

## **Prepared Statement of Ranking Member Richard Burr**

### **Paid Leave for Working Families: Examining Access, Options, and Access**

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May 18, 2021

Good morning. Thank you Chair Murray for scheduling this hearing to examine paid leave.

As a father, husband, grandfather, and son, I understand the need to balance family life with the workplace.

I support, and I believe most people support, people being able to take time off of work when they are sick, their family member is sick, or after the birth or adoption of a child.

I also support and encourage the idea of paid leave for workers. During my time in Congress I have cosponsored bills to help Americans earn more paid leave, such as the Working Families Flexibility Act, which would allow private-sector employers to offer all employees who work overtime to choose between monetary compensation or comp-time, just like the federal government does.

There are great benefits to providing paid leave. It helps attract talent, improves retention, increases employee health and wellness, and it increases employee engagement.

However, there are big questions of disagreement surrounding paid leave: Is it mandated? Who pays for it? Who gets it and for what reasons?

Many of my colleagues are lawyers or have never had a job outside of government. It shows in the policy proposals they pursue.

It's easy to come up with a good idea and tell someone else to pay the bill.

As my friend John Boehner used to say, "Everyone wants to be Santa Claus."

So as we look at paid leave proposals, no matter how well intentioned, we can't just say to the private sector now you need to pay for our extremely generous brilliant ideas.

Some large businesses currently provide paid leave and aren't looking for a new federal mandate but instead want a common sense approach to help them deal with the varying requirements across different states.

However, there are others that endorse a federal mandate.

I am skeptical this is a selfless act and worry that this is a form of corporate rent seeking where they are trying to impose costs on their smaller competitors to drive them out of business.

Most small businesses already offer some form of paid sick leave, because most people agree if someone is sick they should not come to work.

But a costly new mandate imposing a one-size-fits-all policy of paid leave on small businesses can't be easily absorbed and could force businesses to cut jobs.

If Washington wants to come up with the idea Washington needs to pay for it - with tax credits, subsidies, grants – at least for small businesses.

The Family and Medical Leave Act (FMLA) of 1993 provides eligible workers 12 weeks of leave, but it does not have to be paid leave.

In 2017, thanks to Senator Deb Fischer of Nebraska, Congress provided tax credits to encourage eligible employers to provide paid leave.

I supported Senator Fischer's employer credit as part of the Tax Cuts and Jobs Act. This tax credit now has been extended through 2025.

It provides a credit for eligible employers ranging from 12.5% to 25% of wages paid to employees for up to 12 weeks of family and medical leave.

Employers must provide at least 50 percent of wages.

Senator Fischer deserves a lot of credit for pressing us to include that into law.

Also, the Families First Coronavirus Response Act, bipartisan legislation, supported by both sides of the aisle, provided businesses with fewer than 500 employees payroll tax credits for paid leave related to the Covid-19 pandemic.

These tax credits have been extended through September 2021.

Let's talk about Private Sector Leave programs.

Job creators want talented workers and want to provide benefits for those workers.

The private sector has many creative ideas to provide paid leave such as Paid Time Off purchase plans that allow workers who want more leave to purchase additional paid time off either through employer flex credits or salary reductions with pre-tax dollars.

Others are providing short-term disability insurance to provide employees income security due to time off from an injury, illness, or even pregnancy.

Flexibility for the employer and the worker makes it work for all involved.

State governments are coming up with paid leave programs of their own.

For example, as Sen. Murray noted, Washington State provides a family and medical leave program funded through premiums paid by the worker and employer, with the worker paying the larger share of the premium.

Small businesses with fewer than 50 workers are not required to pay the employer premium.

There is a lot of bipartisan interest in the Senate surrounding paid leave, including expanding the Fischer tax credits I've already mentioned.

But we need to remember that we are really good at running a business here in Congress.

The one-size fits all approach does not work on any issues, especially paid leave.

So, instead of pushing our brilliant ideas, with arbitrary decisions made by Congress or bureaucrats in Washington, we should make sure we give business a lot of flexibility to help employers make paid leave work.

This is an important issue, and I look forward to hearing from the witnesses today and ideas they may have.