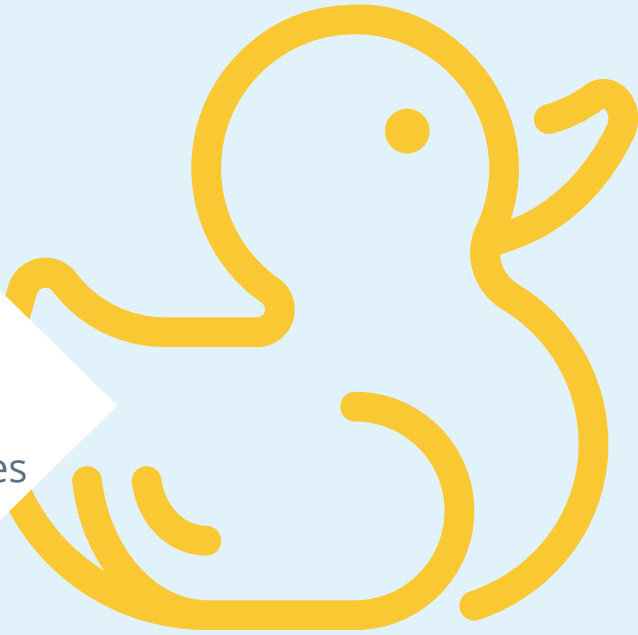


Bringing Up Baby:

A Guide to Workplace Parental Leave Resources



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Overview

In 2017 in the U.S., there were 3.9 million births¹ and approximately 135,000 adoptions², the majority of these to working parents. And while this can be one of the most exciting life milestones, any mom or dad would tell you navigating the complex maze of employee benefits can be confusing. Between short-term disability insurance, Family Medical Leave, vacation, paid time off, and state and municipal paid leave laws, it's all enough to induce anxiety.

An industry leader in employee benefits, Unum recently conducted research among new parents to better understand some of their challenges. Included in this guide are key findings from this research along with tips for new parents, people managers, and HR professionals. While not meant to be a comprehensive checklist, these recommendations can help prioritize key considerations when an employee is planning for a new child and facilitate the conversation with an HR department.



Pre-birth/adoption checklist



Familiarize yourself with your company's leave policies.

Included in many employee benefits are these most common types of leave:

✓ Short term disability insurance

If you're a birth mother, including your elimination period, you may receive short-term disability benefits typically for 6 weeks, at ranges from 60 to 100% of your salary.



38% of new parents did not understand short term disability insurance prior to having a child

✓ Paid parental leave

Many companies provide additional paid leave for new parents, which can range from a couple of weeks to a couple of months. See unum.com/leave for more on what leading companies are providing.



51% of new parents said their employer offered paid parental leave, with **60%** providing between 3-6 weeks

✓ Family Medical Leave Act (FMLA)

The Family and Medical Leave Act (FMLA)³ provides certain employees with up to 12 weeks of unpaid, job-protected leave per year.



32% of new parents didn't understand FMLA prior to having a child

✓ State Leave Policies

Be sure to research your specific state's leave laws⁴. Some states allow additional benefits for new parents.



Paid time off/vacation



Based on your due date and time off allowed, determine the likely time period when you will be out of the office.



Know your medical insurance policy details.

If you are covered under your company's medical plans, know your deductible and out-of-pocket-maximums for individual and family. Call your insurance provider and ask them for standard out-of-pocket expenses and details on how/when the delivery and any additional care such as the need for a C-section or neonatal intensive care stay, would be covered under your policy or under the baby's policy.



Pre-birth/adoption, continued

- At the point where you feel comfortable disclosing this news, meet with your manager and HR to inform them of your pregnancy or plans to adopt and develop your leave plan.

This leave plan will outline when and how long you will be out of the workplace and specify who will cover your duties during your time away. It will vary widely in scope and formality depending on your industry and role. If you plan to remain engaged with work during your leave, propose a communication plan to your manager. Agree on how you will interact with the team, communication frequency and method, level of engagement, and technology needs (if any) during the leave period.

- Talk to your HR rep about any employee perks for new parents:



Flexible or work-from-home schedule upon your return to the workplace



Formal or informal group for new parents at your company who meet to discuss relevant topics



Lactation rooms and breast milk storage and shipping options



College savings account



49%
new moms



36%
new dads

did not meet with their manager or HR to develop a leave plan



20% of moms said they were uninvolved in the development of their leave plan



49% of new parents finalized their leave plan 2-3 months prior to being away

Upon returning to work, most new parents struggled with:



61%

emotional struggle of leaving their child



52%

not wanting to return to work but needing the income



47%

breastfeeding at work (moms)



42%

logistics of childcare



37%

reduced focus or concentration at work



31%

getting up to speed at work

Pre-birth/adoption, continued

- Set up your short term disability insurance claim several weeks prior to your due date.**

Your HR department will provide you with contact information at your company's disability insurance provider. Keep a list of all your contacts, details of what to do next and keep it with you at home or hospital. After the baby comes, the last thing you want to do is scramble to find all this information or be on the phone with HR.



- Discuss with your HR department any adjusted payroll deductions and the impact it will have on your salary during your leave.**

Depending on the type and length of leave you take, this can impact insurance deductions and your overall paycheck. Be sure to fully understand the financial impact before taking leave.



Post-birth/adoption checklist: Parents

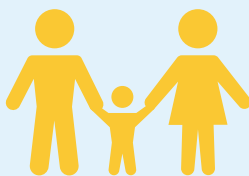
- Get a Social Security number⁵ for your child**

as soon as possible to capture several tax benefits that will help defray some child-rearing costs.



- Consider increasing the number of allowances on your W-4 form.**

This will increase the amount of your take-home pay in response to the increased deductions you'll receive for the child. Also be sure to review all current tax credits⁶ that may apply now that you have a child – selecting the correct credits can save you money.



- Talk to HR about what flexible spending account⁷ (FSA) options**

you have at your company. Consider signing up or increasing the amount you put into an FSA for health care if it's available at work, and if both parents work, considering starting an FSA for child-care. Just be aware in the case of the child-care FSA that you can't simultaneously claim a child-care tax credit, so you'll have to determine which option offers the greater tax savings.



With these types of accounts, pre-tax dollars are set aside from your paycheck—up to **\$3,000 for medical** and **\$5,000 for child care**. You withdraw funds tax free from the accounts as you incur qualified expenses.

- Add your child to your health insurance plan**

and review possible plan changes. Is your pediatrician on your current plan? Does it cover well-baby visits?



New parents were most grateful for these employee benefits:



54%
health insurance



51%
PTO/vacation time



41%
paid parental leave



33%
FMLA job protection

Post-birth/adoption: Parents, continued

- Take a closer look at the types of insurance you have and where gaps may exist.



Increase your life insurance to provide for the future needs of the child in your absence.



If you don't have adequate disability insurance, either sign up or increase your policy. Long term disability insurance can be purchased through the workplace and will generally replace about 60% of your salary if you have a qualifying illness or injury.



Also ask your HR department about other types of insurance such as dental, vision, accident and hospital. These are usually inexpensive policies that can ultimately save you money (and anxiety).

- Start saving for your child's education.

Like any form of investing, the sooner you start the less you need to invest to reach a specific target. That's because the power of compound earnings grows stronger over time. Some companies provide money towards a 529 Plan⁸, which is a tax-advantaged savings plan designed to encourage saving for future education costs. Talk to your HR department to determine if your company provides any education savings benefits.



- Talk to your HR rep to see if your company offers an employee assistance program⁹ (EAP).

An EAP can provide a wide range of support services including financial planning assistance, mental health counseling, help in finding child care, support resources for caregivers, and other valuable services – all at no cost to you.



92% of HR leaders say their company offers an EAP

only 16% of new parents say they have one, illustrating a lack of awareness of the services



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Only 7% of new parents said their employer offers financial support for a child's education

The biggest impacts on new parents include:



48%
more tired/
exhausted



38%
busier



35%
more stressed
out



30%
more
financially
stressed



29%
less time
for spouse/
partner



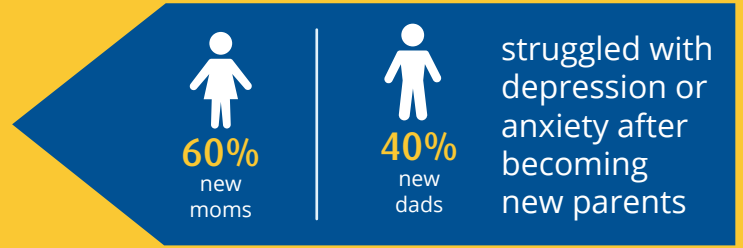
18%
less satisfying
sex life



Post-birth/adoption checklist: HR pros

- **Assure that the new parent feels supported upon their return to the office.**

Having or adopting a child is one of the happiest times in a person's life. But many new parents also often struggle with depression and anxiety. Check in with them regularly, and encourage their colleagues to do the same, both while they are away from the workplace and upon their return.



- **Schedule time to meet with the new parent upon their return to the workplace.**

During this meeting, communicate that you're excited for them and want to be supportive.

- **For new mothers, address lactation rooms or where they can pump in privacy and review guidelines for breaks.**

Provide information on where they can store their milk and, if the employee travels, any milk shipping services.



EAPs are often widely underutilized and under-promoted, so if your company offers one, review some of the resources available.



Work with the parent and their manager to build in breaks or half days as part of their return to work plan.



Offer a 30-day snapshot of what to expect and what is expected in that first rough month back – clarity breeds confidence.



Only 7% of new parents said their employer offers working parent networking groups



- **Consider establishing a parent resource group¹⁰ in your company.**

These no- or low-cost groups can help new parents connect, share ideas and information such as favorite pediatricians, preschool or daycare recommendations, tips for navigating insurance benefits, and other relevant topics.

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Sources:

- All statistics are based on responses from 500 U.S. working parents who have had or adopted a child in the previous five years. Research conducted March 2019 by Dynata on behalf of Unum.
- Hyperlinks to third party websites are offered for informational purposes only. Unum in no way controls, guarantees, endorses, sponsors, or promotes these websites or their content.

¹ <https://www.census.gov/topics/health/births-deaths.html>, April 2019

² <https://adoptionnetwork.com/adoption-statistics>, April 2019

³ <https://www.dol.gov/whd/fmla/>, April 2019

⁴ <http://www.ncsl.org/research/labor-and-employment/state-family-and-medical-leave-laws.aspx>, April 2019

⁵ <https://www.ssa.gov/pubs/EN-05-10023.pdf>, April 2019

⁶ <https://www.fool.com/taxes/2018/03/27/are-you-having-a-baby-here-are-the-tax-breaks-you.aspx>, April 2019

⁷ <https://www.healthcare.gov/have-job-based-coverage/flexible-spending-accounts/>, April 2019

⁸ <https://www.sec.gov/reportspubs/investor-publications/investorpubsintro529htm.html>, April 2019

⁹ <https://www.shrm.org/resourcesandtools/tools-and-samples/hr-qa/pages/whatisaneap.aspx>, April 2019

¹⁰ <https://www.workingmother.com/employee-resource-groups>, April 2019

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