

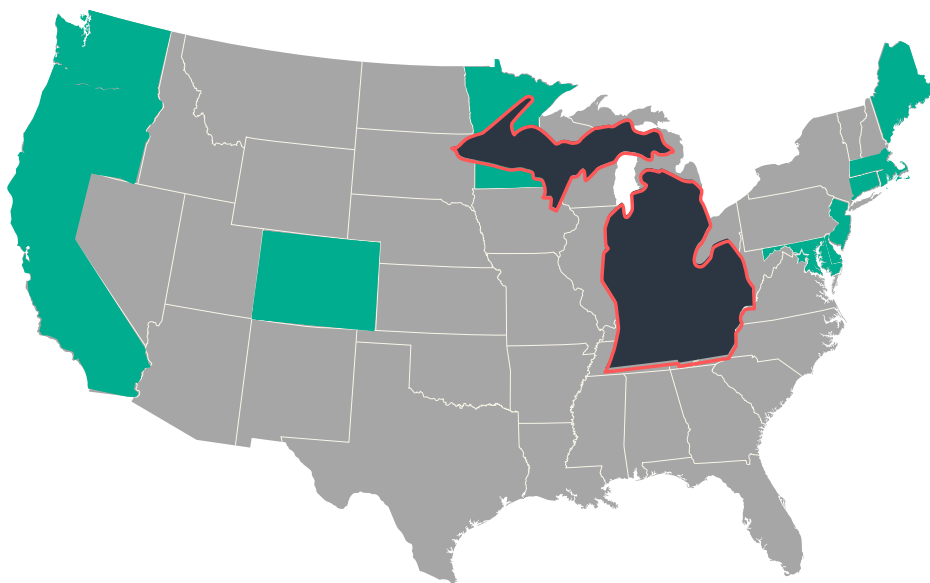


UNITED AGAINST WORKPLACE MANDATES

MANDATING PAID LEAVE BENEFITS: COSTLY FOR EMPLOYERS, EMPLOYEES

We oppose legislation (SB 332-33, HB 4574-75) creating a one-size-fits-all state administered paid leave insurance program. Financed through a new payroll tax on employers, 50% of which can be passed on to employees, the Michigan Family Leave Optimal Coverage (MI-FLOC) program will fund partial wage replacement benefits for 15 weeks of paid leave. This is different, and in addition to, the existing state law requiring employers to provide 40 hours of paid medical leave to eligible employees each calendar year.

- ▶ Raises taxes on employers — and employees.
- ▶ Creates a bloated government bureaucracy, moving leave decisions from HR experts to state bureaucrats.
- ▶ Exacerbates workforce shortages and increases employee absenteeism.
- ▶ Forces businesses to rethink and pull back on existing paid leave and other paid time off (PTO) policies.
- ▶ Creates costly mandates on small businesses.
- ▶ Gives unfettered authority to state government to set employer/employee contributions.
- ▶ Forces employees and employers to begin paying taxes well before benefits are available to them.
- ▶ Creates the most expansive and expensive leave mandate in the country, making Michigan a national outlier.



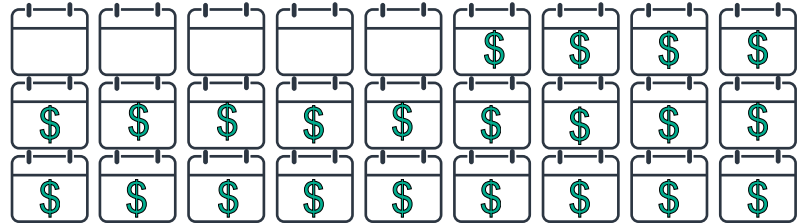
Due to cost and complexity, only 13 other states – CA, CT, MA, NJ, RI, WA, CO, DE, ME, MD, MN, OR and Washington, D.C. – have enacted versions of paid leave mandates. The Michigan proposal is arguably the *most onerous* in terms of eligibility, qualifying events, benefits, and employer obligation.



Employers are in the best position to design benefit packages that serve the distinct needs of their businesses and employees. Michigan employers compete for workers every day and consistently receive national recognition for providing some of the best places to work. **If the state mandates expansive new benefits** without regard for their relevance to the employer and its workforce, **costs will go up.** The results are reduced staff, hours and job opportunities – **hurting workers and their families.**



COST MATTERS



COALITION MEMBERS

- ABC Michigan
- Barry County Chamber and Economic Development Alliance
- Battle Creek Area Chamber of Commerce
- Bay Area Chamber of Commerce
- Big I Michigan
- Business Leaders for Michigan
- Detroit Regional Chamber
- Grand Rapids Chamber
- Greater Niles Chamber
- Home Builders Association of Michigan
- Jackson County Chamber of Commerce
- Michigan Association of Convenience Stores
- Michigan Bankers Association
- Michigan Chamber of Commerce
- Michigan West Coast Chamber of Commerce
- Michigan Licensed Beverage Association
- Michigan Manufacturers Association
- Michigan Nursery & Landscape Association
- Michigan Petroleum Association
- Michigan Retailers Association
- Midland Business Alliance | Chamber of Commerce
- National Federation of Independent Business
- Saginaw County Chamber of Commerce
- Small Business Association of Michigan
- Southwest Michigan Regional Chamber
- Three Rivers Area Chamber of Commerce

OUR ASK

- Oppose costly, restrictive one-size-fits-all mandates.
- Ensure changes proposed through Michigan state agencies consider negative impacts on employers and unintended consequences for employees.
- Create instead a voluntary paid family leave law allowing, or even incentivizing, businesses to provide family leave benefits through private insurance — allowing flexibility in determining weeks of leave, wage replacement rates, payroll deduction rates, and maximum weekly benefit.

