

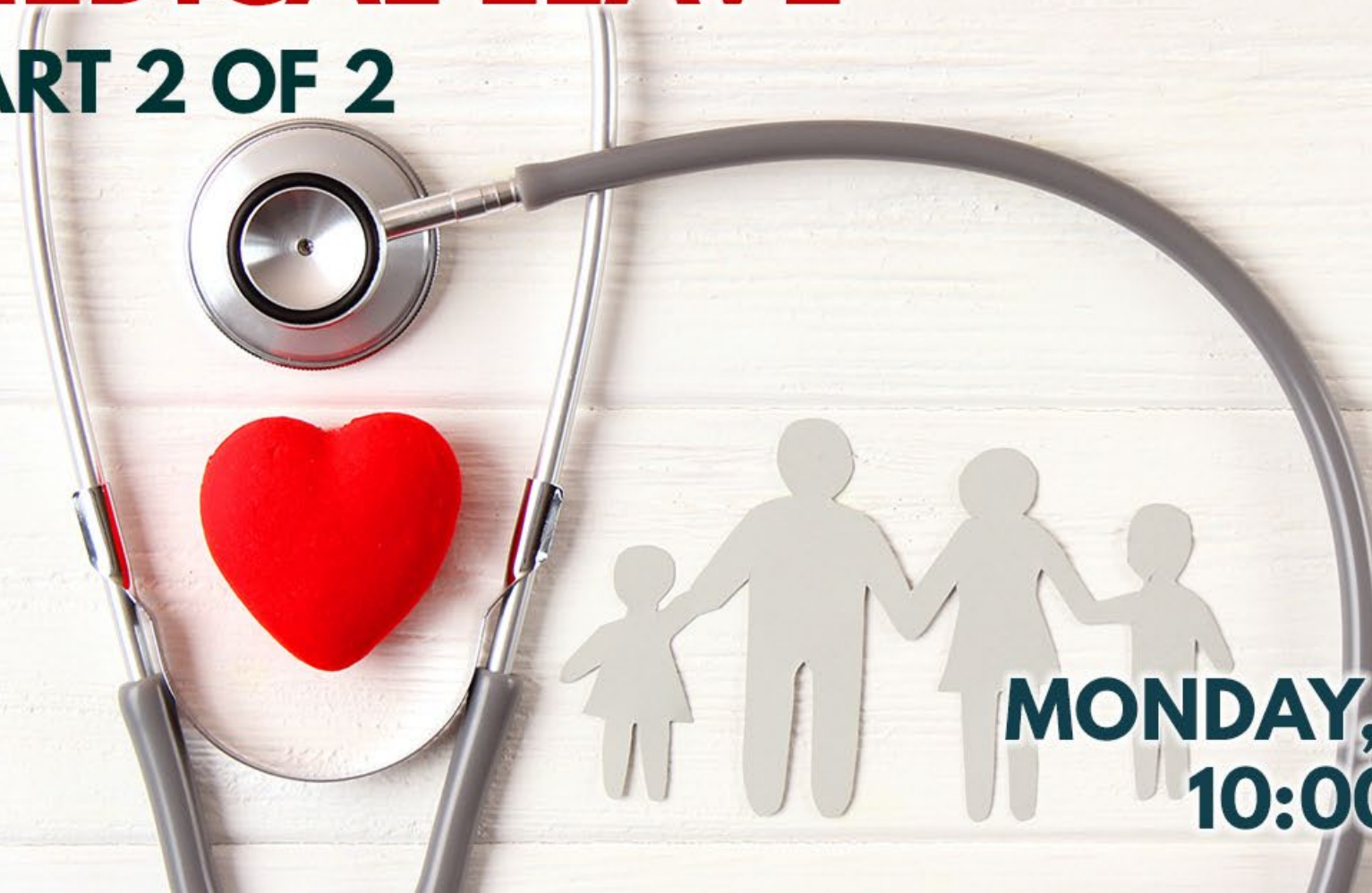
WEBINAR

PAID FAMILY & MEDICAL LEAVE

PART 2 OF 2

Presented by:

**MAINE
S T A T E
CHAMBER
of
COMMERCE**



**A VIRTUAL EVENT
MONDAY, APRIL 29, 2024
10:00 AM to 11:00 AM**



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Type questions using the “chat” panel. Time permitting we will answer questions at the end of the session.



A copy of the meeting materials can be found as an attachment in the chat panel.



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MAINE'S PAID FAMILY AND MEDICAL LEAVE LAW

Agenda:

- General Overview
- Key Dates
- Rulemaking and Gathering Feedback
- Contributions to the PFML Fund
- Reasons for Leave
- Types of Leave
- Requirements and Eligibility
- Information for Employers
- Benefit Calculations: The Tiers
- Questions

GENERAL OVERVIEW

- July 2023 - Governor Janet Mills signs state budget into law that included the creation of the Paid Family and Medical Leave (PFML) law.
- Maine's PFML law will provide up to 12 weeks of paid leave per benefit year for family, military, medical or safe leave.
- PFML law will apply to all employees and employers in the State of Maine. Federal government and its employees are exempted from the law.

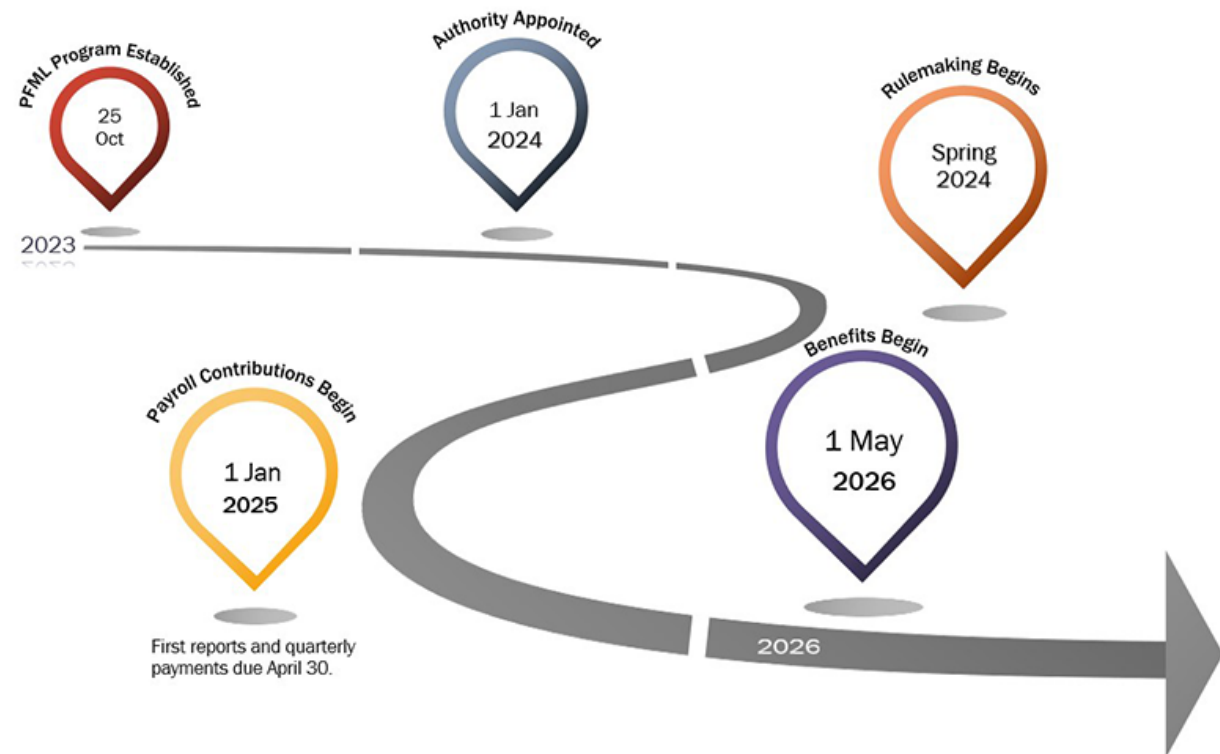


KEY DATES

- October 25, 2023: PFML law takes effect.
- January 1, 2024: PFML Authority appointed.
- January 1, 2025: Rules to implement the PFML program must be adopted by the Maine Department of Labor.
- January 1, 2025: Payroll withholdings for the Paid Family Medical Leave program will begin.
- May 1, 2026: Benefits become available.

Maine Paid Family & Medical Leave Timeline

October 2023



RULEMAKING PROCESS AND GATHERING FEEDBACK

The rulemaking process for PFML will be done in accordance with the Maine Administrative Procedures Act (MAPA):

Target date to begin rulemaking process: **Spring 2024**

- Informal public listening sessions will be held across the state to solicit general feedback and questions from interested parties.
- Initial rules drafted and released for public comment. Opportunities for public comment will be provided along with a public hearing.
- Department considers and responds to public comments.
- Department publishes rules to implement the program by January 2025.

CONTRIBUTIONS TO PFML FUND

- The contribution per employee is 1% of an individual's wage rate, split between the employee and employer.
- Employers with fewer than 15 employees are exempted from the employer share of contributions but they must still withhold 50% of the premium from their employees wages. Self-employed individuals who opt-in are only responsible for the 50% premium rate.

Example of contribution breakdown for employers/employees:

- **For employers with 15 or more employees**
For an employer with an annual payroll of \$1 million a year, the annual premium would be \$10,000 ($\$1\text{M} \times 1\%$). The employer would contribute \$5,000 per year (50%) and the employees, combined, would contribute \$5,000 per year (50%).
- **For employers with less than 15 employees**
For an employer with an annual payroll of \$250,000, the annual premium would be \$1,250 ($\$250\text{K} \times 0.5\%$). The employer may deduct the entire amount from the employees' wages and would be responsible for remitting the premium.

REASONS FOR LEAVE

PFML reasons for leave mirror current state and federal law. Reasons for leave include:

- **Family leave:** To care for a new child (birth, adoption, fostering), to care for family with serious health condition.
- **Medical leave:** To care for one's own medical needs.
- **Safe leave:** For victims of domestic abuse.
- **Military deployment:** For emergencies related to military deployment (qualifying exigency).

TYPES OF LEAVE

- **Continuous leave:** An employee is taking leave that is ongoing for days or weeks at a time. (Ex. Employee is taking 6 weeks off to bond with newborn).
- **Intermittent leave:** An employee is still working but will need to take time off in increments (Ex. An employee undergoing chemotherapy works in the morning, has chemotherapy treatment in the afternoon, and will need a day to recover).
- **Reduced leave:** An employee is still working but is on a reduced schedule working certain number days of the week while on leave for the rest. (Ex. Employee normally works Monday-Friday but is now only working Monday, Wednesday and Thursday for the next 8 weeks to care for a family member with a serious medical condition).

REQUIREMENTS AND ELIGIBILITY

- 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 individual must have earned at least six times the state average weekly wage (SAWW) over the past four quarters before accessing the benefit.
- The scheduling of an employee taking leave must not cause “undue hardship” on the employer.



IMPORTANT INFORMATION FOR EMPLOYERS

- Individuals who have not worked for an employer for at least 120 days are not guaranteed job protections when taking leave.
- An employer may apply for a private plan exemption showing what they offer is "substantially equivalent" to the state plan. They may opt out and administer their own plan as long as their plan meets the obligations required under the PFML law (rights, protections and benefits).
- The Department holds the right to withdraw approval of a private plan if any of the terms and conditions are violated.
- If an employer fails to provide notice about the Maine PFML program and the employee's right to take it if necessary, the employee's obligation to inform the employer they are taking leave is waived.

BENEFIT CALCULATIONS: THE TIERS

- Benefits are determined by a tiered system based on the state average weekly wage (SAWW):
 - The portion of the covered individual's average weekly wage that is equal to or less than 50% of the SAWW is replaced at 90%
 - The portion of the covered individual's average weekly wage that is more than 50% of the SAWW is replaced at 66%
 - Benefits are capped at the SAWW (\$1,103 in 2023)



Questions?

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