

# Maternity Leave Financial Planning Guide

## **Step 1:** "Do I qualify for FMLA – Family Medical Leave Act?"

- YES** or **NO**      Work for a **covered employer**
- YES** or **NO**      Have worked for the employer for at least **12 months**
- YES** or **NO**      Have **at least 1,250 hours** of service for the employer during the 12-month period immediately preceding the leave
- YES** or **NO**      Work at a location where the employer has at least 50 employees within 75 miles

If you answered **YES** to all the above, you *should* qualify for FMLA. Please verify with your company's HR department.

## **Step 2:** Calculate how much income you will miss while on maternity leave (based on 12 weeks of partial/unpaid leave)

- 1.** Start with your **net income per pay period** and **multiply by 6**, if paid bi-weekly, **or by number of pay periods in 12 weeks' time**
- 2.** Subtract the **net amount of any Short-Term Disability pay** you may be eligible for. *Most policies offer 6 weeks at 60% of your gross income, minus a 1 week "waiting period" – so 5 weeks at 60% of your pay. Please verify with your HR department.*
- 3.** Subtract any **additional net paid leave benefits** your company or state may offer.
- 4.** If you hold an insurance policy through your employer, calculate **the amount due for employee contribution on missed pay periods** during maternity leave and add this number. *Talk to your HR department – Some companies deduct this amount from your Short-Term Disability benefit payout if you do not advise otherwise. Some expect payment upon return to work or can work out a deduction plan on future pay checks.*
- 5.** Call your insurance provider and ask about **maternity benefits for delivery** and add this number. This is a good area to plan for the worst and hope for the best. Determine what your maximum out-of-pocket payment could be for you and you bab(ies)!
- 6.** Determine the **cost of child care** for the first week or two upon your return to work and add this number. You may have to pay for child care before you earn a dollar back at work.

This final number you are left with indicates the financial hit taken while on 12 weeks of Maternity Leave. For additional planning resources, download the Maternity Leave Checklist, subscribe the Take12 Take Charge Blog, & join the Take12 Mom's Facebook group.