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OFFICE OF THE CITY ADMINISTRATOR

TO: Mayor & City Council

Date: June 20th, 2023

RE: Parental Leave

As directed by City Council communicated through the adopted Strategic Plan, and as has become essential to employee recruitment and retention, Executive Staff has actively sought to identify issues of importance to our labor market. Parental leave has surfaced as a distinguishing essential employee benefit for employees and candidates. This benefit is being adopted rapidly in both the private and public sectors. As such, we have conducted significant research and have drafted a proposed parental leave policy that I recommend City Council review and consider for adoption.

Policy:

As drafted, the policy would provide eligible employees up to 240 hours of paid Parental Leave. The leave must be used within 6 months of the birth of an infant or placement of a child. The 240 hours of Parental Leave may be used only once per child event. In other words, the number of children born, adopted, or placed during a single event does not increase the leave allowance. Unused parental leave is forfeited 6 months from the date of the birth/placement. Unused parental leave is not compensable if an employee separates from employment. If a City holiday occurs while an employee is on parental leave, that day will be paid as a holiday and the parental leave allowance will not be extended.

Background:

The City's current policy as it pertains to parental leave is significantly behind the private sector and increasingly so in the public sector. Over the recent past, the City of Chesterfield has experienced unprecedented employee turnover and ineffective recruitment. Chesterfield's labor experience is not unique due to a shrinking labor force, increased childcare expenses, and cultural changes in the workforce. Competitive employers have taken aggressive steps to improve compensation and

benefits. In the high-demand labor market for skilled public sector workers, Chesterfield must continue to evaluate current work rules and policies to remain competitive. Parental leave is one of several personnel related issues to be considered.

The purpose of this policy is to give parents additional flexibility and time to bond with their new child while adjusting to a changing family situation. While such paid leave is not required by law, family-friendly policies are essential to cultivating an atmosphere where employees can thrive professionally without sacrificing essential family obligations. Maternity/Paternity/Adoption/Foster Leave under this policy is a paid leave associated with the birth of an employee's own child or the placement of a child with the employee in connection with adoption or foster care.

In contrast, Chesterfield staff who take parental leave must file for FMLA and use banked vacation and sick leave for pay. Currently, and as occurs routinely, low tenured employees who experienced the birth of a child, took FMLA for parental leave and exhausted their accrued vacation and sick leave within weeks of the birth of their child causing them to be on unpaid leave for an extended period of time. Those same employees have expressed how difficult it is to regain the sick and vacation leave following the birth of their child due to various childcare responsibilities. Even more concerning, are those situations where an employee experiences the birth of a child, consumes all of their accrued leave and then elects not to return to work in order to continue to care for their child.

The City of Chesterfield requires that when FMLA leave is utilized, that it be taken concurrently with any employee accrued sick and vacation leave. In this manner, the City is best positioned to minimize extended absences. The Family Medical Leave Act (FMLA) already require employers to provide up to 12 weeks of unpaid leave for qualifying life events, including the birth or adoption of a child.

Our Parental Leave policy is proposed to run concurrently with Family and Medical Leave Act (FMLA) leave. The employee will be required to obtain a physician's certification of the qualifying FMLA event to be eligible for the parental leave benefit.

Paid parental leave has been shown to lead to significant savings for employers, primarily by reducing employee turnover and boosting worker retention. Research has shown that access to paid parental leave reduces the likelihood of new parents leaving the labor force by 20%.¹ Rehiring and training a replacement represents a

¹ Jones, K., & Wilcher, B. (2019). Reducing maternal labor market detachment: A role for paid family leave. American University Working Paper Series

significant cost to employers and is estimated to cost approximately 21% of a lost employee's annual salary.²

Paid parental leave increases productivity and has little impact on daily operations. Research has shown that work-family benefits attract a higher quality workforce and reduce absenteeism and tardiness among workers, thereby increasing overall productivity.³ Further, 87% of employers in California reported a positive effect or no noticeable effect on business operations due to paid parental leave and 91% report a positive effect or no noticeable effect on business profitability and performance upon instituting parental leave.⁴

Attachments: Parental Leave Policy

² Boushey, H., & Glynn, S. J. (2012). There are significant business costs to replacing employees. Center for American Progress, 16, 1-9.

³ Meyer, Christine Siegwarth, Swati Mukerjee, and Ann Sestero. "Work-family benefits: which ones maximize profits?." Journal of managerial Issues (2001): 28-44.

⁴ Appelbaum, E., and R. Milkman. "Employer and worker experiences with paid family leave in California." Leaves That Pay (2011): 1-32.

PARENTAL LEAVE

Policy Statement

The purpose of this policy is to give employee parents additional flexibility and time to bond with their new child while adjusting to a changing family situation. While such paid leave is not required by law, family-friendly policies are essential to cultivating an atmosphere where employees can thrive professionally without sacrificing essential family obligations. Leave under this policy is paid leave associated with the birth of an employee's own child or the placement of a child with the employee in connection with surrogates, adoption, or foster care. Such paid leave under this policy will not be charged against the employee's other paid leave benefits, however, Paid Parental Leave and FMLA Leave will run concurrently.

Eligibility

In order to qualify for leave under this policy, an employee must satisfy the requirements of both employee and event eligibility.

Eligible employees must meet the following criteria:

1. Must be a full-time employee with at least one-year (1) of continuous service at the time of the eligible event; and
2. The employee becomes the parent of a child who resides in the same household due to an eligible birth, adoption, or foster parent event.

The following eligible events qualify for Parental Leave under this policy:

1. The eligible employee gives birth to a child;
2. The birth of a child who resides in the same household, for whom the eligible employee is the mother or father of the child;
3. The placement of a child of twelve (12) years of age or younger through adoption or foster care. Only a new placement will qualify as an eligible event. Prior foster care placement or adoption will not be an eligible event.
4. Event must be FMLA certified.
5. Special circumstances which may be individually authorized and approved by the City Administrator, such as: An event where an eligible

employee assumes legal custody and responsibility for a familial child or children due to death or incapacitation of their parents.

Parental Leave Time

Parental Leave shall not exceed two-hundred forty hours (240) per qualifying event.

Parental Leave described in this policy shall be available for a 6-month period following the birth or adoption of a child.

Employees are eligible for up to 240 hours of Parental Leave in a rolling 12-month period. In the event one or more children are born, adopted, or fostered the amount of Parental Leave will not be adjusted.

In the event the parents involved in a qualifying event are both employees of the City; the total amount of parental leave authorized for the event, not more than 240 hours, shall be shared between the employee parents. The amount of parental leave apportioned between the employee parents is to be solely determined by the parent employees involved and can be shared in any proportion.

If the Parental Leave is to be shared between two parent employees:

1. The employees must provide a coordinated four-week advance schedule submitted on behalf of both employees utilizing Parental Leave. Schedule may be waived for the first two weeks of Parental Leave in such instances where the onset of the Parental Leave is indeterminate.

Parental Leave may be used intermittently during the 6-month period, but leave must be used in minimum one-week increments (Sunday 12:01 am thru Saturday 12:00 am Midnight) for ease of scheduling and tracking purposes.

1. If used intermittently, employee must provide a minimum four-week advance schedule. Schedule may be waived for the first two weeks of Parental Leave in such instances where the onset of the Parental Leave is indeterminate.

Employee Responsibilities

Employee responsibilities include the following:

1. An eligible employee shall initially notify their supervisor of the need for Parental Leave and include the estimated timing of such leave at least thirty (30) calendar days in advance of the anticipated onset of the Parental Leave. If

the need for Parental Leave is not foreseeable, an eligible employee must give notice of the need to their supervisor as soon as practicable. Notice shall be provided in writing, on forms available by the City.

- a. The employee(s) shall make written their request for parental leave on the appropriate form as made available by the City and as approved by the Department Head. Copies of the approved forms shall be provided to the Finance Director and Manager of Human Resources.
- b. FMLA certification. The employee is required to provide the necessary FMLA documentation from the physician or agency with an estimated due date.
- c. Official court documents providing the date of adoption or placement must be provided.
- c. Once the two-hundred forty hours (240) of Parental Leave has been exhausted, employees may request continued leave covered under other policies as applicable and in accordance with all other City policies.
- d. Upon termination or resignation of employment, the employee shall not be eligible for payment of any unused Parental Leave.
- e. Employees on Parental Leave may not be otherwise employed, work secondary employment, be contracted for work or services, or otherwise perform compensated activities outside of their scope of work for the City of Chesterfield. Exceptions may be made only in the event of a court subpoena, natural disaster response, or in limited emergency situations where the employee's absence would significantly impair the City's ability to successfully respond to a natural disaster or other emergency occurrence.
- f. Disciplinary action, up to and including termination, may be taken against an employee who uses Parental Leave for purposes other than those described in this policy.