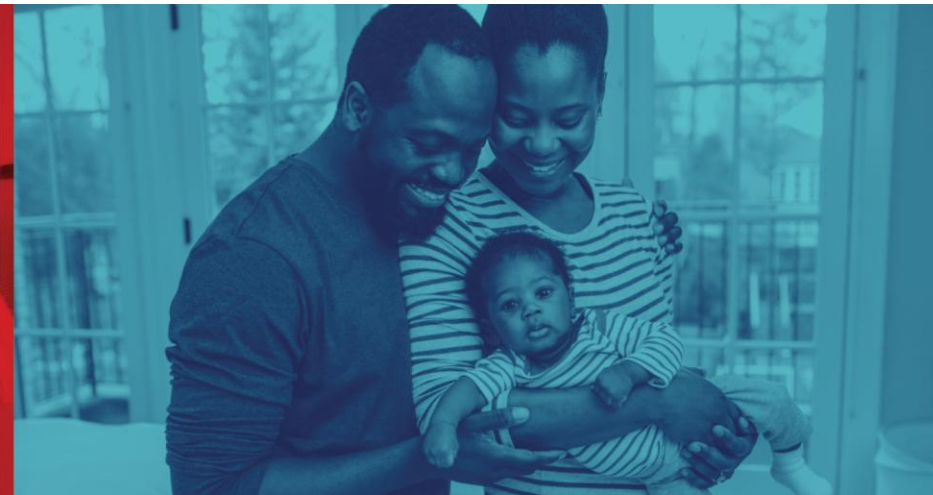


ERIC

*Shaping benefit policies
before they shape you.*

May 13, 2026

ERIC Paid Leave Policy Outlook ***IBI Event - What's Next: Leaves of Absence***



INTRODUCTION TO THE ERISA INDUSTRY COMMITTEE (ERIC)

ERIC is the only national association advocating exclusively for large employer plan sponsors that provide health, retirement, paid leave, and other benefits to their nationwide workforces. With member companies that are leaders in every economic sector, ERIC advocates on the federal, state, and local levels for policies that promote flexibility and uniformity in administering their employee benefit plans against a patchwork of conflicting and burdensome rules.

You are likely to engage with ERIC member companies when you:

- Drive a car or fill it with gas
- Dine out or at home
- Use a cellphone
- Use a computer
- Visit a bank or hotel
- Fly on an airplane
- Watch T.V.
- Benefit from our national defense
- Receive or send a package
- Go shopping
- Use cosmetics
- Enjoy a beverage



INTRODUCTION TO THE ERISA INDUSTRY COMMITTEE



EXPERTISE

Our policy staff has deep knowledge of health, retirement, and compensation policies. We leverage this expertise into action on the federal, state, and local levels to protect your interests.



VOICE

ERIC is your voice on Capitol Hill for the issues you care about. We put our name and reputation on the line to represent large employers.



MEMBER DRIVEN

Being an ERIC member helps you engage with peer companies, set priorities, and shape policy together. We listen to you before acting—and act when you ask.



LARGE-EMPLOYER FOCUS

Our members are dynamic, visionary large employers who provide comprehensive benefits to employees across the country.



COMMUNITY OF PEERS

You can share information, benchmark, and build relationships in a trusted network of those who share your interests.



ADVOCACY BEYOND INFORMATION

ERIC shapes policy before it shapes you. Our legislative experts work side-by-side with members to identify employer needs and deliver policy wins.

ERIC STATE PAID LEAVE POLICY PRIORITIES

- Valuable recruitment and retention benefits for employers
- General support for state lawmaker attempts to expand access

Paid Family and Medical Leave

- State-administered social insurance program
- Adherence to Family and Medical Leave Act (FMLA) standards
- Exemption for equivalent employer plans
- Coordination with range of other paid leave benefits
- Preemption of local and municipal ordinances

Paid Sick Leave

- Allow “front-loading” of all available leave at start of year
- No carry-over or cash-out for unused leave
- Preemption of local and municipal ordinances



CURRENT STATE OF STATE PAID LEAVE PATCHWORK



State Policy Interest Returns

- States impatient with Federal progress
- Benefits race between blue states
- Toe-dipping proposals in red states



Patchwork Continues to Grow

- Now 15 separate and incompatible PFML insurance programs
- More than 50 separate “lever” standards
- Employer compliance challenges



Admin. Rollout of Enacted Programs

- Programs previously enacted from 2023-2024 now coming online
- MD, DE, MN, ME
- Employer compliance challenges



Legislative PFML Drought Ending

- Return to serious paid leave proposals
- Political shifts open door to new policy considerations
- Coalition continues to grow

NEW PAID LEAVE ON THE BLOCK – VIRGINIA PAID FAMILY AND MEDICAL LEAVE

SB 2/HB 1207 – Scheduled to take effect 4/1/28

- State-administered social insurance program
- Providing 12-week annual leave cap across circumstances
- 80% wage replacement, up to 100% of statewide average weekly wage
- Enumerated list of minimum standards for private plan substitution waiver
- Improved catch-all family member definition:
 - *“includes any individual (i) who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for such individual and (ii) who depends on the employee for care. "Family member" does not include an individual who simply resides in the home with no expectation that the employee care for the individual”*



NEW PAID LEAVE ON THE BLOCK – VIRGINIA PAID SICK AND SAFE LEAVE

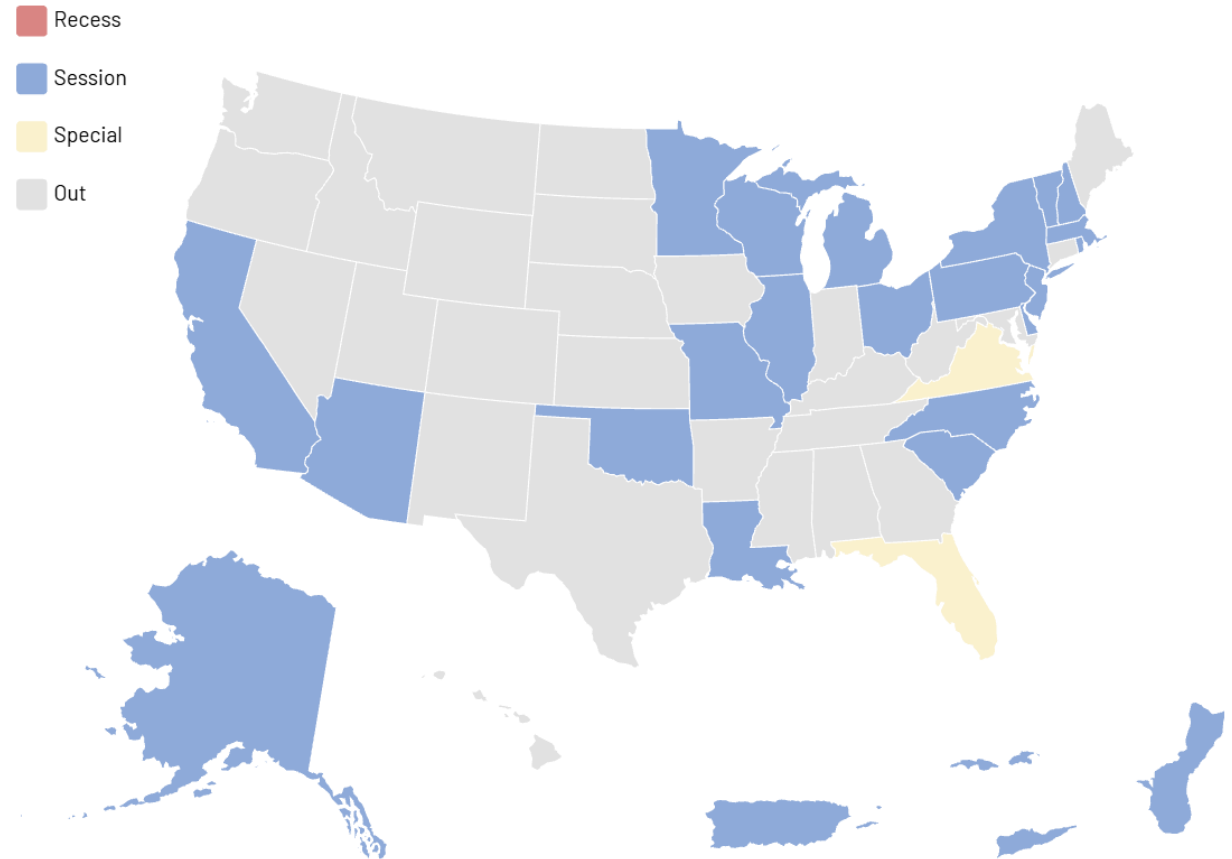
HB 5/SB 199 – Scheduled to take effect 7/1/27

- Sent to Gov. 3/31, Gov. rec's shared 4/12, Gov. action deadline 5/23
- Simply removed narrow “home health care worker” line from existing state law
- Employees earn 1 hour of leave per 30 hours worked – up to 40-hour annual cap
- Includes safe leave definition tied to domestic violence
- No cashout requirement – Strong frontloading language included
- Improved catch-all family member definition to match PFML



ERIC STATE PAID LEAVE OUTLOOK – STATE LEGISLATIVE SESSION OVERVIEW

- 21 States currently in session for 2026
 - AK, AZ, CA, DE, IL, LA, MA, MI, MN, MO, NC, NH, NJ, NY, OH, OK, PA, RI, SC, VT, WI
- 25 States already adjourned for the year
 - AL, AR, CO, CT, FL, GA, HI, ID, IA, IN, KS, KY, ME, MD, MS, NE, NM, OR, SD, TN, UT, VA, WA, WV, WY
- 4 States with no 2026 session:
 - Montana, Nevada, North Dakota, Texas
- States in special session:
 - Florida – through 5/29
 - Virginia – through 5/15



ERIC STATE PAID LEAVE PRIORITY OUTLOOK – NEW MEXICO + HAWAII

New Mexico –

- Existing state PSSL law, Healthy Workplaces Act
- **HB 415** – Clarifying changes to PSSL law, explicit frontloading
- **HB 11** – PFML insurance program proposals
 - FMLA+ and catch-all family member definition
 - Inclusion of certain safe leave circumstances under medical umbrella
 - 12 weeks family, 9 then 12 weeks medical or safe, 12 week annual cap
 - Includes preemption of city/local paid leave policies
 - Includes waiver process and standards for equivalent private employer substitution waiver
- Very short 2026 session (adjourned 2/19) – proposals not able to move in narrow legislative window

Hawaii –

- **HB 2360** – passed House 3/10
 - PFML insurance program proposal
 - Expansive leave – 12 weeks for family leave and 26 weeks for medical leave
 - FMLA+ definition – adds “designated person”
 - No private substitution waiver or local preemption
- **SB 3082** – Expand state FMLA unpaid leave
 - Military exigency leave – passed House 4/16, passed by conference 4/30

ERIC STATE PAID LEAVE PRIORITY OUTLOOK – PENNSYLVANIA + ILLINOIS

Pennsylvania –

- **HB 200** – PFML insurance program – passed House 3/25
 - Introduced in late 2025 – essentially an expansive proponent wish list
 - Substantially amended by House committees in March/April
 - Was 20 weeks, now 12 weeks between all leave circumstances
 - Removed private plan substitution waiver process
 - No state preemption of local paid leave policies
 - Catch-all family member definition – similar to VA
- **SB 1257** – Small necessities leave – intro 4/1
 - Employers to provide 24 hours of paid leave during any 12-month period
 - Participate in school activities, accompany child to medical appointment, or accompany an elderly relative to a medical appointment

Illinois –

- **HB 3483/SB 2413** – cosponsor added 4/7, deadline ext. 5/15
 - 18 weeks paid leave for all purposes – plus 9 weeks for medical conditions related to pregnancy
 - No state preemption
 - Includes equivalent private plan substitution – “all same protections and benefits as state program”
 - FMLA + and “any other individual related by blood, marriage, or civil union or whose close relationship with the employee is the equivalent of a family relationship.”
- **HB 4856** – Child bonding leave – Rule 19(a) 3/27
 - 12 weeks of unpaid leave to bond with new child
 - Runs concurrently with FMLA unless FMLA already used
 - Employers cannot force use of paid leave; employees may elect to substitute available paid leave.
- **SB 2967** – Menstrual health leave – deadline ext. 5/15
 - Up to 40 hours of paid leave annually

FEDERAL PAID LEAVE PROGRESS AND OUTLOOK – I-PLAN AND HARMONIZATION

- Growth of state patchwork puts pressure on Federal lawmakers
- FAMILI Act reintroduced for 2026 – Federal insurance program
- Need remains to harmonize of incompatible state standards
- Federal I-PLAN proposal – grant program to incentivize states
- Heard in February by House Education and Workforce Subcommittee on Workforce Protections

