

Economic Security for New Parents Act

Senator Marco Rubio

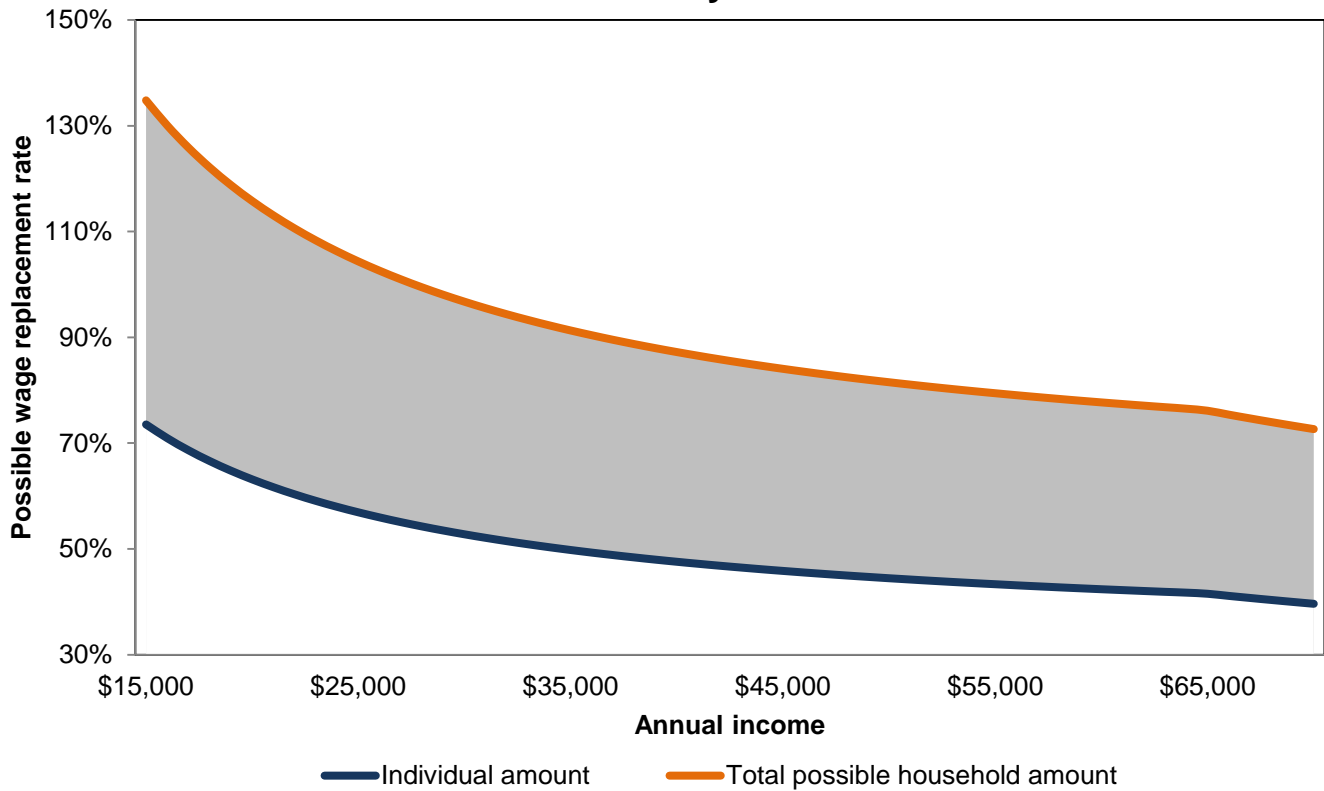
What it does:

- Creates an option for new parents to pull forward a portion of their Social Security to use for paid parental leave after the birth or adoption of a child.
- Parents taking the option will receive a Social Security benefit to use for **at least** two months of leave across their household.
 - The benefit amount is large enough that nearly all parents making below median family income of about \$70,000 will be able to take two months leave at over 70 percent of their wages.
 - Many parents, especially those with low incomes, will be able to finance longer three months of leave with the amount of the benefit.
- Two-parent households will be able to transfer their benefit to their spouse.
 - For example, one parent could use the benefit for two weeks of leave, while the other uses their individual benefit + the other parent's benefit for **at least** 6 weeks.
- “Stay-at-home” parents with an earnings history that meets eligibility requirements will also be able to take the option.
- Parents taking the option will delay the date at which they begin receiving Social Security retirement benefits by 3 to 6 months per benefit taken, as determined by the Social Security Administration each year.

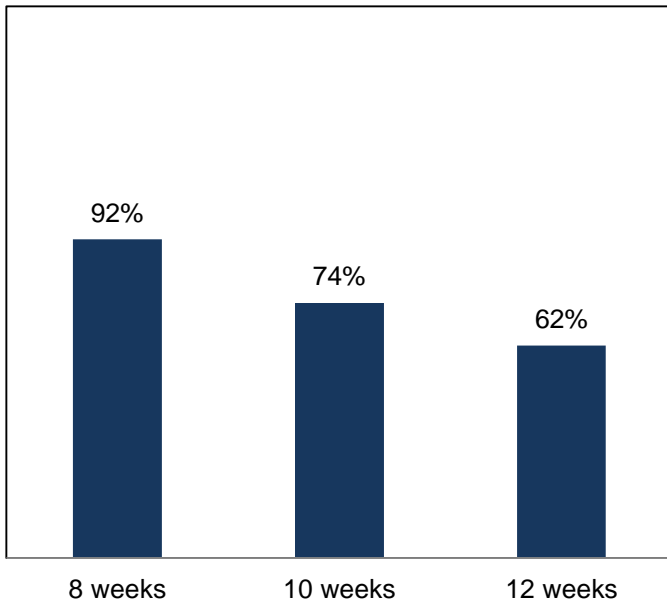
How does it work?

- Expecting parents will file an application with SSA. Upon verification of the parent's eligibility, SSA will notify parents of their expected eligibility for the parental leave benefit.
- After the birth or adoption of the child, approved parents will provide SSA with additional documentation, and upon verification SSA will remit the parental leave benefit.
- The benefit will be delivered in two monthly payments of equivalent size.

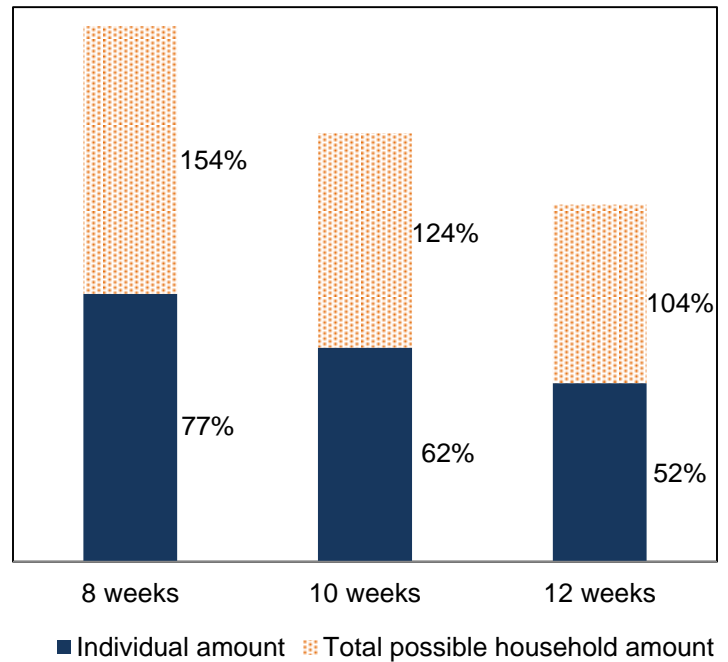
Possible wage replacement rates over 3 months of leave under the Economic Security for New Parents Act



Wage replacement rates for mother earning \$25,000 at her chosen time off



Wage replacement rate for parent taking leave in a household of two parents, both earning \$40,000



*The gray area in the first chart represents the range of possibilities under a transferable benefit, assuming spouses of equivalent incomes and spouse taking the lower period of leave takes leave for 2 weeks.

** All amounts assume annual income is stable in inflation-adjusted terms in the years preceding birth. Actual amounts will vary depending on the variance of the individual's income in the years preceding birth.