

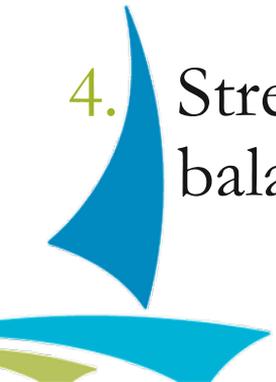
CITY OF MINNEAPOLIS

# Paid Parental Leave

City of Minneapolis  
Executive Committee  
April 22, 2015

# Business Case for Paid Parental Leave

1. Contributes to the City's reputation as being an "employer of choice."
2. Enhances our ability to recruit and retain top talent.
  - Especially with newer and younger employees who often cannot afford to take an unpaid leave.
3. Contributes to creating a more promising future for employees leading to higher engagement.
4. Strengthens working families by providing better life-work balance.



# Summary of Research

- Separate paid parental leave policies still uncommon in local and state government agencies.
- Paid parental leave often provided as part of an organization's Family Medical Leave policy which enables employees to use accrued leave during their absence.



# Benefits

- Greater employee commitment and engagement leading to higher retention.
- Reduction in costs associated with rehiring and retraining.
- More competitive in the labor market.
- Provides a “safety net” for newer employees who are starting families and do not have a lot of accrued leave.



# Anticipated Costs

- Increased costs associated with backfilling positions of employees on leave.
- Perception of employees who will not benefit from the policy.
- The projected average cost of providing one regular full-time employee three weeks of paid leave is about \$5500 (Wages & Fringe only). In 2014, the City of Minneapolis medical plan had about 90 maternity claims (**Source:** Medica).



# Recommendations

- **Amount of Paid Leave**
  - Up to Three Weeks (120 hours)
- **Eligibility**
  - Be eligible to accrue sick leave; and
  - Have no prior misuse of sick leave
- **Leave Period**
  - Starts upon birth of the child, or formal placement of the adopted child.
  - Must be used within 12 weeks following birth or adoption
  - Runs concurrently with other leaves available under federal and state laws and must be taken in a solid block of time.

