



May 8, 2019

The Honorable Richard Neal  
Chairman  
House Ways and Means Committee

The Honorable Kevin Brady  
Ranking Member  
House Ways and Means Committee

Dear Chairman Neal and Ranking Member Brady:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 69 chapters representing more than 21,000 members, we appreciate the opportunity to comment on the House Ways and Means Committee's hearing on "Paid Family and Medical Leave: Helping Workers and Employers Succeed." ABC and our members are committed to promoting a productive and healthy workforce and know that offering critical workplace benefits can support employees' health and wellness.

ABC understands that Americans have long struggled with the stress of finding a healthy balance between work and family, especially when it comes to new families following the birth or adoption of a child and individuals dealing with a personal or family illness. ABC and its members remain committed to providing essential workplace benefits, and we are committed to working with Congress and the White House to expand access to paid family and medical leave.

While providing quality employee benefits is a top priority for ABC and its member companies, we remain concerned about the federal paid leave proposals currently introduced in Congress that prescribe restrictive government mandates and additional payroll taxes which would most adversely affect lower income workers and could have a detrimental impact on the wages and employee benefits that construction employers currently provide.

ABC is also particularly concerned that the mandated 0.4 percent payroll tax under the *Family and Medical Insurance Leave Act* proposed by Sen. Kirsten Gillibrand (D-N.Y.) and Rep. Rosa DeLauro (D-Conn.) may not sufficiently cover the full cost of the proposed program.

As is common in the construction industry, many ABC members operate under tight deadlines and work to complete projects in an effective and efficient manner. ABC believes that a mandated payroll tax could negatively impact the construction industry in two ways when it comes to time-sensitive projects: 1) Construction workers might not be able to take leave and therefore might not ever receive benefits from the program; or 2) Forcing employers to provide multiple months of paid leave to employees could result in higher rates of leave taken, resulting in additional costs and time to complete these projects.

In the previous Congress, ABC supported the House worked to pass the *Working Families Flexibility Act*. This legislation would have amended the Fair Labor Standards Act to provide compensatory time for employees in the private sector.

ABC and its member companies have always supported workplace flexibility; however, current wage and hour laws prohibit private sector employers from offering non-exempt employees the option of paid time off instead of overtime payments—a benefit state and local government employees have long enjoyed. This bill offered a reasonable solution for both employers and employees by extending this benefit to the private sector, and the House should work to pass this bill in 116<sup>th</sup> Congress.

ABC also supported the *Tax Cuts and Jobs Act (Pub.L. 115–97)*, which provides a new tax credit for eligible employers who provide at least two weeks of paid family and medical leave to their employees during tax years 2018 and 2019. ABC urges the committee to expand this business credit for future years to encourage our nation’s employers to continue to offer these benefits for their employees.

ABC appreciates the importance of this issue, but we remain concerned that expensive and invasive government mandates will have an adverse impact on construction industry employers’ ability to provide much-needed benefits for their workforce. ABC believes that participation in any federal program established to support and expand family and medical leave should be voluntary for employers and employees.

We look forward to continuing to work with you to develop innovative proposals that encourage and incentivize employers to offer paid medical and family leave to hardworking Americans.

Sincerely,



Kristen Swearingen  
Vice President of Legislative & Political Affairs  
Associated Builders and Contractors