

Meeting of the Paid Family and Medical Leave Benefits Authority

Tuesday September 3, 2024 9:00am – Frances Perkins Room, 45 Commerce Drive, Augusta ME

Authority members in attendance:

- Maria Fox, Chair
- Samuel Hight, Vice-chair
- Douglas Cotnoir
- Jenni Tilton-Flood
- Jay Naliboff
- Sarah Conroy
- Tina Bonney
- Michelle Corry
- David Barber
- Christopher Washburn (remote)
- Ranae L'Italien
- Kimberly Smith
- Joan Cohen
- Benjamin Grant

Staff members in attendance

- Director Luke Monahan
- Deputy Director Reggie Parson
- Program Division Manager Sarah Brydon
- Finance Division Manager Tim Applegate
- AAG Nancy Macirowski
- Management Analyst II Safiya Khalid

Chair Fox welcomed attendees and opened the meeting.

Authority Member Cotnoir made a motion to approve the minutes of the June 25, 2024 meeting, seconded by Authority Member Tilton-Flood. The Authority voted to approve them as distributed, with Authority Member Naliboff abstaining.

Director Monahan provided the following program updates:

- Rulemaking: We are in the second public comment period. Every section of the rule has changes. This public comment period will end at 5:00pm on September 30. A public hearing is scheduled for 9:00am on September 17. The public can also submit comments online until the public comment period closes.
- Contributions portal: We are working with Fast Enterprises on system design of the Maine Paid Leave portal, which will release in early 2025. It will take 5-15 minutes to register online. Employers will be able to designate a TPA to upload quarterly wage reports and remit premium payments on their behalf.

- Public education campaign: We will be using TV and radio advertising to let Maine workers know about the program in advance of premiums being deducted from their paychecks. We are exploring ways to make this messaging available in multiple languages.

Chair Fox opened a discussion of the proposed rule.

- Private plan substitution applications will begin on 4/1/2025, with an approval exempting the employer from premiums at the beginning of the next quarter, unless the application is made during the last 30 days of a quarter. All employers would withhold deductions and be required to remit premiums for Q1 2025. The current version of the proposed rule does not require that benefit start earlier than the public plan benefits will start in order to be exempt from premiums. The nonrefundable application fee will be \$250, and there will be an additional fee of \$250 if the substitution is approved because private plans are not cost neutral to the department. The Bureau of Insurance is creating a checklist for private plan approval, which cannot be finalized until the rule is finalized.
- On the matter of fund solvency, Director Monahan said the substitution rate is expected to be between 20 and 30 percent, and the hope is that lost revenue will be balanced out by lower benefit payouts.
- Authority Member Cotnoir asked why the substantially equivalent section sets a minimum of 10 weeks. Director Monahan explained that statutory language does not allow the rule to require 12 weeks because “substantially equivalent to” does not mean “greater than or equal to.” Maine FMLA provides 10 weeks of unpaid leave – the 10 week number is not arbitrary. Additionally, the employee would need to get the same amount in benefits as they would over 12 weeks of leave under the public plan.
- The term “affinity relationship” no longer appears in the rule because it was causing confusion. The language in the rule now tracks more closely to the language in the statute.
- Items for future consideration include taxability of benefits, whether benefits are wages from which premiums must be deducted, how to handle employees that leave employment before they have sufficient wages from which to deduct premiums, how to interact with people who are unbanked.

The Authority scheduled its next meeting for September 30, 2024 at 1:00pm.

Vice-chair Hight made a motion to adjourn the meeting, seconded by Authority Member Corry. The motion passed unanimously.