

PretiFlaherty

Understanding Maine's Paid Family and Medical Leave Law: Preparing for 2025 and Beyond

Maine Motor Transport Association (MMTA)



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Today's Agenda

Updated regulations were issued by MDOL on December 4. This guidance is based upon the final rule, but may be subject to change if the statute or regs undergo further amendment.

MMTA will track and periodically update employers on all new developments.

The Program's Overall Framework

What's Coming on January 1, 2025

Premiums, Eligibility and Application Standards

2026 and Beyond

The Basics/General Overview

Paid FML is a partial income replacement for employees who must miss work for specified reasons

Up to 12 weeks per “benefit year” of paid benefits during medical leave, family leave, safe leave, or leave related to a family member’s deployment

Covers all ME-based employees and all ME-based employers

You **MUST** begin setting aside premiums as of January 1, 2025

The 2025 Timeline

Current law and regulations go into effect

1/1/2025

MDOL portal online/employer registrations begin

1/1/2025

**Employers begin setting aside monies for the
Maine PFML Fund (and taking payroll deductions,
as applicable)**

1/1/2025

Applications can be submitted for Private Plan
Substitution

4/1/2025

**First contribution of monies into the
Maine's PFML Program Fund**

**no later than
4/30/2025**

The 2025/2026 Timeline

Changes/tweaks to the Program or regulations

Any time during
2025 or 2026

Earliest date of authorization for private plan exemption/substitution

April 2025

**Application process goes live/benefit
Payouts begin from public & private plans**

5/1/2026

Premiums/Contributions

More than 15 e'ees

Employers must set aside an amount equal to 1 percent of every employee's gross wages. **Of this amount, e'ers can withhold half (0.5%) from e'ee wages; it's your call.**

Less than 15 e'ees

0.5 percent must be set aside and the entire amount can be deducted from e'ee wages

These "premiums" must be paid into the Maine PFML Fund each quarter.

Beginning on January 1, every employer must begin setting aside these monies.

Premium Examples

Income Level	Gross Wage Levels	Premium Deduction (0.5% of wages)	Yearly Premium Deduction
At or Near Minimum Wage	\$35,000	\$3.36 per week	\$175
Average Wage	\$57,000	\$5.48 per week	\$285
High Income	\$90,000	\$8.65 per week	\$450

Program Details

Who is Entitled to Benefits

Everyone but independent contractors (FT, PT, seasonal, temporary, self-employed)

Duration of Benefits

Up to 12 weeks per “benefit year,” measured in single day increments at 8 hours per workday

Definition of “Family”

Spouse, child, parent, domestic partner, partner’s child, grandchild, persons with a significant personal bond to the e’ee

Benefit Max

Capped at 100 percent of Maine average weekly wage (\$1,144/week for 2024); AWW changes annually

More Program Details

Individual E'ee Eligibility Trigger

Once e'ee has earned 6 times the ME AWW in at least 4 of the last 5 completed calendar quarters immediately preceding the 1st day of the e'ee's benefit year

Waiting Period

7 days

Job Protection

Yes; after e'ee reaches 120 days' worked with current employer

Exception

Scheduling of the employee taking leave must not result in "undue hardship" on the employer

Action Items for All Employers – Now!

Sign up for MDOL's *Get Notified List* [www.maine.gov/paidleave] and register immediately once MDOL's online portal goes live (1/1/2025)

Decide and announce to e'ees **before January 1** if you intend to take deductions from wages beginning 1/1/2025

Set aside monies as of January 1 and start remitting those monies as of April 2025

Technical Issues

We are an out-of-state business with a few employees who work in Maine – are they covered?

We are a ME-based business that has several employees working remotely in other states – are they covered and do they count toward the 1 percent?

Our final pay period of 2024 straddles the New Year – how do we calculate the 1 percent?

Can employees be required to use up their PTO first before they apply for PFML? Can we require our employees to use their PTO to “top-off” (to 100%) their PFML benefit?

More Technical Issues

Can we require our hourly employees to contribute 0.5 percent but relieve our salaried employees of that obligations?

When can we expect MDOL to increase the 1 percent contribution rate?

Where can I get more information about how this program is going to work?

Thank You

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