

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

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No. 717

H.P. 493

House of Representatives, March 5, 2015

An Act To Establish the Maine Paid Family Leave Insurance Program

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative DAUGHTRY of Brunswick.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 26 MRSA c. 7, sub-c. 6-C** is enacted to read:

3 **SUBCHAPTER 6-C**

4 **MAINE PAID FAMILY LEAVE INSURANCE PROGRAM**

5 **§850-A. Maine Paid Family Leave Insurance Program**

6 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
7 following terms have the following meanings.

8 **A. "Employer"** has the same meaning as in section 843, subsection 3.

9 **B. "Family medical leave"** has the same meaning as in section 843, subsection 4.

10 **C. "Program"** means the Maine Paid Family Leave Insurance Program created in this
11 subchapter.

12 **D. "Serious health condition"** has the same meaning as in section 843, subsection 6.

13 **2. Program created.** The Maine Paid Family Leave Insurance Program is created
14 within the Department of Labor. The program provides wage-replacement benefits to
15 eligible persons who are on family medical leave from employment.

16 **3. Eligibility.** To be eligible for benefits, a person must be employed and must have
17 had earnings from employment and made contributions to the program in at least 12 of
18 the prior 52 weeks. An employee shall file a written notice with the employee's employer
19 at least 30 days prior to commencement of the family medical leave. Failure by the
20 employee to provide the written notice may result in delay or reduction in the benefits,
21 except in the event the time of the leave is unforeseeable or the time of the leave changes
22 due to unforeseeable circumstances.

23 **4. Benefits provided.** An eligible employee under this subchapter receives a weekly
24 benefit of 2/3 of that person's average weekly wage in the 2 quarters in the preceding 52
25 weeks in which the person's wage was highest. The maximum amount of the weekly
26 benefit is 100% of the state average weekly wage. Benefits are provided for up to 6
27 weeks in any 12-month period. Benefits must be reduced by workers' compensation and
28 sick pay. Benefits may not be reduced by other disability benefits, pension payments or
29 other earnings. The waiting period before benefits begin is 7 days, except that a benefit
30 payment for the first 7 days must be made retroactively if the family medical leave lasts 3
31 weeks or more.

32 **5. Fund created.** The Paid Family Leave Insurance Fund is created to collect
33 contributions and fund benefits under this section. The fund may be used to pay
34 administrative costs of the program and to pay benefits. The fund does not lapse but must
35 be carried forward to implement this subchapter.

1 **6. Contributions.** The department shall determine the actuarially appropriate total
2 contribution needed each year to fund benefits under this section. The department shall
3 collect the entire required amount from employees. The aggregate employee contribution
4 must be collected from individual employees on a sliding scale based on wages, as
5 determined by the department.

6 **7. Restoration of employment.** An employee who exercises that employee's right
7 to benefits under this subchapter is, upon the expiration of those benefits, entitled to be
8 restored by the employer to the position held by the employee when the family medical
9 leave commenced, or to a position with equivalent seniority, status, employment benefits,
10 pay and other terms and conditions of employment including fringe benefits and service
11 credits that the employee had been entitled to at the commencement of leave.

12 **8. Maintenance of employee benefits.** During a family medical leave taken
13 pursuant to this subchapter, the employer shall maintain any existing health benefits of
14 the employee in effect for the duration of the leave as if the employee had continued
15 employment from the date the employee commenced the leave until the date the leave
16 terminates as long as the employee continues to pay any employee shares of the costs of
17 health benefits as required prior to the commencement of the leave.

18 **9. Concurrent leave.** Benefits provided under this subchapter must be provided in
19 accordance with the federal Family and Medical Leave Act of 1993 and the requirements
20 for family medical leave under state law in subchapter 6-A. An employer may require an
21 employee who is entitled to leave under federal or state law who takes family medical
22 leave pursuant to this subchapter to take that leave concurrently with any leave taken
23 pursuant to the federal Family and Medical Leave Act of 1993 or to subchapter 6-A.

24 **10. Rules.** The department shall adopt rules necessary to administer the program
25 and determine the method of collecting and depositing contributions in the fund created
26 in subsection 5. Rules adopted under this subsection are routine technical rules as
27 defined in Title 5, chapter 375, subchapter 2-A.

28 **SUMMARY**

29 This bill creates the Maine Paid Family Leave Insurance Program to provide wage-
30 replacement benefits to persons who qualify for family medical leave. The program is
31 funded by employee contributions and provides 2/3 of the employee's average weekly
32 wage for up to 6 weeks. Employee contributions are collected on a sliding scale based on
33 wages.