



128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1587

H.P. 1091

House of Representatives, May 9, 2017

An Act To Provide Economic Security to Maine Families through the Creation of a Paid Family Medical Leave System

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

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative HERBIG of Belfast. Cosponsored by Senator VOLK of Cumberland.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 26 MRSA §843, sub-§1-A is enacted to read:
3 4	1-A. Bureau. "Bureau" means the Bureau of Unemployment Compensation as defined in section 1043, subsection 5-A.
5	Sec. 2. 26 MRSA §843, sub-§3-A is enacted to read:
6 7	3-A. Fund. "Fund" means the Family Medical Leave Fund established in section <u>1167.</u>
8 9	Sec. 3. 26 MRSA §843, sub-§4, ¶D, as repealed and replaced by PL 2007, c. 519, §1, is amended to read:
10 11	D. A child, domestic partner's child, parent, domestic partner, sibling, parent-in-law, brother-in-law, sister-in-law or spouse with a serious health condition;
12 13	Sec. 4. 26 MRSA §843, sub-§4, ¶F, as amended by PL 2007, c. 519, §2, is further amended to read:
14 15 16 17 18 19	F. The death or serious health condition of the employee's spouse, domestic partner, parent, sibling, parent-in-law, brother-in-law, sister-in-law or child if the spouse, domestic partner, parent, sibling, parent-in-law, brother-in-law, sister-in-law or child as a member of the state military forces, as defined in Title 37-B, section 102, or the United States Armed Forces, including the National Guard and Reserves, dies or incurs a serious health condition while on active duty.
20	Sec. 5. 26 MRSA §843, sub-§4-B, as enacted by PL 2007, c. 233, §1, is repealed.
21 22	Sec. 6. 26 MRSA §843, sub-§8, as enacted by PL 2007, c. 519, §3, is amended to read:
23 24 25	8. Sibling. "Sibling" means a sibling of an employee who is jointly responsible with the employee for each other's common welfare as evidenced by joint living arrangements and joint financial arrangements, including a half-sibling or step-sibling.
26	Sec. 7. 26 MRSA §844, sub-§4 is enacted to read:
27	4. Repeal. This section is repealed October 1, 2019.
28	Sec. 8. 26 MRSA §844-A is enacted to read:
29	§844-A. Family medical leave
30 31 32 33	1. Family medical leave entitlement. An employee of an employer that employs 15 or more employees who has been employed by the same employer or a self-employed person who has made contributions under subsection 2 for 12 of the prior 18 months is entitled to benefits for up to 8 workweeks of family medical leave per year. The

following conditions apply to family medical leave benefits granted under this
 <u>subchapter:</u>

3A. Unless prevented by a medical emergency from giving notice, an employee shall4provide at least 30 days' notice to the employee's employer and a self-employed5person shall provide at least 30 days' notice to the bureau of the intended dates upon6which family medical leave will commence and terminate; and

7B. An employee or self-employed person shall obtain certification from a physician8to be submitted to the bureau pursuant to subsection 4 to verify the amount of leave9requested by the employee or self-employed person, except that an employee or10self-employed person who in good faith relies on treatment by prayer or spiritual11means, in accordance with the tenets and practice of a recognized church or religious12denomination, may submit certification from an accredited practitioner of those13healing methods.

14 **2.** Contribution. An employee entitled to benefits under chapter 13 shall pay a 15 contribution to the fund in an amount of a percentage of the employee's wages under the rate of contribution determined by the bureau in subsection 3. The employer of the 16 17 employee shall deduct the amount of contribution from the employee's wages. 18 Contributions under this subsection become due and must be paid by each employer to 19 the bureau for the fund on or before the last day of the month following the close of the 20 calendar quarter to which the contributions relate. In the calculation of any contribution, a 21 fractional part of a cent must be disregarded unless it amounts to $1/2\phi$ or more, in which 22 case it must be increased to one cent. A person who is self-employed may receive 23 benefits from the fund upon application to the bureau and payment to the bureau of a 24 contribution in the amount determined by the bureau under subsection 3.

3. Rate of contribution. The bureau shall calculate annually the rate of contribution
 under subsection 2 of an employee or self-employed person entitled to family medical
 leave. The rate of contribution may not exceed 0.5% of an employee's gross wages or a
 self-employed person's gross earnings. The bureau may employ a 3rd-party actuary or
 other qualified person to determine the rate of contribution necessary to properly
 administer the fund.

31 4. Notice. When an employee has notified an employer pursuant to subsection 1 of a 32 circumstance allowing family medical leave, the employer shall report the notice to the 33 bureau within 7 days after the employer receives the notice. Certification required under 34 subsection 1, paragraph B must accompany the employer's report under this subsection or 35 the self-employed person's notice under subsection 1. An employer or self-employed 36 person shall also report the average weekly wages or earnings of the employee or self-37 employed person, as similarly defined for an injured employee in Title 39-A, section 102, 38 subsection 4, together with any other information required by the bureau. The statement 39 must report the wages or earnings of the employee or self-employed person on a weekly 40 basis, unless the employee or self-employed person is paid on other than a weekly basis, 41 in which case the employer or self-employed person may report the wages or earnings on 42 the same basis as wages or earnings are paid. A copy of the wage information must be 43 mailed to the employee. If the bureau determines that a notice does not provide a 44 circumstance allowing family medical leave under or is otherwise in violation of this chapter, the bureau may not pay a benefit under subsection 5 and shall notify the
 employer and employee or self-employed person as soon as possible after the
 determination is made.

4 5. Benefits. The bureau shall pay from the fund a family medical leave benefit to an 5 employee or self-employed person who pays a contribution under subsection 2 within a 6 reasonable time after receiving notice for that employee or self-employed person under 7 subsection 4. A benefit under this subsection must be 66% of the weekly wages or 8 earnings of the employee or self-employed person, except that the benefit may not exceed 9 the maximum benefit allowed under chapter 13. If an employer provides a family 10 medical leave benefit to an employee entitled to a benefit under this chapter, the 11 employee shall receive the greater of the employer-provided benefit and the benefit under 12 this subsection. If an employer provides a family medical leave benefit to an employee 13 entitled to a benefit under this chapter that is greater than the benefit under this 14 subsection, the bureau shall pay to the employer the benefit to which the employee is 15 entitled under this subsection.

- 6. Leave taken intermittently or on reduced leave schedule. Intermittent or
 reduced leave schedule family medical leave may be taken subject to the following
 limitations.
- 19 A. Leave for a reason described in section 843, subsection 4, paragraph B or C may 20 not be taken by an employee intermittently or on a reduced leave schedule unless the 21 employee and the employer agree otherwise. Subject to subsection 1, paragraphs A 22 and B, leave for a reason described in section 843, subsection 4, paragraph A, D or E 23 may be taken intermittently or on a reduced leave schedule when medically 24 necessary. The taking of leave intermittently or on a reduced leave schedule pursuant 25 to this paragraph may not result in a reduction in the total amount of leave to which 26 the employee is entitled under subsection 1 beyond the amount of leave actually 27 taken.
- B. If an employee requests intermittent leave, or leave on a reduced leave schedule,
 for a reason described in section 843, subsection 4, paragraph A, D or E that is
 foreseeable based on planned medical treatment, the employer may require the
 employee to transfer temporarily to an available alternative position offered by the
 employer for which the employee is qualified and that:
 - (1) Has equivalent pay and benefits; and

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34(2) Better accommodates recurring periods of leave than the regular employment35position of the employee.

36 7. Small employers. An employer that employs fewer than 15 employees may opt
 37 to participate in family medical leave under this section on a year-to-year basis. The
 38 department may extend by rule the period of participation in family medical leave under
 39 this subsection up to 3 years if the department determines that a longer participation
 40 period is necessary for the stability of the fund or to carry out the provisions of this
 41 section.

42 8. Self-employed persons. A self-employed person who has elected to participate in
 43 family medical leave under this section must participate for a period of at least 2 years.

1 The department may extend by rule the period of participation in family medical leave 2 under this subsection up to 4 years if the department determines that a longer participation period is necessary for the stability of the fund or to carry out the provisions 3 4 of this section. 5 9. Rules. The bureau may adopt routine technical rules as defined by Title 5, chapter 375, subchapter 2-A to carry out the provisions of this chapter. 6 7 10. Effective date. This section takes effect October 1, 2019. 8 Sec. 9. 26 MRSA §1082, sub-§15 is enacted to read: 9 15. Family medical leave. The commissioner, through the bureau, shall administer chapter 7, subchapter 6-A and the Family Medical Leave Fund under section 1167. 10 Sec. 10. 26 MRSA §1167 is enacted to read: 11 12 §1167. Family Medical Leave Fund 13 1. Fund established. The Family Medical Leave Fund, referred to in this section as "the fund," is established in the bureau to issue benefits to employees and self-employed 14 persons entitled to benefits under chapter 7, subchapter 6-A and to cover reasonable 15 16 administrative expenses of the bureau in administering the fund. The fund consists of revenues received from contributions collected under section 844-A, subsection 2, 17 appropriations, allocations and contributions from private and public sources. The fund, 18 19 to be accounted within the Bureau of Unemployment Compensation, must be held separate and apart from all other money, funds and accounts. Eligible investment earnings 20 21 credited to the assets of the fund become part of the assets of the fund. Any unexpended balances remaining in the fund at the end of any fiscal year do not lapse and must be 22 23 carried forward to the next fiscal year. 24 2. Rules. The bureau may adopt routine technical rules as defined in Title 5, chapter 25 375, subchapter 2-A to carry out the purposes of the fund. 26 Sec. 11. Department of Labor to develop implementation plan for family 27 medical leave program; report. The Department of Labor shall develop a plan to 28 implement the family medical leave program under the Maine Revised Statutes, section 29 844-A, referred to in this section as "the program." The plan must include elements 30 necessary for implementation of the program, including: 31 1. Staffing and technology needed to operate the program; 32 2. Rulemaking required to implement the program; 33 3. Initial start-up costs to begin the program; 34 4. With the assistance of a 3rd-party actuary or other qualified person, determine the 35 initial rate of contribution necessary to properly administer the program;

1 5. A timeline that schedules implementation benchmarks to meet the program's effective date of October 1, 2019; and

6. Any recommended legislation, including a provision to allocate or appropriate
\$150,000 or another amount the department determines appropriate to the Family
Medical Leave Fund under Title 26, section 1167, to provide for start-up expenses.

6 The Department of Labor shall submit the plan required under this section to the Joint 7 Standing Committee on Labor, Commerce, Research and Economic Development no 8 later than October 1, 2018.

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SUMMARY

10 This bill creates a paid family medical leave program, patterned after the unpaid family medical leave program existing in current law but requiring a contribution from an 11 12 eligible employee, or a self-employed person on a voluntary basis, of no more than 0.5% of the employee's or self-employed person's wages or earnings. The program requires 13 employers to deduct the contributions from employee paychecks and for the employers 14 15 and self-employed persons to submit contributions to the Department of Labor, Bureau of Unemployment Compensation, which is charged with administering the program. The 16 program pays benefits of up to 66% of an employee's wages or self-employed person's 17 earnings capped at the same maximum amount as unemployment benefits for leave taken 18 by the employee or self-employed person for various family-related medical issues. This 19 bill makes participation optional for employers that employ fewer than 15 employees. 20 This bill also directs the Department of Labor to develop an implementation plan dealing 21 22 with staffing, technology, start-up expense, rulemaking and scheduling to begin the 23 program on its effective date of October 1, 2019.