

Paid Family and Medical Leave (PFML) Frequently Asked Questions (FAQ's)

Note: This FAQ is based on the best information available prior to the adoption of rules for the PFML program. This information is subject to change. Visit <https://www.maine.gov/labor/pfml/> for the most up-to-date information.

Overview of the Paid Family and Medical Leave law:

1. What is the Paid Family and Medical Leave Program (PFML Program)?

Maine's PFML law will provide up to 12 weeks of paid leave for family, military, medical or safe leave. This law became effective in October 2023 in accordance with Maine law. The Maine Department of Labor is responsible for the implementation of this new program.

Contributions:

2. Where do the contributions come from beginning January 1, 2025 – are the contributions paid by the employee, the employer, or combined?

Payroll withholdings from employee's pay for the Paid Family Medical Leave program will begin on January 1, 2025, and be transferred to the Maine Paid Family and Medical Leave Fund ("PFML Fund"). Both the employer and the employee contribute to the PFML Fund. All funds are pooled to pay for future claims and other administrative costs.

3. If benefits do not go live until 2026, why are contributions being made in 2025?

Although benefits will not go live until May 1, 2026, contributions will begin in 2025 to allow time to accumulate sufficient funds to pay for benefits and other administrative costs to operate the program.

4. What is the contribution rate for Paid Family and Medical Leave?

For calendar years 2025-2027, the combined contribution rate is set at either 0.5 or 1 percent of wages based on the size of the employer. Employers with 15 or more employees will contribute 1 percent of wages and may deduct up to half of the contribution from the employees' wages. Employers with less than 15 employees will contribute 0.5 percent of wages and may deduct the entire amount from the employees' wages.

5. I am an employer and would like to pay my employee share of the PFML contributions- Am I allowed to?

Yes, an employer may pay the employee's share of 0.5 percent but is not required to.

6. Who is responsible for remitting contributions to the PFML Fund?

The employer is responsible for remitting contributions to the PFML Fund. The mechanism to remit the funds will be set forth in future guidance by MDOL.

7. I am a self-employed individual, am I eligible?

Self-employed individuals are eligible for Paid Family and Medical Leave but must choose to opt in for coverage. For calendar years 2025-2027, the premium rate has been set at 0.5 percent of the individual's income from self-employment. Guidance will be provided by MDOL in the future on the process to opt in.

Private Plans:

8. I am an employer with a current policy that provides paid time off (PTO), sick leave and/or a short-term disability policy. Can my leave policy be considered a substantially equivalent plan under the Maine PFML Law?

Section 850-H(2) states that to be approved as a substantially equivalent private plans, among other requirements which will be outlined in rule, the plan must be either a self-funded plan that requires a surety bond paid to the State or a fully-funded plan purchased from an insurance company. An internal leave policy, on its own, does not meet these requirements. Additional details regarding the process and requirements for private plans will be outlined in rule.

Collective Bargaining Agreements:

9. How does the PFML law apply to public sector collective bargaining agreements?

Generally, the rights and responsibilities within the Paid Family and Medical Leave law apply to public employers. However, section 850-B (10)(D) states that the law does not: “[r]equire a public employer, as defined in section 962, subsection 7, or employee of a public employer that is a party to a collective bargaining agreement in existence on the effective date of this subchapter to apply any of the rights and responsibilities under this subchapter until the existing collective bargaining agreement expires.”

The rights and responsibilities within the law do not apply to public sector employees who are subject to a collective bargaining agreement in effect on October 25, 2023 [the effective date of

the Paid Family and Medical Leave law], until that collective bargaining agreement expires. Those rights and responsibilities include but are not limited to contribution requirements applying to both public employees and public employers, and the right for an employee to apply for and receive paid family and medical leave benefits.

Therefore, any public employer and employee as defined in Title 26 section 962, subsection 7 that are subject to a collective bargaining agreement in effect on October 25, 2023, will not be required to make contributions pertaining to the Paid Family and Medical Leave program until that collective bargaining agreement expires. In addition, any employee subject to a collective bargaining agreement in effect on October 25, 2023, is not eligible to obtain benefits under the Paid Family and Medical Leave program until that collective bargaining agreement expires.

10. How does this apply to public employees not subject to a collective bargaining agreement?

The Paid Family and Medical Leave law will apply to any public employees who were not subject to a collective bargaining agreement on October 25, 2023. Also, any public employees who are not subject to a collective bargaining agreement in general are covered by the program in the same manner as private sector employees.

11. How does PFML law apply to private sector collective bargaining agreements?

The exemption in section 850-B (10)(D) does not apply to private sector collective bargaining agreements.