



Testimony Re: S-0351, Relating to Labor and Labor Relations – Temporary Disability Insurance
Senate Labor Committee
March 22, 2017
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Rhode Island KIDS COUNT **opposes Senate Bill 0351**, 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 promoting child development 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, the National Center for Children in Poverty, and the Surgeon General of the United States.

In 2015, there were 4,941 approved claims for Temporary Caregiver Insurance in Rhode Island. Of these, more than three-quarters (77%) were to care for a new child. Families from every city and town in Rhode Island participated. Of the 3,803 approved claims to bond with a new child, 99% were for a newborn child, 1% were for a newly adopted child, and 1% were for a new foster child. Thirty-four percent of claims to bond with a new child were filed by men and 66% were 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.

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 2015, there were **729 approved TDI claims for disabling pregnancy complications and 3,187 TDI claims 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 use staff time to develop and implement systems 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) 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.