



# 2016 DMEC Employer Leave Management Survey

## EXECUTIVE SUMMARY



## BACKGROUND

This sixth annual report provides a summary and an analysis of the results from 2016 DMEC Employer Leave Management Survey jointly sponsored by the Disability Management Employer Coalition (DMEC) and Spring Consulting Group (Spring). The survey tracks employer methods, challenges, and successes in the administration of the following leave types:

- Family and Medical Leave Act (FMLA)
- State family and medical leaves
- Military leave (USERRA)
- State military leave
- Other state mandated leaves
- Municipal/county leaves (paid and unpaid)
- Medical leave (non-FML qualifying)
- Other company specific leaves (e.g., bereavement, administrative, personal leaves)
- ADA accommodation leave
- Paid sick leave
- Family care leave (paid and unpaid)

EMPLOYER SIZE	2015		2016	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
Less than 50 employees	240	25%	200	18%
50 to 99 employees	80	8%	89	8%
100 to 249 employees	95	10%	102	9%
250 to 499 employees	48	5%	83	7%
500 to 999 employees	76	8%	91	8%
1,000 to 4,999 employees	158	16%	201	18%
5,000 to 9,999 employees	82	9%	124	11%
10,000+ employees	182	18%	242	21%
<b>TOTAL</b>	<b>961</b>	<b>100%</b>	<b>1132</b>	<b>100%</b>

The survey was released at the 2016 DMEC Annual Conference, using a similar online format as 2015 and included 60 questions. It was completed by 1,132 employers, an 18% increase over the number of respondents in 2015 (961). All states, organizational sizes, and a broad range of industries are represented, including healthcare, utilities/energy, retail/wholesale, education, and financial/insurance, to name a few.

Key differences in this year's survey compared to prior years are:

- Further focus on paid leave laws, including paid sick and safe leave and the addition of family care (paid and unpaid) leave
- Consideration of disability plan design, ADA accommodation types, and key FMLA provisions
- Continued exploration of how challenges are being overcome

The 2016 data is weighted to mimic the size distribution of U.S. companies and to make it comparable to 2015.<sup>1</sup> Statistically significant changes are highlighted within the report. Notable differences for small employers are also mentioned. All percentages shown in the charts are weighted and represent employers with 50 or more employees (unless otherwise noted), while the "n" or number of responses represent the actual number of responses.

DMEC and Spring are delighted with the increased interest in the survey. We surpassed 400 respondents in 2013, over 900 in 2014 and 2015, to over 1,000 in 2016. As our goal is to provide meaningful and actionable information to the absence management industry, we hope the results assist with both strategic decision making and tactical application at all levels of employer organizations.

<sup>1</sup> Please note that reports prior to 2013 are not comparable due to the increased sample size, weighting applied, and focus on 50+ versus 1,000+ employers.

## CURRENT ENVIRONMENT

The landscape of employer leaves continues to undergo change and become increasingly complex. Although several regulations such as the Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA), and ADA Amendments Act (ADAAA) have been in place for several years, their interpretation and application is continually clarified. Other forms of paid leave have gained momentum with 5 states, 29 cities, 2 counties, and Washington D.C. enacting paid sick leave (PSL) laws as of October 2016. In addition, numerous employers are implementing parental or family care leave policies to extend time to their employees in need. Although the fate of federal legislation, including Executive Order 13706 which requires certain federal contractors be provided up to seven days of PSL, and the ACA itself are uncertain under a new Presidency in 2017, there is no doubt that the activity at the state, local, and company level will continue. Fortunately, our 2016 survey findings signal that employers are up to the challenge and are continually increasing their awareness, knowledge, and implementation of solutions to improve outcomes for all parties involved.

## KEY TRENDS AND PROPOSED SOLUTIONS

While the survey details provide insights into key trends and solutions that employers can apply at their organizations, successful leave management still comes down to people, processes, and technology. Best practice programs align the people that administer leaves; design processes that are consistent and reflective of their culture; and deploy technology that verifies compliance and efficiency gains for all parties involved.

KEY TREND	POTENTIAL OUTCOME
Outsourcing of leave management continues to increase and employer satisfaction with vendors remains high. Employers of all sizes should evaluate whether outsourcing or continued internal administration is right for their culture, operations, and budget.	<i>As a result of outsourcing, employers can improve compliance with federal, state, and municipal/county laws. In addition, employers can also achieve improved customer service and gain efficiency through the use of the right resources. Outsourcing can also ease the employer's burden to keep up with the ever-changing laws (including those for paid sick and family leave).</i>
Despite increased employer sophistication in managing leave, additional tools, resources, and training are needed.	<i>Tools, resources, and training can help employers focus on the more complex aspects of intermittent leave, ADA interaction, and regulatory variations. Employers are looking for automation, integration with internal systems, and a repository of available positions/jobs to facilitate return to work. Training managers is crucial and having mandatory online annual manager training would support the ongoing training needs/requirements.</i>
Policies continue to be more uniform and more centrally organized. Where to turn for assistance is more pronounced.	<i>Centralized programs provide all departments, divisions, locations, managers, supervisors, and employees access to one central location for all tasks related to leave administration. This activity improves employer preparedness for DOL and EEOC inquiries and moves closer to a total absence management approach.</i>
Use of technology for FMLA management has increased and the importance of updating information in employer HRIS, time & attendance, and payroll systems have become more critical.	<i>As employers of all sizes shift from manual FMLA tracking to automated systems, their time burden is lessened and lack of regulatory knowledge alleviated. More flexible data feeds and uploaded reports would be welcomed improvements in today's environment.</i>
To maintain compliance with the increasing paid sick and family leave laws, employers are constructing their policies to be more generous than required and relying on external counsel to guide them.	<i>Leveraging legal support, structuring broad policies, establishing dedicated internal resources, and potentially outsourcing can help employees stay in compliance with these laws. One-on-one training is the most common method today, but employers are open to other suggestions.</i>

## ACKNOWLEDGEMENTS

DMEC and Spring wish to thank not only the employers that responded to the survey, but also the members of the DMEC Executive Advisory Board (EAB) and Employer Advisory Council (EAC) that originally contributed to and continue to support our survey efforts.

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The Disability Management Employer Coalition (DMEC) is the only association dedicated to providing focused education, knowledge, and networking for absence and disability professionals. Through its national education programs and network of local chapters, DMEC delivers trusted strategies, tools, and resources to minimize lost work time, improve workforce productivity, and maintain legally compliant absence and disability programs.



*Focused Education for Absence and Disability Professionals*

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