



Maine Paid Family and Medical Leave

March 12, 2025



Agenda

PFML legislative landscape

About ME PFML

Private plan options





DISCLAIMER

The material in this deck is valid as of February 4, 2025

Maine Department of Labor continues to answer questions and issue guidance via their website. This presentation is Unum's best effort at understanding Maine PFML based on the statute and regulations that have been published. Our interpretation is subject to change as more information becomes available.

The information in this presentation is not legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only. Please consult with counsel for any specific legal questions.

Maine PFML

Effective dates

Contributions begin:
January 1, 2025

Benefits begin:
May 1, 2026

Employer details

Participation requirement: Most employers are required to participate and pay premiums

Exclusions:

- Tribal governments
- Self-employed individuals
- Federal government

Opt-in option: Self-employed and Tribal governments can opt in with a minimum three-year commitment

Leave duration: 12 weeks of paid family and medical leave in a 12-month period

Funding: 100% contribution rate or split 50/50 between employer and employee

Job protection: Restoration to the same or equivalent position if an employee has been with their current employer for 120 days

Private plans: Permitted

Administration: Outsourced

Employee eligibility

A covered individual is a Maine worker who meets the:

Wage requirement: Earned wages in the state at least six times the State Average Weekly Wage (SAWW) during the base period (2024 = \$6,864)

Base period: The first four of the last five completed quarters immediately preceding the benefit year

Exempt individuals are

- Railroad workers
- Incarcerated persons
- Students working as part of the federal Work-Study Program
- Volunteers



Contributions

Who is a Maine worker?

- Workers that perform all or some work in Maine
- Fully remote workers that live outside of Maine but work for a Maine employer



1-14 Maine workers* and self employed

Contributions = .5% of wages, employee paid



15+ Maine workers*

Contributions = 1%, split equally between employer and employee

Employers cannot retroactively deduct employee contributions but can choose to pay employee contributions

*Employer size is determined October 1 each year — if an employer had **15+ employees** on the payroll for **20+ weeks** in the prior **12 months**



Understanding wages for ME PFML

How are wages defined?

- Wages include all forms of compensation for personal services, such as regular salary, tips, commissions, bonuses and severance pay. Payments made to independent contractors are not included.

Are wages calculated pre-tax or post-tax?

- Premiums are calculated on total subject wages before federal income tax, state income tax, and Social Security and Medicare taxes are deducted.

How are wages reported for payroll and premium purposes?

- Wages are calculated similarly to Maine Unemployment wages. All wages earned in Maine should be reported on wage reporting forms, and the premium amount will exclude amounts above the annual base limit set by the U.S. Social Security Administration.

Wage replacement benefits

Benefit formula

If Average Weekly Wage \leq 50% of SAWW*, benefit = 90% AWW

If AWW $>$ 50% of SAWW, benefit = 90% of 50% of SAWW + 66% of AWW above that amount

Thresholds

Capped at the SAWW

2024 illustrative maximum = \$1,144/week

Example

AWW = \$1,000

90% of \$572 (50% SAWW) = \$514

66% of \$428 (\$1,000 - \$572) = \$282.48

\$514 + \$282.48 = \$796.48

*State Average Weekly Wage (SAWW) = \$1,144 for 2024

Benefits

Waiting period

- A waiting period applies to claims for an employee's own serious health condition for the first seven days of leave.

Benefit offsets

Employer's disability plan:

- Will not reduce the weekly benefit under ME PFML
- May be offset by the weekly benefit received under ME PFML

Other benefits that reduce the amount from ME PFML:

- Unemployment
- Workers' Compensation
- Permanent Disability

Benefit cap

Maximum benefit:

- Employee cannot receive more than 100% of their average weekly wage

Collecting benefits

- If an employee is out of work for a qualifying reason and is eligible, they may begin collecting benefits on May 01, 2026
- Example: an employee that has a knee replacement that occurs on April 01, 2026 can begin to collect benefits on May 01, 2026.



Qualifying leave reasons

Employees get 12 weeks of paid leave in a 12-month period for:

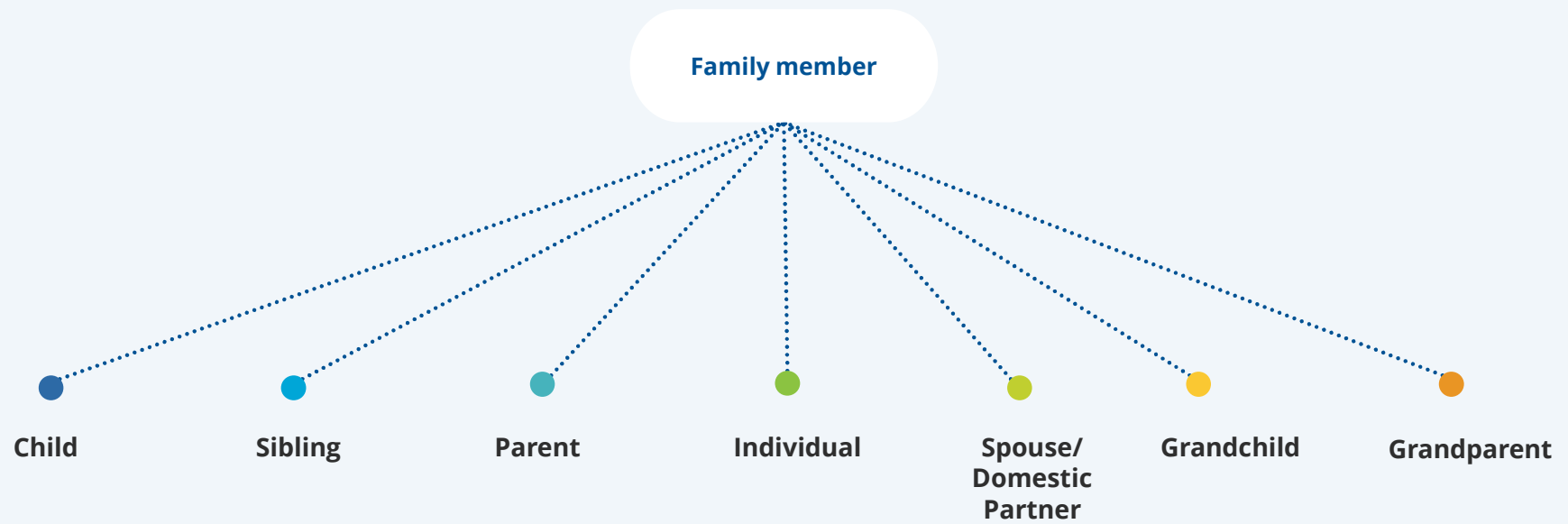
Qualifying events

- Birth, adoption or foster care placement of a child
 - Must be taken within one year of birth/placement
- Care for self or family member with serious health condition
- Circumstances related to a family member's active duty military service
- Care for a military service member with a serious health condition incurred while on active duty
- Safe leave due to assault, sexual assault, victim of violence or stalking of the covered individual or their family member
- Donation of an organ from the employee for a human organ transplant

Leave duration and schedule

- Leave can be taken intermittently or reduced in increments of not less than a scheduled workday
- If there is an agreement between employee and employer, the employer may allow smaller increments with a minimum increment of one hour*
- 15-day notice requirement to report intermittent absences to the administrator

Covered family members



Individual: A person with whom the covered individual has a significant personal bond, similar to a family relationship, regardless of biological or legal ties.

Child and Parent: Includes in-law, step, legal, biological, adoptive, foster, step or in loco parentis.

Sibling, Grandchild and Grandparent: Includes in-law, step, biological, adoptive, foster, step or defacto.

Claim process

Employee responsibilities

- Employee must provide their employer 30-day notice if leave is foreseeable, as soon as practicable if unforeseeable
- Employee files an application for benefits online – other methods are to be determined
- Application can be submitted 60 days in advance but no more than 90 days after leave start
- Application must include proof of identity, details regarding leave request, supporting certification/documentation and undue hardship waiver if applicable

Process

- Within five days, the administrator contacts the employer to notify of claim and ask for any additional information
 - Undue hardship decision
 - Prior leave taken under FMLA/ME FML
 - Other information needed for adjudication
- Employer must respond within 10 days or claim will be processed based on employee's original request

Note: Unum private plans will follow the Unum claim process (online or telephonic)

Notice and undue hardship

Employees must provide their employer “reasonable” notice and schedule leave to prevent undue hardship to their employer

Reasonable notice and employer policies

- 30 days in advance if foreseeable
- As soon as feasible in case of emergency, illness or other sudden necessity
- PFML specifies that employees must follow employer policies

However, lack of notice or non-compliance with policy does not impact PFML benefit decision, then undue hardship is the only option.

Who determines undue hardship

- The administrator determines if undue hardship is reasonable and makes a claims decision accordingly
- The employee and employer have the right to appeal this decision.

Claiming undue hardship

To claim undue hardship, the employer must:

- **Attempt a reasonable schedule:** Make a good faith effort to work out a reasonable schedule with the employee.
- **Provide written explanation:** Demonstrate in writing how the employee's absence and the timing of the requested leave will significantly impact the business or cause significant expenses.
- **Offer leave timely:** Provide the employee with leave within a reasonable timeframe.
- **Medical leave agreement:** If the leave is medical, obtain agreement from the healthcare provider that the proposed schedule is reasonable.



Employer considerations for undue hardship

Other leave protections

- Employees will likely be eligible for leave under FMLA and/or ME FML – which have no undue hardship provisions
- FMLA/ME FML allow employers control over intermittent bonding leave schedules – not permitted for ME PFML

Employee morale

- During the undue hardship evaluation process, the employee is left “in limbo,” not knowing if their leave will be protected/paid during an already stressful time

Granting leave

- Regardless of undue hardship, the employee must be granted leave in a “reasonable timeframe”
- When a serious health condition is involved, the health care provider must “sign off” on the leave schedule

Timing

- Employees can request leave up to 90 days after the start date of leave

Employer obligations



Reporting

- **All employers** must provide the state quarterly reports on employee wages
- Quarterly reporting is **due the last day** of the month following the end of the calendar quarter
- **Private plan** employers must provide annual claims experience reporting



Workplace notice requirements

- Employers must **post a workplace notice** in a conspicuous place on each of its premises provided or approved by the Department
- Employers must provide written notice to employees within **30 days of hiring**



Health benefit maintenance

- Employers **must maintain health care benefits** at the level and under the conditions coverage would have been provided if the employee had continued working continuously for the duration of leave



Anti-retaliation and job protection

- **Right to restoration:** Employees who have been employed **for at least 120 days prior to the start of leave** are entitled to return to the same or an equivalent position.
- **No retaliation:** Employers cannot retaliate against employees for taking ME PFML, including:
 - Discharge or firing
 - Suspension or expulsion
 - Discipline through attendance policies or other means

Program comparisons

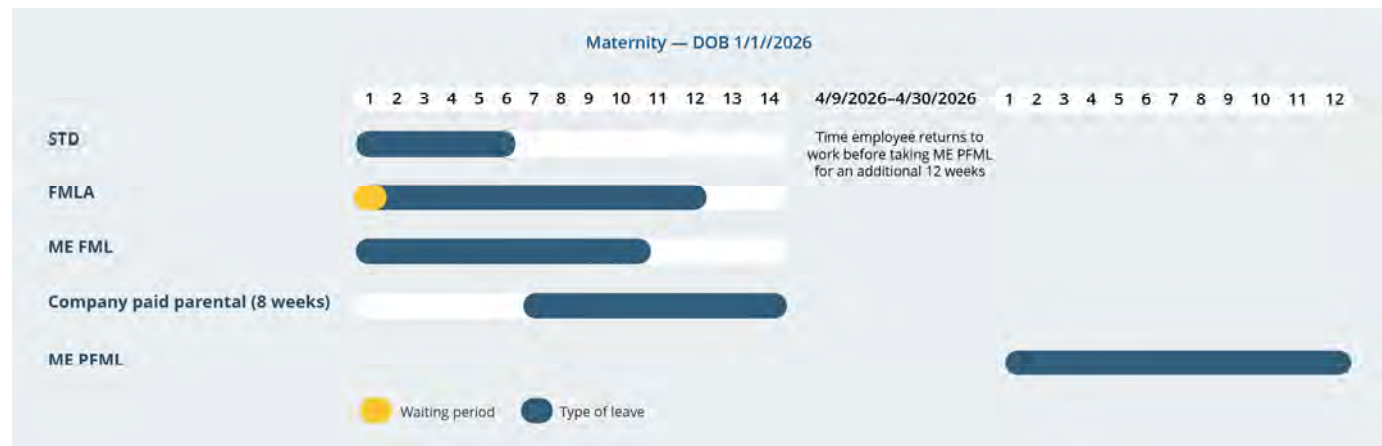
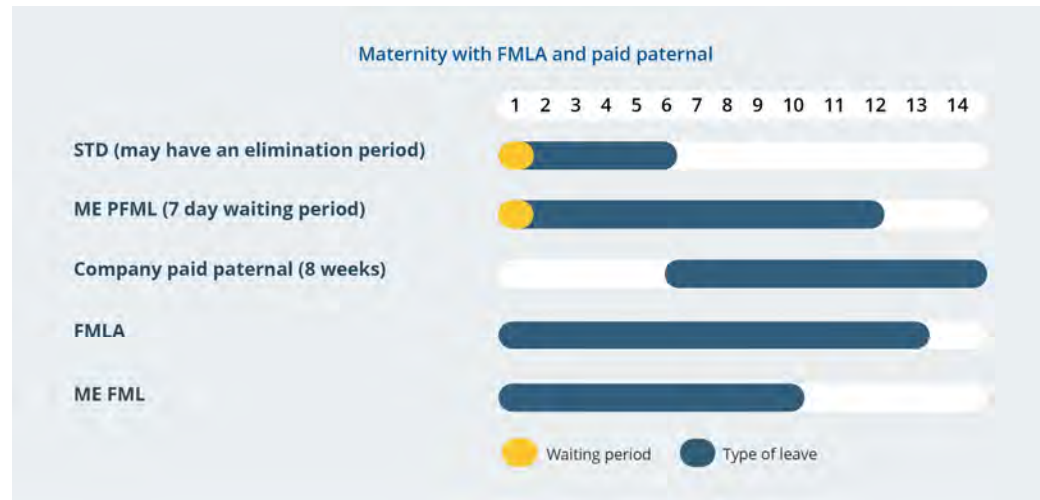
	Family Medical Leave Act (FMLA)	Maine Family and Medical Leave	Maine Paid Family Medical Leave
Covered employer	50+ employees in 20+ calendar weeks	15+ employees at one location	All employers
Employee eligibility	<ul style="list-style-type: none"> • 12 months tenure • 1,250 hours worked in previous 12 months • 50+ employees in 75-mile radius 	<ul style="list-style-type: none"> • 12 months tenure • Worksite of 15+ employees 	<ul style="list-style-type: none"> • 6x state average weekly wage for benefits • 120 days tenure for reinstatement
Amount of leave	12 weeks in 12-month period	10 weeks in 2-year period	12 weeks in 12-month period *Equivalent plans can provide 10 weeks of leave if the total benefit amount meets or exceeds the state
Benefit year/ Entitlement period	<ul style="list-style-type: none"> • Fixed year/Calendar year • Rolling backward • Measured forward 	Any 2-year period	12-month period beginning on the first day of the calendar week immediately preceding the first date of approved leave *Equivalent plans can use any 12-month period

Program comparisons

	Family Medical Leave Act (FMLA)	Maine Family and Medical Leave	Maine Paid Family Medical Leave
Intermittent/ Reduced schedule leave	<ul style="list-style-type: none"> • SHC – as medically necessary • Bonding – only if employer agrees • Increments – smallest increment used for other forms of leave, no greater than one hour 	<ul style="list-style-type: none"> • SHC – as medically necessary • Bonding – only if employer agrees • Increments – substantively equivalent to FMLA; cannot reduce entitlement by any more than amount of leave actually taken 	<ul style="list-style-type: none"> • SHC – as medically necessary • Bonding – no limitations as long as notice is provided • Increments – one workday; employer can agree to smaller increments but no less than one hour
Reasons for leave	<ul style="list-style-type: none"> • Employee’s own serious health condition • Care of a family member • Parental/Bonding leave • Qualifying exigency • Military caregiver 	<ul style="list-style-type: none"> • Employee’s own serious health condition (including organ donation) • Care of a family member • Parental/Bonding leave • Military caregiver 	<ul style="list-style-type: none"> • Employee’s own serious health condition (including organ donation) • Care of a family member • Parental/Bonding leave • Qualifying exigency • Military caregiver • Safe leave
Family member	<ul style="list-style-type: none"> • Parent • Spouse • Child 	<ul style="list-style-type: none"> • Parent • Spouse/Domestic partner • Child • Grandchild • Sibling 	<ul style="list-style-type: none"> • Parent • Spouse/Domestic Partner • Child (any age) • Grandparent • Grandchild • Sibling • “significant personal bond”

Navigating leave

Managing employee leave can become complex, especially when it involves multiple programs such as FMLA, STD, paid parental leave and ME PFML, which could result in up to 24 weeks of absence.



Private plan options

Employers can opt out of the state plan as long as it

- Meets or exceeds the state plan provisions
- Costs employees the same or less than the state plan
- Provides coverage for all employees throughout employment
- Applies all ME PFML protections to leave/benefits provided under a private plan
- Includes a bond if self-insured
- Meets any additional guidelines established by the state



Private plan applications and approvals

Application process and fees

- Applications for substitutions may be made after **April 01, 2025**
- Applications accepted on a rolling basis
- \$250 application fee required
- Upon approval, an additional \$250 administrative fee required
- Separate filing required for each EIN – the application fee applies to each (process to be further defined by state)
- Division to reevaluate the fee effective 2026

Private plan approval and cancellation

Private plans are approved for a period of three years

- Employers may not request cancellation of their private plan prior to the expiration date except by demonstration of good cause (e.g. premium increase)
- Employers can switch amongst private carriers in 3-year exemption window, with new exemption application
- If cancellation is approved, the employer may not re-apply for another substitution for three years from the date of cancellation
- If a private plan is canceled by the carrier due to non-payment of premium, the substitution will be revoked and the employer will be responsible for premiums starting the first quarter following revocation
- Any material changes to an approved private plan must be filed with DFML at least 60 days in advance of the proposed effective date and must be approved by DFML

Slide 20

ESO Be clear that this is a commitment outside the state plan, not a rate guarantee for private plan. (note from Daris)
Sharkey, Eric, 2025-01-21T13:20:16.880

WS0 0 [@Sharkey, Eric] [@Freeman, Daris N.] - should text be added to the slide regarding the above note?
Wissler, Sarah, 2025-01-21T14:16:36.587

DNFO 1 I think talking points are fine.
Unum Employment Law, 2025-01-21T14:19:26.004

WS0 2 Perfect, thanks!
Wissler, Sarah, 2025-01-21T14:22:08.706

Private plan application process

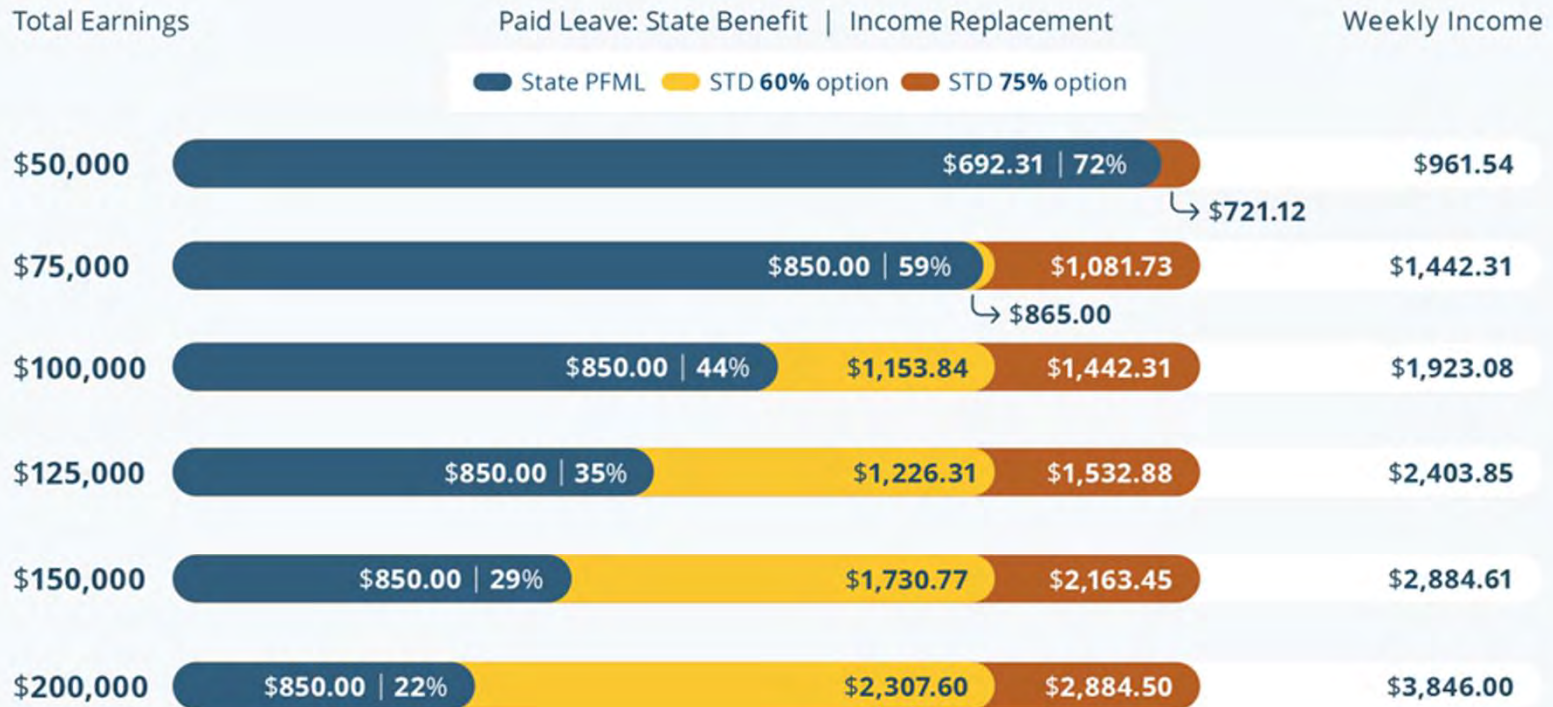
Employers can apply for a private plan substitution after April 01, 2025:

- As part of the application process, the department will provide an online form (not currently available)
- Exemptions go into effect the first day of the quarter in which application was received and approved
- Applications submitted within 30 days of end of the quarter will be effective the first day of the quarter following submission

Below are example timeframes associated with private plan applications and exemption effective dates:

Application submission and approval	Effective date of exemption	Employee contributions
04/02/2025-05/31/2025	04/01/2025	<ul style="list-style-type: none">• Contributions withheld during this time period need to be returned to the employee
06/01/2025-06/30/2025	07/01/2025	<ul style="list-style-type: none">• Contributions withheld during this time period remitted to the state for 2Q
07/01/2025-08/31/2025	07/01/2025	<ul style="list-style-type: none">• Contributions withheld during this time period need to be returned to the employee
09/01/2025-09/30/2025	10/01/2025	<ul style="list-style-type: none">• Contributions withheld during this time period remitted to the state for 3Q

How State PFML and STD work together

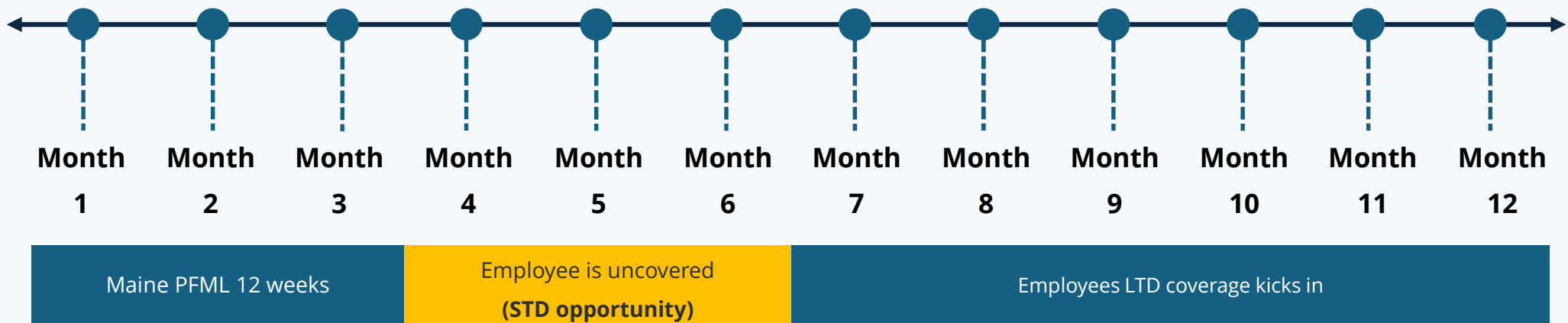


The above is an example to illustrate the benefit integration between a state paid leave program and a Short Term Disability plan. Amounts will vary based on your plan and the state-specific program.

Bridge coverage gaps with Unum STD

When employees need extended leave, they can face a gap in coverage after maxing out Maine PFL and PML at 12 weeks.

Unum STD plans seamlessly bridge this gap, ensuring continuous income protection until Long Term Disability (LTD) coverage begins.



Questions?



Thank you!

For more information, check out the following resources, or ask your broker or local Unum representative:

- [Unum Leave and Absence Management](#)
- [FMLA Handbook](#)
- [MDOL: Paid Family And Medical Leave \(Maine.Gov\)](#)
- [Maine Paid Leave Laws | Unum Paid Leave Solutions](#)
- [Unum | Paid Family And Medical Leave](#)

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GENERAL AUDIENCE

(2/25)

