Proposal for the Modernizing Income and Time-Off for Caregiving and Health Act of 2026

The MITCH Act

Modernizing Income and Time-Off for Caregiving and Health Act

A Proposal to Establish a National Standard for Paid Sick, Family Caregiving, and Parental Leave

Executive Summary

The United States should establish a reasonable national minimum standard ensuring that workers do not have to choose between maintaining their income and caring for their health, a new child, or an immediate family member.

The **Modernizing Income and Time-Off for Caregiving and Health Act**, or **MITCH Act**, would create a federal baseline for paid sick leave, paid parental leave, and paid family caregiving leave while allowing states and employers to provide more generous benefits.

The proposal is intended to balance the needs of employees, families, employers, and small businesses. It would provide workers with predictable access to paid leave while creating one clear federal minimum standard rather than forcing families to depend entirely upon an employer's individual policies or the state in which they happen to live.

The MITCH Act should be designed around five principles:

1. No worker should have to choose between going to work sick and losing the income needed to pay basic expenses.
2. Parents should have reasonable paid time to care for and bond with a newborn, newly adopted child, or newly placed foster child.
3. Workers should be able to provide necessary care for close family members during serious illnesses and medical emergencies.
4. Employers, particularly small businesses, should not be forced to bear the entire financial cost of a national paid-leave program.
5. Federal law should establish a minimum protection while allowing states and employers to offer stronger benefits.

I. Paid Sick Leave

The MITCH Act would establish a national minimum paid sick leave benefit for covered employees.

Paid sick leave could be used for:

- An employee's illness or injury.
- Medical, dental, mental-health, or other healthcare appointments.
- Preventive medical care.
- Recovery following outpatient procedures or hospitalization.
- Treatment or management of an ongoing medical condition.
- Caring for a sick child, spouse, parent, or other qualifying family member.
- Public-health situations in which an employee or dependent has been advised to remain home because of a contagious illness.

Proposed Minimum Benefit

Employees should earn at least:

One hour of paid sick leave for every 30 hours worked, up to a federally established annual minimum.

A reasonable initial federal standard would be **seven paid sick days, or 56 hours, per year for a full-time employee**.

Employees working fewer hours would accrue leave proportionately.

Unused sick leave should be allowed to carry over from year to year, subject to a reasonable maximum balance established by regulation.

Employers already offering an equivalent or more generous paid-time-off program would not be required to create a separate sick-leave bank.

II. Paid Parental Leave

The MITCH Act would establish paid parental leave following:

- The birth of a child.
- Adoption of a child.
- Placement of a foster child.
- Placement of a child through a legal guardianship arrangement when the employee assumes primary parental responsibility.

The benefit should apply equally regardless of the employee's gender or whether the employee is the biological, adoptive, foster, or otherwise legally recognized parent.

Proposed Benefit

Eligible employees would receive up to:

12 weeks of paid parental leave within the first 12 months following birth or placement.

Employees should be permitted to take this leave continuously or, when medically or practically necessary, intermittently under reasonable program rules.

III. Paid Family Caregiving Leave

Workers may sometimes need extended time away from work to care for a seriously ill family member.

The MITCH Act would therefore provide paid family caregiving leave when an employee must care for a qualifying family member experiencing:

- A serious illness.
- Hospitalization.
- Recovery following major surgery.
- A significant injury.
- A serious chronic medical condition.
- Hospice or end-of-life care.
- Another qualifying serious health condition established by federal regulation.

Proposed Benefit

Eligible employees would receive up to:

12 weeks of paid family caregiving leave during a 12-month period.

Parental and caregiving leave could operate under a combined annual or rolling benefit structure, with protections designed to prevent employees facing multiple qualifying family events from losing access to necessary leave.

IV. Wage Replacement

Paid leave must provide meaningful wage replacement.

A program that technically provides leave while replacing so little income that workers cannot afford to use it would fail to accomplish its purpose.

The MITCH Act should use a progressive wage-replacement formula.

One possible structure would provide:

- A higher percentage of wages for lower-income workers.

- A moderate replacement percentage for middle-income workers.
- A reasonable weekly maximum benefit for higher-income workers.

For example, the federal program could replace approximately **two-thirds of a worker's normal wages**, while providing a higher replacement percentage for lower-wage employees.

The exact benefit formula should be determined through economic analysis and congressional scoring to ensure that the program remains both useful to workers and financially sustainable.

V. Funding

The cost of extended paid family and parental leave should not fall entirely on individual employers.

Doing so would disproportionately affect small businesses and could discourage employers from hiring workers who may need leave.

Instead, the MITCH Act should establish a national paid-leave insurance program funded through a modest payroll contribution shared between employers and employees.

Congress could consider:

- A small employer payroll contribution.
- A small employee payroll contribution.
- Federal general-revenue support during the program's initial implementation.
- Reduced employer contributions for qualifying small businesses.
- Tax credits or subsidies for very small employers.

Paid sick leave used for short-term absences could continue to be directly provided by employers, similar to ordinary wages or other paid time off.

Extended parental and family caregiving benefits would be paid primarily through the federal insurance program.

This structure would spread the risk across the national workforce rather than placing the entire financial burden on whichever employer happens to have an employee experience a major family event.

VI. Small Business Protections

Any national paid-leave program must recognize that a business employing five people operates very differently from a corporation employing 50,000.

The MITCH Act should therefore provide additional assistance for small employers.

Possible protections include:

- Federal reimbursement for temporary-worker expenses.
- Tax credits for businesses below an established employee threshold.
- Reduced payroll contributions for very small employers.
- Grants or credits to assist with temporary staffing.
- Technical assistance through the Department of Labor and Small Business Administration.
- Reasonable advance-notice requirements when the need for leave is foreseeable.

Employees of small businesses should still receive meaningful leave protections, but the federal government should help ensure that providing those protections does not unintentionally threaten the survival of the employer itself.

VII. Job Protection

Workers should not have to fear termination for legitimately using federally protected leave.

An employee using qualified MITCH Act leave should generally have the right to return to:

- The same position; or
- An equivalent position with substantially equivalent compensation, benefits, duties, and working conditions.

Employers should be prohibited from retaliating against employees for:

- Requesting protected leave.
- Taking protected leave.
- Reporting a violation.
- Assisting another employee with a complaint.
- Cooperating with an investigation.

Reasonable exceptions may be necessary for circumstances such as legitimate layoffs, business closures, or positions eliminated for reasons unrelated to the employee's leave.

VIII. Continuation of Health Insurance

When an employee receives employer-sponsored health coverage, that coverage should generally continue during protected parental or family leave under substantially the same terms that applied before the employee took leave.

A worker experiencing a medical or family crisis should not simultaneously face the loss of health insurance because that crisis required time away from work.

IX. Protection Against Abuse

Strong employee protections and reasonable anti-fraud provisions can coexist.

Employers should be permitted to request reasonable documentation for extended medical, caregiving, or parental leave.

However, documentation requirements should not become unnecessarily burdensome.

Routine short-term illnesses should generally not require employees to obtain expensive medical documentation simply to prove that they were legitimately sick.

Federal regulations should establish when documentation may reasonably be required and protect the confidentiality of employee medical information.

Fraudulent claims should be subject to appropriate civil penalties.

X. Interaction With Existing Employer Benefits

The MITCH Act should establish a **minimum national standard, not a maximum**.

Employers providing benefits that meet or exceed federal requirements could continue operating their existing programs.

Employers should be permitted to coordinate:

- Paid sick leave.
- Paid time off.
- Employer-provided parental leave.
- Short-term disability benefits.
- State paid-family-leave programs.
- Federal MITCH Act benefits.

Coordination rules should prevent duplicate payments exceeding an employee's normal earnings while ensuring that employers are not encouraged to eliminate more generous existing benefits.

XI. Interaction With State Law

States should remain free to establish paid-leave protections that exceed the federal standard.

The MITCH Act should therefore function as a federal floor.

Where state law provides greater:

- Leave duration.
- Wage replacement.
- Family-member coverage.
- Job protection.
- Sick-leave accrual.
- Employee eligibility.

the stronger state protection should remain in effect.

Workers should not lose benefits merely because Congress establishes a national minimum.

XII. Interstate Consistency

A national standard would also address an increasingly common problem: employees working for the same employer may receive dramatically different protections simply because they live on opposite sides of a state line.

The MITCH Act would create a predictable minimum level of protection across the country.

States could continue innovating above that minimum, but an employee's ability to recover from illness or care for a newborn should not depend entirely upon geography.

XIII. Employee Eligibility

The program should cover the broadest practical portion of the American workforce, including full-time and part-time employees.

Congress should also examine appropriate coverage mechanisms for:

- Independent contractors.
- Self-employed individuals.
- Gig-economy workers.
- Seasonal employees.
- Agricultural workers.
- Domestic workers.

Self-employed individuals could potentially participate through voluntary or modified payroll contributions.

XIV. Administration

The program should be administered primarily through the **United States Department of Labor**, working with other federal and state agencies where appropriate.

Responsibilities would include:

- Processing paid-leave claims.
- Establishing eligibility standards.
- Investigating retaliation complaints.
- Conducting employer education.
- Providing small-business assistance.
- Preventing and investigating fraud.
- Coordinating benefits with participating state programs.

Congress should require the Department of Labor to provide a simple online application system and clear guidance for employers and employees.

XV. Privacy

Medical information submitted in connection with paid-leave claims must remain confidential.

Employers should receive only the information reasonably necessary to determine:

- Whether an employee qualifies for protected leave.
- The anticipated duration of leave.
- Any necessary workplace restrictions or accommodations.

Employers should generally not receive detailed diagnostic information unless specifically authorized or legally required.

XVI. Phased Implementation

A national program of this scale should not be implemented overnight.

Congress should provide sufficient time for:

- Federal regulations to be developed.
- Payroll systems to be updated.
- Employers to revise leave policies.
- Employees to receive education about their rights.
- States with existing programs to coordinate benefits.

- Federal information technology systems to be tested.

A reasonable implementation period could be approximately **18 to 24 months following enactment**.

XVII. Reporting and Congressional Oversight

The Department of Labor should provide Congress with regular public reports regarding:

- Program participation.
- Average benefit duration.
- Benefit costs.
- Payroll contribution revenue.
- Fraud investigations.
- Employer compliance.
- Small-business impacts.
- Employee-retention effects.
- Administrative costs.

Congress should conduct a comprehensive program review after the first several years of operation and make adjustments where necessary.

XVIII. Why This Legislation Is Needed

Illness, childbirth, adoption, and family medical emergencies are not unusual events.

They are ordinary parts of life.

Yet many American workers must plan for those events based not upon whether they need time away from work, but upon whether they can financially survive taking it.

Workers should not have to decide whether to:

- Work while seriously ill.
- Send a sick child to school or daycare.
- Leave a hospitalized spouse or parent alone.
- Return to work almost immediately after childbirth.
- Lose rent or mortgage money because a family member became critically ill.

A strong economy depends upon workers, families, and businesses being able to withstand predictable disruptions.

Paid leave should therefore be viewed not simply as an employee benefit, but as part of the basic economic infrastructure supporting the American workforce.

XIX. Goals of the MITCH Act

The Modernizing Income and Time-Off for Caregiving and Health Act would seek to:

1. Establish a reasonable national paid sick-leave standard.
2. Provide meaningful paid parental leave.
3. Provide paid leave for serious family caregiving responsibilities.
4. Protect workers from retaliation for using legitimate leave.
5. Preserve employer-sponsored health benefits during qualifying leave.
6. Prevent small businesses from carrying disproportionate financial burdens.
7. Establish consistent minimum protections throughout the United States.
8. Preserve stronger state and employer programs.
9. Provide meaningful wage replacement rather than leave that workers cannot afford to use.
10. Create a sustainable national insurance structure capable of supporting American families for generations.

Conclusion

The question is not whether American workers will become sick, have children, adopt children, experience medical emergencies, or need to care for aging family members.

Those events will happen.

The question is whether our national employment policy recognizes that reality.

The **Modernizing Income and Time-Off for Caregiving and Health Act of 2026, the MITCH Act**, would establish a practical national foundation for paid sick, parental, and family caregiving leave while protecting employers from being forced to individually finance the full cost of extended absences.

It would establish a simple principle:

Americans should be able to take reasonable time away from work to care for themselves and their families without risking financial devastation or the loss of their jobs.

I respectfully ask members of the United States Senate and House of Representatives to consider the framework outlined in this proposal and work toward bipartisan legislation establishing a national paid-leave standard that protects American workers, families, and businesses.