

PARENTAL LEAVE PROGRAM COST ANALYSIS SUMMARY

PROGRAM PARAMETERS

- 30 days of paid parental leave for birth or adoption of child
 - All sick and vacation must be utilized prior to taking parental leave
 - Parental leave must be utilized within the 90 day FMLA window

DATA SET STATISTICS

- 86 employees added dependents to City plan; average hourly rate = \$27.47
- 59 were non-civil service; average hourly rate = \$26.27
- 29 of these took unpaid leave (all females); 13 took unpaid leave > 30 days; 16 took unpaid leave < 30 days with an average of 17 days.
- 30 took no unpaid leave; 13 used all or almost all sick and vacation leave; 17 returned to work with significant sick and vacation leave balances.

KEY ASSUMPTIONS

- 2/3 of dependents added to City plan, 1/3 added to non-city plans.
- 25% of positions backfilled

SUMMARY OF RESULTS

- “Hard” cost of \$321,434 per year based upon 2012 data and above assumptions. 82% of cost is the result of Mom’s taking paid parental leave instead of taking unpaid leave.
- Remaining 18%, or \$59,217, is the result of projected increases in backfill cost due to parents taking more time off under the parental leave program.
- Additional “soft” cost of \$177,650 reflects the lost productivity value of paying employees to be on leave as opposed to paying them to be at work.

[illegible]

	(2/3)	Plan (1/3)	Total
Dependents Added	59	29.5	88.5
Unpaid leave	29	14.5	43.5
No unpaid leave and used most leave balance	13	6.5	19.5
No unpaid leave but maintained large leave balance	17	8.5	25.5

Average number of days off = 43; average remaining leave balance = 42 days

Category	# of Employees	# of Days	# of Hours	Hourly Rate	Total	Benefits	Total w/Benefits	Comments
<u>Unpaid leave > 30 days (direct program cost)</u>	19.5	30	8	\$ 26.27	\$ 122,944	\$ 31,535	\$ 154,479	Direct cost of employees who would now take paid leave as opposed to unpaid leave. No additional backfill costs are incurred for those who took unpaid leave.
<u>Unpaid leave < 30 days (direct program cost)</u>	24	17	8	\$ 26.27	\$ 85,745	\$ 21,994	\$ 107,739	Direct cost of employees who would now take paid leave as opposed to unpaid leave. No additional backfill costs are incurred for those who took unpaid leave.
<u>Unpaid leave < 30 days (lost productivity)</u>	24	13	8	\$ 26.27	\$ 65,570	\$ 16,819	\$ 82,389	Lost productivity of paying employees to be at home as opposed to paying them to be at work.
<u>Backfill @ 25% (direct program cost)</u>	6	13	8	\$ 26.27	\$ 16,392	\$ 4,205	\$ 20,597	Backfill cost for 25% of employees in the above row.
<u>No unpaid leave and used most leave balance (lost productivity)</u>	19.5	30	8	\$ 26.27	\$ 122,944	\$ 31,535	\$ 154,479	Lost productivity of paying employees to be at home as opposed to paying them to be at work.
<u>Backfill @ 25% (direct program cost)</u>	4.9	30	8	\$ 26.27	\$ 30,736	\$ 7,884	\$ 38,620	Backfill cost for 25% of employees in the above row.

Total Cost of the Program:	\$ 321,434
Lost Productivity:	\$ 177,650