

BENEFITS insights

Maternity Leave Benefits

Many women choose to balance their career with starting a family, meaning employers often face the issue of managing employee pregnancy and maternity leave. Companies handle this issue in different ways, but federal mandates affect certain aspects of employee pregnancy and leave. Understanding and abiding by these regulations will help stay in compliance, avoid discrimination lawsuits and remain an attractive workplace to employees.

Pregnancy Discrimination Act

Under this act, which amended Title VII of the Civil Rights Act of 1964, pregnancy is considered a temporary disability, and should be treated as the employer would treat any other short-term disability. The act applies to any companies with 15 or more employees, and prohibits any kind of discrimination based on pregnancy, childbirth or related medical conditions. For example:

- Employers may not refuse to hire a pregnant woman based on her pregnancy.
- In granting sick leave, disability leave or modified job duties, employers must treat pregnant women as they would any other employee with a disability. For instance, if short-term disability is generally granted without making the employee exhaust their sick

leave or vacation days, then the same must be allowed for maternity leave.

- While an employee is on maternity leave, her job status and seniority must remain secure, including all health insurance, retirement and other benefits.
- While on maternity leave, employees should continue to receive the same fringe benefits, compensation, vacation

least comparable to any other short-term disability leave. For employers with 50 or more employees, the Family and Medical Leave Act (FMLA) also applies, which grants the employee 12 weeks of unpaid maternity leave. Generally, employers also allow employees to use vacation or paid sick time to supplement their allotted time off. This is not always ideal though, since employees often like to have that time off available in case of illness (their own or their child's) down the road.

Companies handle maternity leave in different ways, but there are federal mandates for certain aspects of employee pregnancy and leave that every employer must follow.

calculation and seniority accrual as any employee on short-term disability leave.

- Pregnancy-related medical expenses should be reimbursed exactly as expenses for any other medical condition.

Length of Maternity Leave

There is no federally mandated minimum amount of time required for maternity leave, but the courts state that the leave must be reasonable in length. The Pregnancy Discrimination Act holds that the leave should be at

Companies may choose to simply comply with those federal acts, or craft their own plan. They may offer maternity leave as a separate benefit (if they don't offer short-term disability, for instance). In that case, the company must ensure they are not discriminating against pregnant employees, but rather are treating them reasonably and as if they had any other disabling condition. Employers also may choose to offer maternity benefits above and beyond their short-term disability allowances or FMLA requirements.

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While allowing significant time off for an employee can be burdensome, especially if it is paid time off, offering maternity leave can still benefit the employer. Providing a workplace that is sensitive and accommodating to employees' work-life balance is a great recruiting and retention tool for employers. The cost of recruiting, hiring and training a mid- to top-level employee generally far outweighs the short-term cost of allowing generous maternity leave and flexible time scheduling after the birth of a child.