

PAID FAMILY

MEDICAL

LEAVE

P R E S E N T A T I O N



ANNUAL TAX PROJECTION

TBD

- Taskforce projection \$400 m+
- Referendum projection \$300 m

FINAL VERSION LIKELY IN BETWEEN

IMPORTANT

DATES

EFFECTIVE:

OCTOBER 2023

RULE ADOPTION:

1/1/2025

COLLECTION:

1/1/2025

START:

5/1/2026

BUSINESSES INCLUDED

15 & OVER

Included in program; both employers/employees pay tax

14 & UNDER

Included in program. Only employees pay tax.

EMPLOYEES

INCLUDED

ALL WHO HAVE EARNED 6X SA W W
IN LAST 12 MONTHS (\$6,217)

SOLO PRACTITIONERS MAY OPT-IN FOR A 3-YEAR
PERIOD; REQUIRED TO PAY 50% OF PREMIUM

HOW THE TAX WILL BE DISTRIBUTED/ COST

50:50

(For employers with 15+ employees)

- 0.7 - 1.0% of income to 2028
- adjusted annually after 2028 to ensure fund solvency

TAXABLE WAGE CAP SET AT SOCIAL SECURITY
CAP (\$160,200 IN 2023)

WAGE REPLACEMENT

BENEFITS CAPPED AT 100% STATE AVERAGE
WEEKLY WAGE

- 90% OF INCOME EQUAL TO OR <50% SAW W
- 66% OF INCOME >50 SAW W UP TO CAP

SAW W IS \$1,103 AS OF JULY 1, 2023

Benefits reduced by wage replacement amounts (workers' compensation, permanent disability).

No penalty for failure to return to work.

WHO IS COVERED?

“FAMILY” AS DEFINED IN EXISTING
FMLA LAW

“AFFINITY” RELATIONSHIPS DEFINED AS:

“An individual with whom the covered individual has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship.”

TYPES OF LEAVE

FAMILY LEAVE

May be taken for the following reasons:

- To bond with the covered individual's child during the first 12 months after the child's birth or the first 12 months after the placement of the child for adoption or foster care with the covered individual
- To care for a family member with a serious health condition
- To attend to a qualifying exigency
- To care for a family member of the covered individual who is a covered service member
- To take safe leave
- Any other reason set forth in section 843, subsection 4

MEDICAL LEAVE

A covered individual with a serious health condition that makes the covered individual unable to perform the job functions for the position held by that covered individual who is eligible for medical leave.

LEAVE DURATION

12 WEEKS TOTAL IN AGGREGATE
PER BENEFIT YEAR

Benefit year defined as, “12-month period beginning on the first day of the calendar week immediately preceding the date on which family leave or medical leave benefits commence.”

INTERMITTENT LEAVE REQUIREMENTS

Leave may be taken by an employee intermittently in increments of not less than 8 hours or on a reduced leave schedule otherwise agreed to by the employee and the employer. The taking of leave intermittently or on a reduced leave schedule may not result in a reduction in the total amount of leave to which the covered individual is entitled.

NOTICE TO EMPLOYERS

“Absent an emergency, illness or other sudden necessity for taking leave, an employee shall give reasonable notice to the employee's supervisor of the employee's intent to use leave under this subchapter. Use of such leave must be scheduled to prevent undue hardship on the employer as reasonably determined by the employer. If an employer fails to provide notice as required under section 850-I, the employee's obligation to provide notice under this subsection is waived.”

WAITING PERIOD

7 CALENDAR DAYS

PRIVATE PLAN OPTION?

APPROVED PLANS PERMITTED

According to UNUM, no current policies qualify.

QUESTIONS?

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