a total of \$283,716 for men and \$324,044 for women in lost income and benefits over a family caregiver's lifetime.

While some legal protections—such as the national Family and Medical Leave Act (FMLA) — provide a useful benefit for some employees to maintain job security when they need to take time off from work, it is important to note that FMLA and the Oregon Family Leave Act (OFLA) is *unpaid* leave.

The practical reality is that many workers, struggling to make ends meet from paycheck to paycheck, simply cannot afford to take unpaid leave. AARP is fighting for paid family leave in Oregon because we believe family caregivers should not have to choose between taking care of mom or dad, or losing a paycheck, or even risk losing their job.

Without paid leave and flexible workplace policies to support unpaid family caregivers, vulnerable seniors will increasingly be forced into taxpayer supported long term care settings to receive the care they need, which would add even more pressure on Oregon's already strained budget.

HB 3087 is the approach that we believe would be most effective in providing paid leave. HB 3087 would establish a state-administered paid family and medical leave insurance program where everyone contributes and everyone benefits. This program is a fair, common-sense solution allowing Oregonians to work and care for themselves and their families. This program would give workers peace of mind that if there is a need in their family, there is a way for them to get wage replacement and still remain attached to the workforce.

AARP Oregon urges legislators to oppose HB 3336 and instead support HB 3087 for family and medical leave insurance.