



Maine Paid Family and Medical Leave

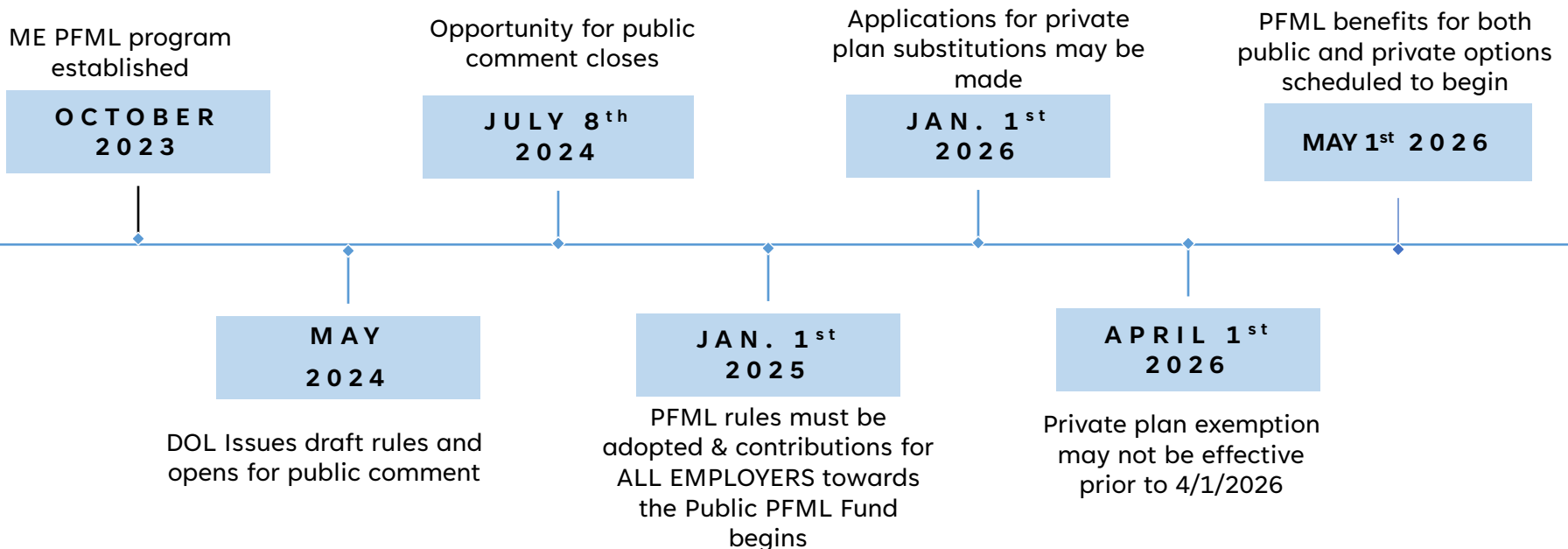
As of June 2024

*This presentation is our interpretation of ME PFML. This presentation is in no way a legal or complete statement of this program.
Refer to the Maine Department of Labor's [PFML webpage](#) for the most up to date information.*



Maine Paid Family & Medical Leave

- In July of 2023, the Governor of the State of Maine signed a budget that included the creation of a paid family and medical leave (PFML) program.
- Beginning in 2026, eligible workers will have 12 weeks of paid time available for family or medical reasons.
- The maximum contribution rate per employee is 1% of an individual's wage rate.



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Maine PFML: Details

Maine Paid Family and Medical Leave

ME PFML Rate	1.0% of wages (capped as the social security wage base)
Program Funding	Employer/Employee Contribution Split
Benefit Max	ME PFML benefits are capped at 100% of State Average Weekly Wage (\$1,103/week)
Benefit Duration	12 – Week Combined Maximum Duration in One Day Increments (8 hour day)
Family Definition	Child, Domestic Partner’s Child, Grandchild, Domestic Partner’s Grandchild, Parent, Domestic Partner, Sibling, Spouse, ‘Affinity’*
Eligible Workers	Universal: Full-time, part-time, temporary and seasonal, self-employed (opt-in), Public and Private Sector Workers
Income Eligibility	Earned at least 6 times the state average weekly wage over the first 4 of the last 5 completed calendar quarters (immediately preceding the first day of an individual’s benefit year)
Bonding Eligibility	Eligible within first year of child’s life even if the event occurred prior to the program effective date
Waiting Period	7 Days (Medical Only)
Job Protection	Yes (if EE reaches 120-day tenure with current employer)

- **Affinity:** An individual that has a significant personal bond or is like a family member, regardless if that person has a biological or legal relationship.

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Maine PFML – Premium Remittance (Pre-Funding)

- All employers regardless of their intent of offering a plan (private or state-run), will need to start remitting premium (**1.0%** of wages capped as the social security wage base) to the state's pre-funding reserve beginning 1/1/2025.
- The draft rules make no mention of premium reimbursements for employers that would eventually like to opt out for a private equivalent plan in 2026.
- The employer's premium amount and contribution report must be remitted quarterly.
- **Employers with 15 or more covered employees**: Shall remit 100% of the premium (**1.0%** of wages capped as the social security wage base) but may deduct up to half or fifty percent (0.5%) of the premium from the employees' gross wages.
- **Employers with fewer than 15 employees**: Shall remit 50% of the premium (**0.5%** of wages capped as the social security wage base) but may deduct up to fifty percent (0.5%) of the premium from employees' gross wages.
- An employer's determination as to whether or not to deduct premiums from employees' wages must apply to all employees.



Maine PFML – Determining Employer Size

- The employer size for the purposes of determining premium liability for calendar year 2025 is determined by the number of covered employees employed for the employer in the State of Maine on October 1, 2024.
 - The number of employees includes full-time, part-time, seasonal employees and temporary employees.
- On October 1, 2025, and October 1 of each year thereafter, the employer shall calculate its size for the purpose of determining premium liability for calendar year 2026 and each calendar year thereafter.

Failure to submit premiums:

- An employer that has failed to remit premiums in whole or in part or failed to submit contribution reports shall be assessed a penalty of 1.0 percent of the employer's total payroll for the quarter.
- In addition, the employer would be liable for the full PFML benefits amount paid to covered individuals for whom it failed to make premium contributions.



Substitution of Private Plans

- An employer may request to substitute a substantially equivalent private plan (fully insured or self-funded) that meets or exceeds the state plan provisions.
- An approved substitution shall take effect on the first day of the first quarter following approval of the application. The employer is responsible for premiums provided under the Act and this rule until the effective date of substitution.
- Applications for substitution may be made after January 1, 2026,
- Exemption to the state option in favor of a private plan may not be made prior to April 1, 2026.
- An application fee set by the Department must be included with the submission of the application.
- An approved substitution is valid for a period of three years.
- Private plan cost to employees covered by the private plan cannot be greater than what the employee would be required to pay towards the state plan (**0.5%** of wages capped as the social security wage base).
- Private plans need to provide coverage for all employees throughout employment



Maine PFML: State Plan vs. Private Plan

Pros of State Plan	Pros of Private Plan
Broader pool may make it less expensive for some employer groups	Potentially cheaper than the State plan for some employer groups
Ensures plan is in compliance with statutory requirements	Can integrate with STD plan for easier administration, claim submission, and provide more robust benefits for higher wage employees
	Smoother transition to LTD claims if PFML & LTD with same carrier
	Potential for more competitive STD rate if coverages are consolidated
	Potential to partner with current disability carrier with already established processes
	Claim support with the Acadia Benefits Employee Advocate
	Private carrier may manage claims better

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Maine PFML: Returning From Leave

- Individuals who have not worked for an employer for at least 120 days are not guaranteed job protections when taking leave.
- The taking of PFML may not affect an employee's right to accrue vacation time, sick time, bonuses, advancement, seniority, length of service credit or other employment benefits, plans or programs.
 - Employers will want to evaluate existing STD and leave policies to make they're aligned and integrate with new paid leave requirements.
- During the duration of an employee's PFML, the employer shall continue to provide for and contribute to the employee's employment-related health insurance benefits, if any, at the level and under the conditions coverage would have been provided if the employee had continued working continuously for the duration of leave.
- Absent an emergency, illness or necessity to take leave, an employee must give "reasonable notice" to the employer of their intent to take leave.
- Proof must be provided that the individual qualifies under one of the approved reasons for leave.
- The scheduling of an employee taking leave must not cause "undue hardship" on the employer.

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Maine PFML: Reasonable Notice

- Absent an emergency, illness or necessity to take leave, an employee must give “reasonable notice” to the employer of their intent to take leave.
- A 30-day written notice to the employer shall be presumed to constitute reasonable notice.
- The employee needs to provide sufficient information to the employer regarding the scheduling of leave that is foreseeable:
 1. The **reason for the leave** being requested (e.g. family, medical, safe leave, qualifying exigency);
 2. The **type of leave** needed (e.g. continuous, reduced schedule, or intermittent leave);
 3. Actual or anticipated timing and **duration of leave**;
 4. Any other **relevant details** regarding the employee’s need to take leave.
 5. The employer may not require an employee’s notice to be in or on a prescribed form as long as the **information provided is sufficient**.
 1. Notice need not be provided in writing



Maine PFML: Undue Hardship

- An employer claiming an undue hardship with respect to the scheduling of foreseeable leave has the burden to prove the undue hardship.
- “Undue hardship” means a **significant impact on the operation of the business or significant expenses**
- The state will consider the financial resources of the employer, the size of the workforce, and the nature of the industry when determining undue hardship.
- An employer’s determination of undue hardship shall not be considered reasonable unless the following are established:
 1. The employer provided a **written explanation** of the undue hardship to the employee;
 2. The **employee retains the ability to take leave** within a reasonable time frame relative to the proposed schedule; and
 3. The employer has made a good faith attempt to work out a schedule for such leave that meets the employee's needs without unduly disrupting the employer's operations, subject to the approval of the employee’s health care provider



Public Comment Period

- The public can submit comments through a link on the Department of Labors website or
- Comments can be submitted to the Paid Family and Medical Leave Program via mail sent to 50 State House Station, Augusta, Maine 04333-0050.
- **The public comment period for PFML rulemaking will end on July 8, 2024.**



Maine PFML: Weekly Benefit Example

- State Average Weekly Wage (SAWW) in Maine is approximately \$1,103 currently; benefits are capped at 100% of SAWW.

The weekly benefit amount paid is calculated as follows:

- PART 1** - The portion of the covered individual's average weekly wage that is equal to or less than 50% of the state average weekly wage must be replaced at a rate of 90%; and
- PART 2** - The portion of the covered individual's average weekly wage that is more than 50% of the state average weekly wage must be replaced at a rate of 66% up to the maximum weekly benefit.

Annual Earnings	\$40,000	\$70,000	\$90,000
100% weekly earnings	\$769	\$1,346	\$1,731

PART 1

50% of SAWW	\$552	\$552	\$552
(A) 90% of 50% of SAWW	\$496	\$496	\$496

PART 2

Remaining 50% of weekly earnings (Weekly earnings - 50% of SAWW)	\$218	\$795	\$1,179
(B) 66% of remaining 50%	\$144	\$524	\$778

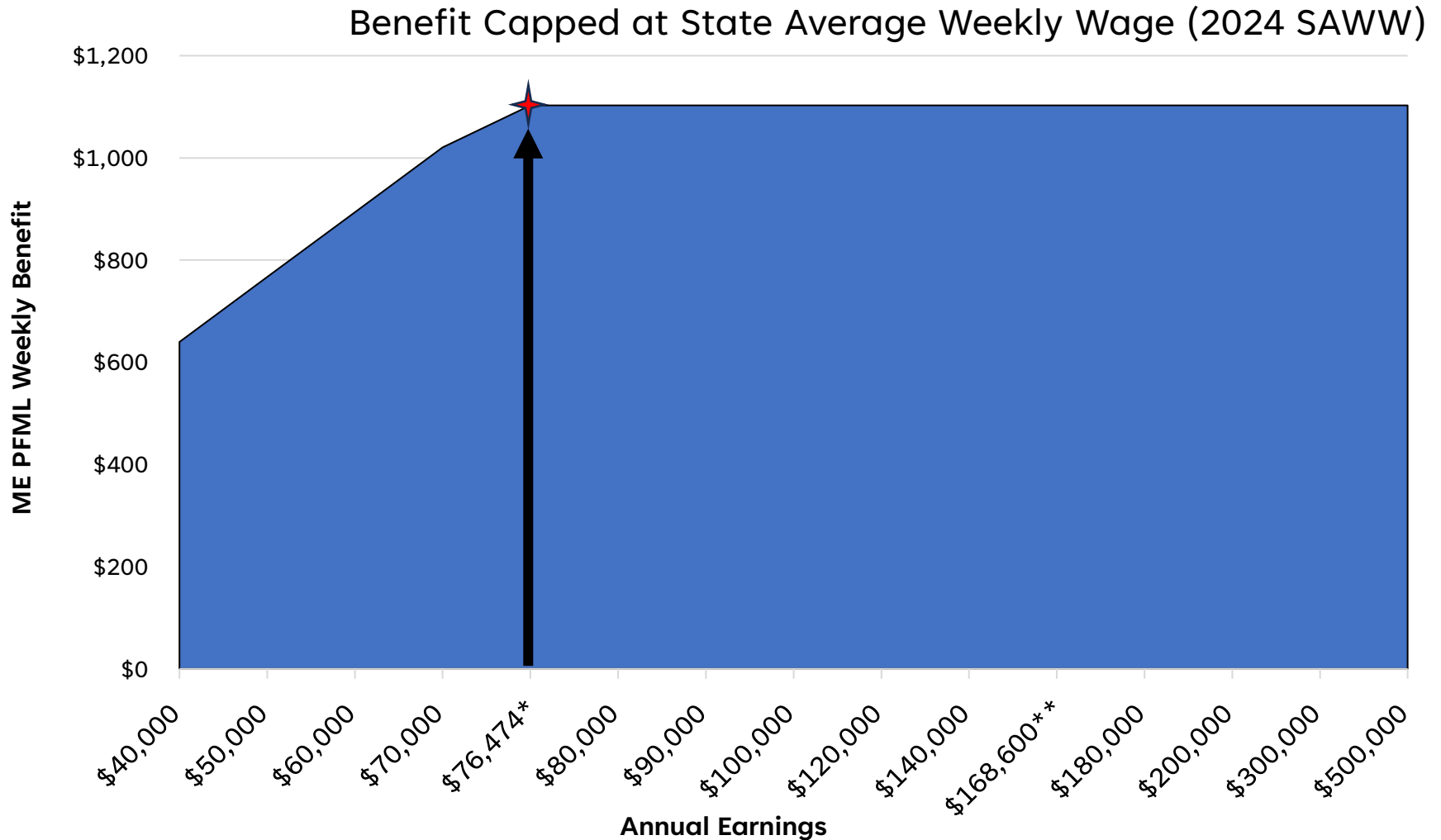
TOTAL WEEKLY BENEFIT (CAPPED AT SAWW)

(C) Combined Part 1 & Part 2 (A+B=C) Capped at SAWW of \$1,103/week	\$640 (83% of Pay)	\$1,021 (76% of Pay)	\$1,103 (63.8% of Pay)
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Maine PFML: Weekly Benefit



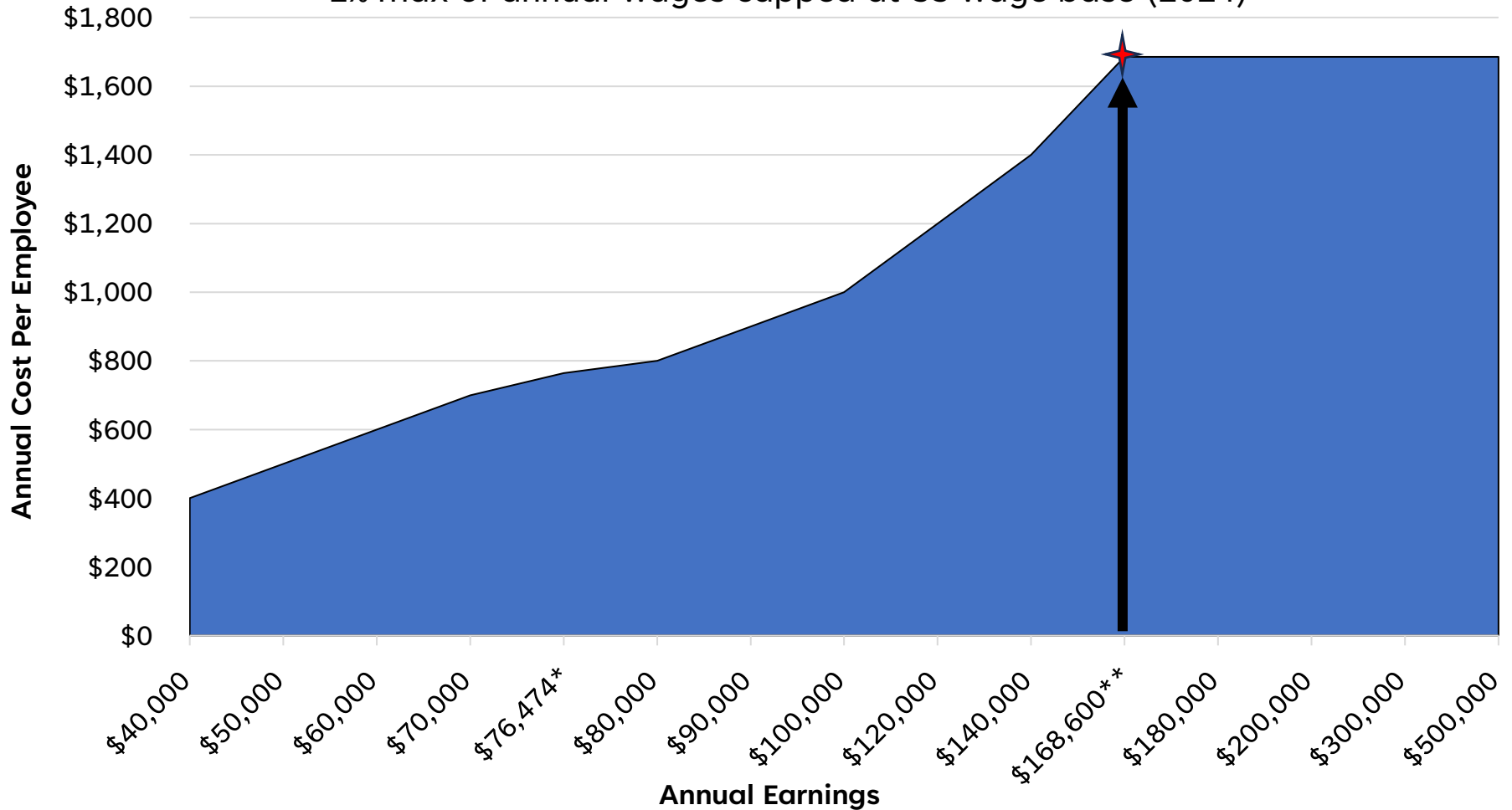
*2024 ME PFML benefit income replacement threshold

**2024 Social Security Wage base



Maine PFML: Premium Remittance Example

1% max of annual wages capped at SS wage base (2024)**

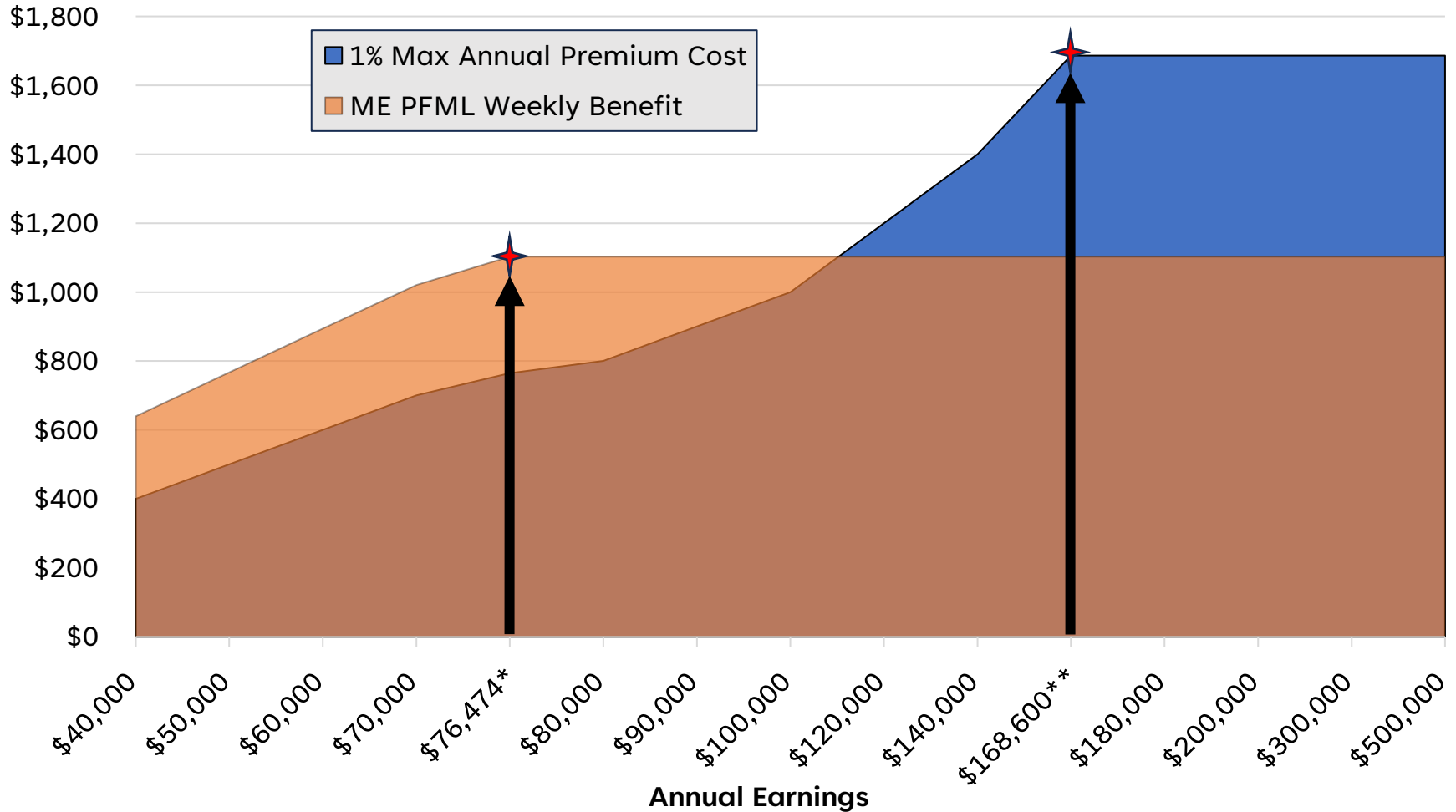


*2024 ME PFML benefit income replacement threshold

**2024 Social Security Wage base



Maine PFML: Weekly Benefit & Premium Remittance Caps



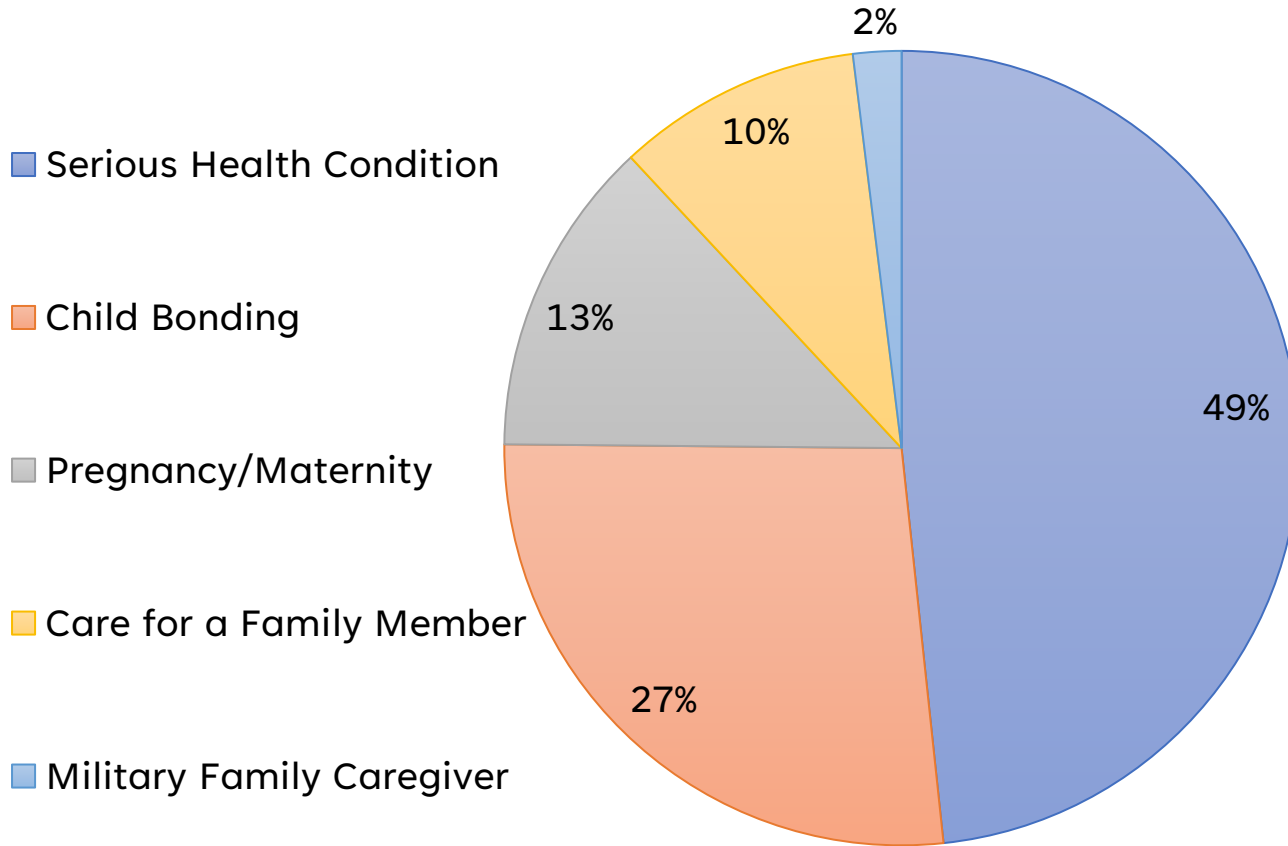
*2024 ME PFML benefit income replacement threshold

**2024 Social Security Wage base and 1% premium cap



Leave Utilization Data – Mass 2023 FY*

Approved Claims by Leave Type

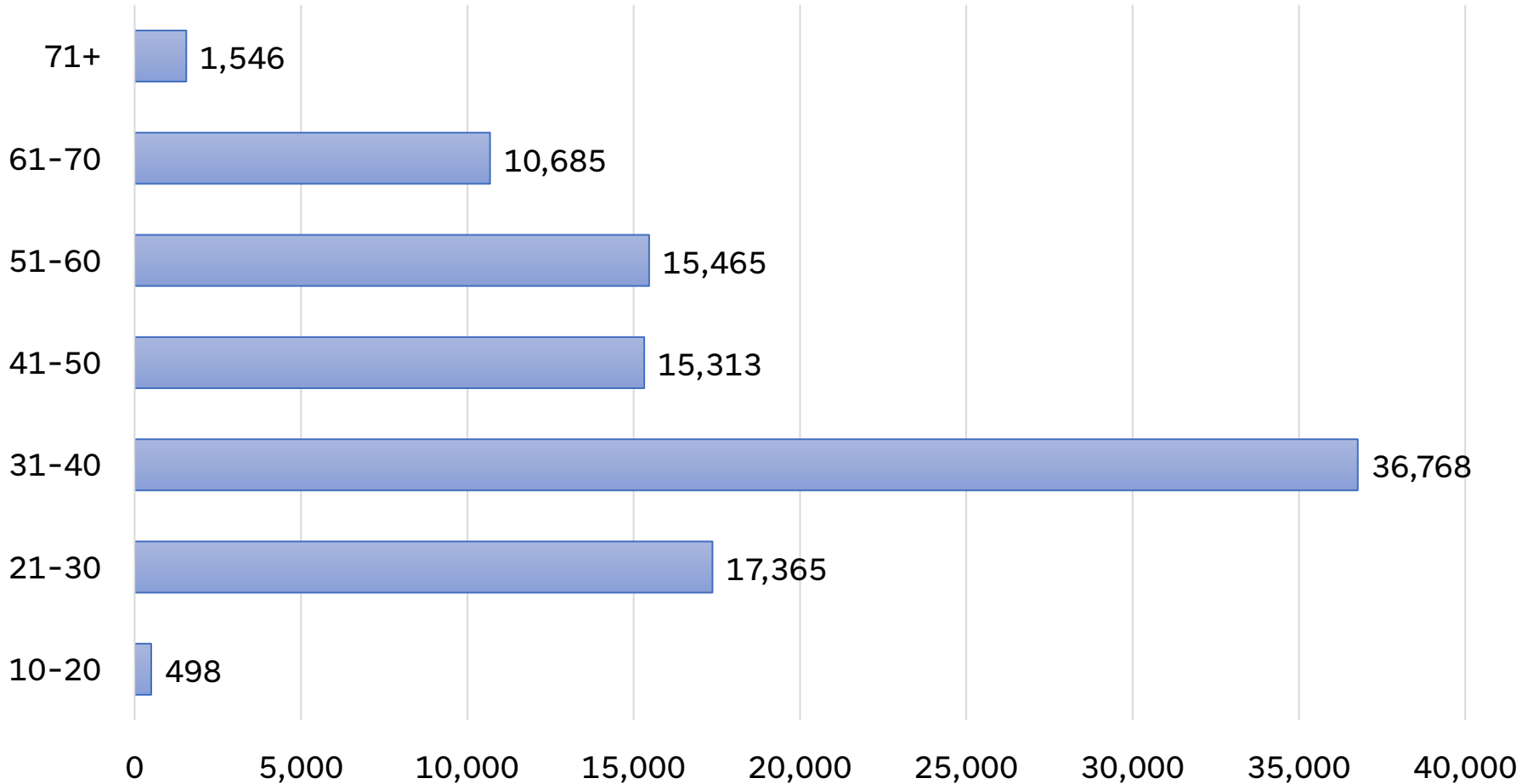


*Data from the Annual Report Massachusetts Paid Family and Medical Leave public pool program



Leave Utilization Data – Mass 2023 FY*

Approved Claimants by Age

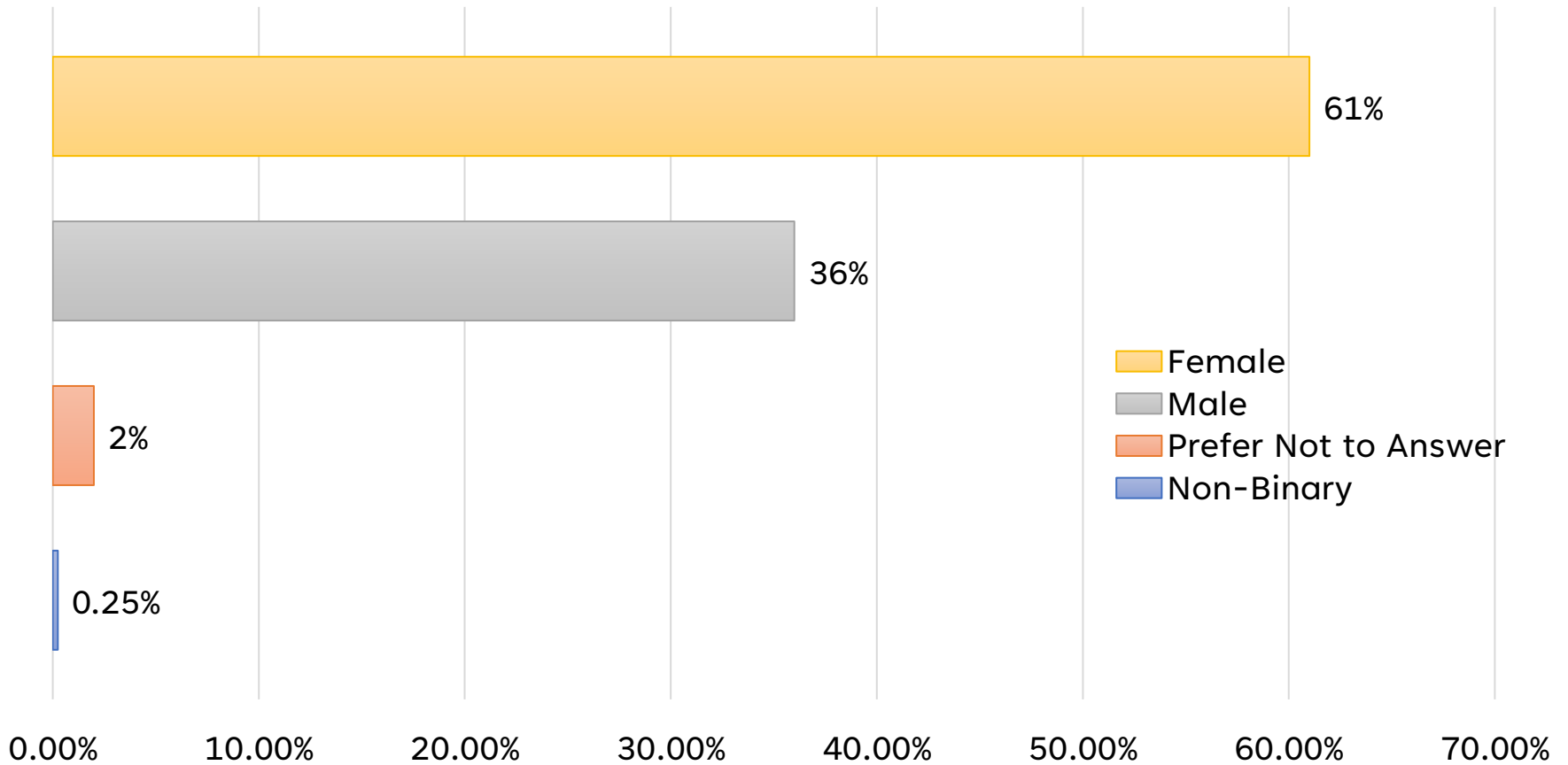


*Data from the Annual Report Massachusetts Paid Family and Medical Leave public pool program



Leave Utilization Data – Mass 2023 FY*

Approved Claims by Gender



*Data from the Annual Report Massachusetts Paid Family and Medical Leave public pool program