



Principles for Worker-Centered Benefits Programs

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Good jobs provide stability and security for workers and their families and strengthen our economy. In addition to essential components of a good job, such as fair pay and safe and healthy workplaces set by labor standards, benefits are also important to promote the economic security, health, and mobility of workers and their families. Benefits—including health care, workers' compensation, unemployment insurance, paid leave, disability insurance, and retirement savings plans—are a critical component of our social safety net. All workers need access to these basic benefits to protect their financial security when they are injured at work, experience a medical challenge, caregiving obstacle, change their employment, or even when they retire.

Yet the existing benefits systems in the United States exclude tens of millions of workers from accessing work-related benefits, making them financially vulnerable when they experience one of these common life events. Workers' lack of access is, in part, because many benefits in the United States are voluntarily provided by or through employers and depend on a specific employment relationship. When workers change employers they risk losing benefits, either because their new employer does not offer that benefit or because they need to affirmatively act to transfer their earned benefits. Additionally, some workers may not have access to benefits because eligibility is determined by restrictive job tenure, hours, or earnings requirements. When workers are misclassified as independent contractors, or otherwise lack an employment relationship with an employer, they too often lose access to critical workplace benefits.

One solution to expanding workers' access is through benefits that are earned by an individual and follow them throughout their working lives, rather than being provided by or through individual employers for the duration of each specific job. These are sometimes referred to as universal, portable benefits.

The United States has a long history of universal, portable benefits. Examples include Social Security benefits – including retirement, disability, family and survivors benefits and unemployment insurance – and state paid family and medical leave programs. Certain labor unions, like those in construction, have a long history of negotiating for benefits plans that are managed by trustees and can be utilized by members across jobs. Providing workers with additional universal benefits does not reduce employees' existing legal rights or labor standards protections, nor does it change employers' responsibility to follow all applicable labor and employment laws. Adopting a universal, portable benefits approach enhances all workers' employment and economic opportunities, mobility, and security.

The principles in this report reflect the views of the listed authors and do not necessarily represent those of their affiliated institutions or CLJE.

Universal, portable benefits not only support workers and their families but also provide significant economic advantages. For workers, they eliminate gaps caused by job transitions or lower-quality jobs. For businesses, portable benefits can reduce costs and administrative burdens through predictable contributions, pooled financing, and public or centralized administration. They also level the playing field for small businesses, making it easier to attract and retain talent. By increasing efficiencies at scale, portable benefits can also protect taxpayers while fostering a more secure, resilient economy.

The growing demand for benefits portability has led to policymakers and private companies piloting new programs to expand benefits eligibility and availability. For example, 13 states and the District of Columbia have created paid family and medical leave programs. All but one of the programs uses a social insurance model, funding the benefits from pooled payroll taxes. Twenty states have launched state-run auto-IRA programs, expanding employees' access to retirement savings. Some lawmakers, however, are considering creating programs to provide additional benefits that can be popular with private industry, but fall well short of meeting the needs of workers. The deficiency has occurred in part because there has been a lack of goals and principles set forth by policy experts and policymakers to guide this development. As additional programs are created, those goals and principles can also be used to collect data and evaluate how successful the programs are.

As policymakers, employers, workers, labor unions, and state and local governments continue exploring and establishing new benefits programs, we developed the following principles to inform how benefits programs should be designed and implemented. We prioritized meeting the needs of workers and their families and economic stabilization in times of economic downturns. Our policy principles are guided by an emphasis on worker autonomy and are intended to create benefits programs that maximize support for workers while maintaining administrative efficiency and cost-effectiveness.

Principles

- **Available and inclusive:** Benefits should be available to and inclusive of all people who work including, when appropriate, for people who work in the home like family caregivers. Workers should be automatically covered, regardless of their workplace setting.
- **Center workers:** Workers should have a voice in the design and administration of benefits programs. For example, the services included or types of benefits offered in a program should be tailored around input from workers on their and their families' experiences and needs.

- **Equitable:** Benefits programs should promote and improve equity in workers' coverage, access, and use of benefits, especially among underserved communities such as women, people of color, disabled workers, part-time workers, workers in low-wage industries, immigrant workers, and workers with non-traditional work histories.
- **Meaningful:** Program details, such as wage replacement levels and duration, should be structured so that they enable workers to meet their financial, health, and caregiving needs. Programs should be provided as a supplement rather than a substitute for fair pay and financial security. When applicable, the benefits workers receive should be proportional to their hours worked, ensuring reasonable coverage for part-time and full-time workers.
- **Portable:** Workers should be able to retain and transfer their earned benefits when they change employers or are unemployed, and they should have access to benefits that reflect their work across multiple jobs or contracts. This aggregation ensures workers' benefits account for the full scope of their work.
- **Easy to access:** Benefits should be easy for workers to understand and access. The design of benefits programs should minimize the burden on workers and employers in terms of eligibility, application, and review. Whenever possible, benefits information and application processes should be streamlined, such as by using a single, simplified application and employer reporting system that provides access to or notification of eligibility for multiple benefits. Applications should also be accessible in applicants' preferred language.
- **Include worker protections:** Workers should have job security and protection against discrimination and retaliation when they seek or receive benefits, and confidence in the privacy of their data.
- **Sustainably and fairly funded:** Benefits programs should be sustainably, responsibly, and fairly funded through one or more sources, including by those who are employing or engaging workers. Depending on the program, those sources can include, but are not limited to, contributions from workers, customers, employers, and public funds.
- **Pooled, not individualized financing:** Benefits programs should broadly pool the risks and responsibilities of financing a program across a group of contributors (such as multi-employer plans, union trust funds, or state or federal programs).

- **Administered to facilitate workers' access to benefits:** Benefits programs should be publicly administered whenever possible. If benefits programs must be administered privately or through public-private partnerships, they must include meaningful and well-funded public engagement—such as input from workers and labor unions—and strong public oversight to ensure transparency, protect public trust, and facilitate workers' access to earned benefits. Benefits programs that centralize planning and administration can lower administrative costs and alleviate individuals' responsibilities to independently manage their own benefits. Benefits programs should be subject to government oversight to ensure security, availability, accessibility, and proper administration of funds. Program structure should provide workers with a clear process to challenge or seek redress for decisions or denials.

The principles we have laid out are not exhaustive, but they should guide policymakers in future consideration of portable benefits efforts. It is critical that we begin the process of ensuring all people who work have the support they need to ensure that they and their families can thrive as our labor market continues to evolve. The future well being of working people depends on it.