

Employee Leave Literacy

What Employees and Managers Know—and What's at Stake When They Don't

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Today's Agenda

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Why Leave Literacy Matters

The problem and its scope

02

What the Evidence Shows

Knowledge gaps across employees and managers

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What Actually Works

Communication strategies and tools with proven impact

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The Business Case

Retention, compliance, and ROI

05

A Maturity Model for IBI Members

Where you are and where to go next

The Problem: Complexity Has Outpaced Comprehension

12 states now mandate paid family and medical leave

ADA accommodation jurisprudence continues to expand

COVID-19 introduced emergency sick leave provisions

Multi-state employers navigate conflicting notice periods, offsets, and eligibility thresholds

Legal Exposure

Managers misapply eligibility rules or fail the ADA interactive process

Employee Harm

Workers delay or forgo medically necessary leave due to confusion or fear

Admin Friction

Incorrect certifications, missed deadlines, and benefit offset errors require costly remediation

What Do Employees Know About Leave?

76%

**of employees have
heard of FMLA**

Up from 66% in prior wave — but
still one in four unfamiliar

40%

**misunderstand FMLA
eligibility rules**

Confused on tenure, hours, or
employer-size thresholds

6%

**forgo needed
leave they are
eligible for**

Due to fear of termination or
misunderstanding of protections

KEY INSIGHT:

57% of employees say their employer or HR is their primary source of FMLA information. Employer communication is not background noise — it is the dominant literacy pathway.

Manager Knowledge Gaps Are Even More Concerning

11%

of managers demonstrate basic
FMLA competency

Industry survey of 200+ HR professionals

60%

receive no formal training on
multi-state leave requirements

Multi-industry assessment

Managers are the primary leave translators for frontline workers. Their knowledge gaps are not just administrative problems -- they are compliance risks, dispute generators, and equity barriers.

Managers Struggle With:

- When to initiate FMLA vs. wait for employee request
- How to handle intermittent leave that disrupts operations
- When both ADA and FMLA apply simultaneously
- What communication with employees on leave is permissible
- How state PFML offsets employer-sponsored disability

Newer Programs, Deeper Gaps

State PFML and ADA accommodations are where comprehension falls off most sharply

State PFML Awareness

17% Manager literacy on state paid family leave (vendor assessment)

46% Employers confused about how PFML benefits offset employer-sponsored disability

30% Typical employee awareness at state program launch

90% New Jersey PFML awareness — achievable with sustained public education

Disability Leave & ADA

88% Of disabilities are invisible — employees often don't recognize their ADA eligibility

61% Of employees work where STD is offered, yet most can't explain how it differs from FMLA

45% Confused about PTO accrual, carryover, and interaction with statutory leave

ADA vs. FMLA No tenure or employer-size threshold — a critical distinction most managers miss

The Myths Employees Carry Into Every Leave Request

"I haven't been here long enough."

THE REALITY: Employees conflate FMLA's 12-month rule with other benefits' eligibility, assuming they're ineligible when they're not.

"Taking leave will cost me my job."

THE REALITY: Despite FMLA's explicit job protection provisions, 6% of eligible workers skip needed leave out of fear.

"I have to use all my PTO first."

THE REALITY: Whether PTO runs concurrently with FMLA is an employer policy choice — employees often treat it as a barrier.

"My manager said no — so that's final."

THE REALITY: Employees accept front-line denials without knowing they have the right to escalate, especially when managers lack training.

These misperceptions particularly cluster among low-wage workers, racial minorities, non-English speakers, and workers in high-turnover industries.

What Communication Approaches Actually Work?

What Doesn't Work (Alone)

- Annual benefits fairs and one-time handbooks
- Required legal notices drafted for compliance, not comprehension
- Posters that blend into workplace backgrounds
- Single-channel communication (email only, intranet only)
- Generic disability awareness training with no application component

What High Performers Do Instead

- Proactive outreach triggered by qualifying life events
- Interactive eligibility calculators integrating FMLA, PFML, STD, and PTO
- SMS / just-in-time reminders at key decision points during leave episodes
- Manager certification programs with scenario-based competency demonstrations
- Plain-language translations alongside required legal notices

Digital Tools: Reducing Cognitive Load at the Point of Need

Eligibility Calculators

Employees enter situation (reason, state, tenure, duration) and receive tailored output: which programs apply, benefit amounts, offset rules, next steps. Employer case studies document 35% reductions in administrative time at intake.

Benefit Offset Calculators

Critical for multi-state employers. Employees understand whether state PFML, employer-sponsored disability, and unpaid FMLA stack, offset, or run concurrently — preventing the confusion that drives the 46% employer confusion rate.

Accrual & Balance Trackers

Cloud-based systems provide real-time visibility into PTO balances, accrual rates, and future availability — directly addressing the 45% of employees confused about their PTO.

SMS / Just-in-Time Reminders

Text-based leave reminders sent at key decision points reduce missed deadlines and certification errors. Especially effective for non-desk and frontline workers without routine computer access.

Adoption barriers: limited tech access for non-desk workers, limited language options, and the need for frequent regulatory updates as state laws evolve.

The Business Case for Leave Literacy

Organizations with mature leave literacy programs vs. baseline | Standard Insurance longitudinal analysis

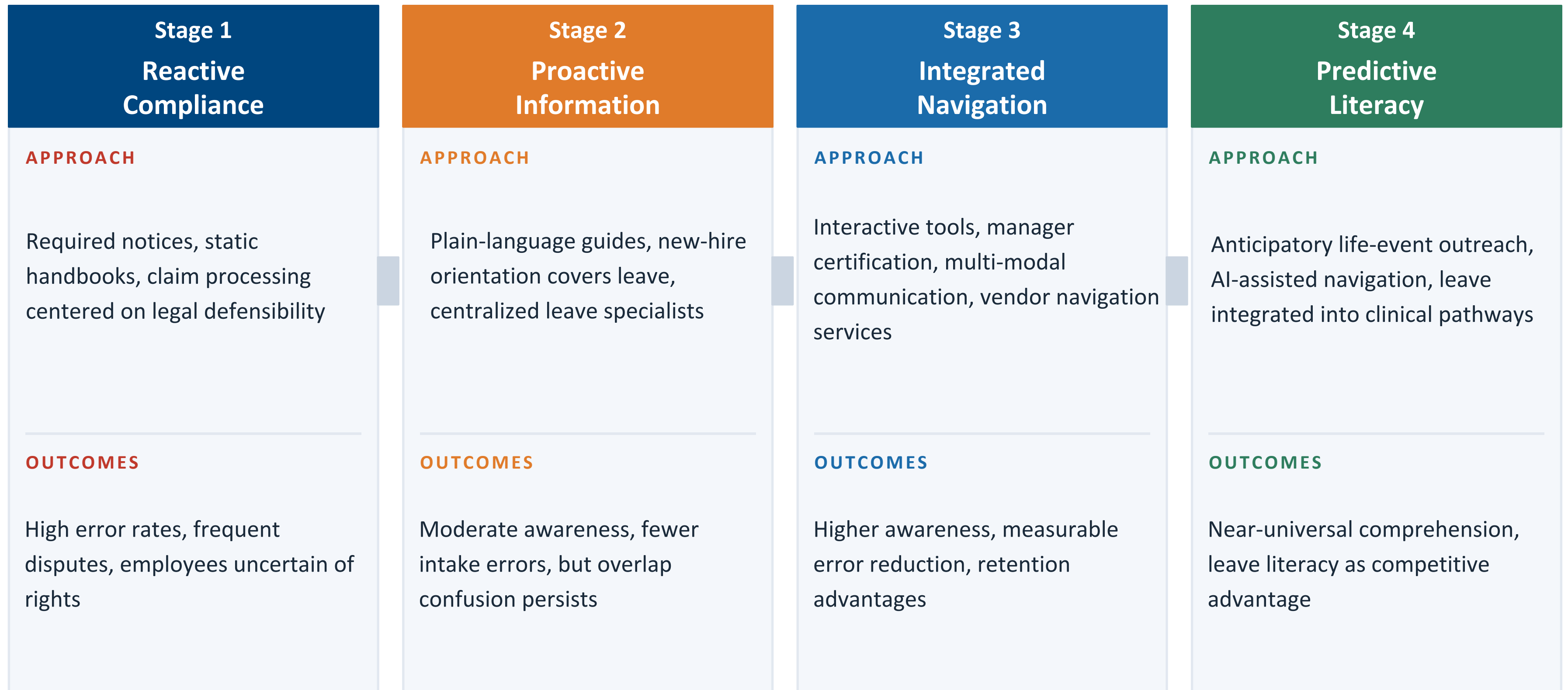


New Jersey PFML: Post-implementation: 3.6% retention improvement, especially for new parents and low-wage workers — with no net increase in employer costs once turnover savings factored in.

Replacing a skilled employee: Costs 50–200% of annual salary depending on role. Even a 3.6% retention improvement generates measurable ROI on literacy investments.

DOL data on disputes: 25% of FMLA-related disputes stem from miscommunication — an obvious and preventable target for improvement.

A Leave Literacy Maturity Model



Most employers operate at Stage 1 or 2. The evidence shows Stage 3–4 is where measurable ROI accumulates.

From Evidence to Action: A Practical Roadmap

0–6 Months

Quick Wins

- Audit existing materials for readability — target 8th-grade reading level
- Create plain-language versions of required notices
- Build manager one-pagers for the five most common scenarios
- Set up manager office hours with leave specialists

6–18 Months

Medium-Term
Investment

- Deploy interactive eligibility tool integrating FMLA, PFML, STD, and PTO
- Implement manager certification with scenario-based competency demonstration
- Launch event-triggered outreach tied to life events and claims activity
- Partner with a TPA offering multi-language support and mobile navigation

18+ Months

Long-Term Capabilities

- Build predictive analytics to identify employees likely to need leave
- Integrate leave navigation into EAP, mental health, and condition management pathways
- Develop manager simulations beyond online training — role-play and facilitated scenarios
- Measure leave literacy as a KPI on HR performance dashboards

The Bottom Line

Leave literacy deficits are widespread — affecting both employees and managers across every leave type.

The communication approaches that produce results are multi-modal, manager-focused, interactive, and triggered by life events — not annual compliance blasts.

The business case is measurable: retention, absenteeism, error rates, and disputes all move when literacy improves.

Literacy gaps disproportionately harm workers least equipped to navigate complexity — which means this is also an equity issue.

With PFML expanding and mental health disability increasingly intersecting with ADA accommodations, this challenge intensifies. Getting ahead of it is no longer optional.