



Testimony Re: H-5857, Relating to Labor and Labor Relations – Temporary Disability Insurance
House Corporations Committee
March 26, 2019
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Rhode Island KIDS COUNT **opposes House Bill 5857**, which would allow employees to opt out of the state Temporary Disability Insurance Program (TDI) and the associated Temporary Caregivers Insurance Program if they have employer-sponsored disability insurance.

The Temporary Caregivers Insurance Program (TCI) was established as part of TDI in 2013 and provides 4 weeks of partial pay coverage when workers need to take time off for a seriously ill child, spouse, parent, domestic partner or to care for a new child including newly adopted and foster children.

Rhode Island KIDS COUNT supported the creation of the TCI program which was launched in 2014. Many national organizations support paid family leave, including the American Academy of Pediatrics, ZERO TO THREE (a national research organization focused on infants and toddlers), the Center for Law and Social Policy, and the National Center for Children in Poverty. Currently 6 states and the District of Columbia have a paid family leave program.

In 2018, there were 6,760 approved claims for Temporary Caregiver Insurance in Rhode Island. Of these, 80% were to care for a new child. Families from every city and town in Rhode Island participated. The gender gap is continuing to narrow, with 41% of claims to bond with a new child filed by men and 59% filed by women.

Although some workers in the U.S. have access to some type of paid family leave through their employers (estimated at 11% of private sector workers and 17% of public sector workers), the majority do not. High-wage workers are much more likely to have access to paid family leave than low-wage workers. Because the Rhode Island program provides only 60% wage replacement, we continue to see inequitable access to paid leave based on wages, with 16% of paid family leave claims going to workers who earn less than \$20,000/year while 44% of the individuals who contribute to TDI/TCI falling into this low-wage category.

The original TDI program is also a critical support for pregnant women and new mothers in Rhode Island. **In addition to the TCI claims in 2018, there were 3,330 TDI claims for disabling pregnancy complications and/or to recover from childbirth.** Recovery from childbirth is a disabling condition covered by TDI.

Rhode Island KIDS COUNT supports the current TDI/TCI program with required participation for the following reasons:

- In general, allowing employees who have private disability coverage to opt out would mean that **higher wage employees would opt out**, leaving more lower wage employees in the state system. This would weaken the entire TDI/TCI system and could increase costs for lower wage participants.

- States that have authorized opt-out of TDI/TCI programs have had to develop systems and **allocate significant resources to determine whether employer-sponsored plans offer “equivalent” coverage**. These states have found that few private employers offer equivalent coverage.
- Coverage for Temporary Caregivers Insurance (TCI) or **paid family leave insurance is not generally available in the private market**. It is not a standard part of private short-term disability insurance and paid family leave programs are offered by only a handful of employers.
- **Private short-term disability insurance is often gender-rated, with women paying nearly twice the cost as men do**, largely because of the extra costs related to pregnancy and child-bearing. Private insurers may also rate by age, occupation, and exempt pre-existing conditions. None of this is true for Rhode Island’s TDI/TCI System.

Rhode Island KIDS COUNT encourages the General Assembly to maintain the current TDI and TCI program as is. Thank you for this opportunity to testify.