

# MAINE STATE LEGISLATURE

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# REPORT B

## LABOR

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### STATE OF MAINE

### SENATE

### 132ND LEGISLATURE

### FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 383, L.D. 894, "An Act to Amend the Laws Governing Paid Family and Medical Leave"

Amend the bill by striking out everything after the enacting clause and inserting the following:

'Sec. 1. 26 MRSA §850-A, sub-§9, as enacted by PL 2023, c. 412, Pt. AAA, §7, is amended to read:

9. Covered individual. "Covered individual" means a person who:

A. Earned at least 6 times the state average weekly wage in wages subject to premiums under this subchapter during the individual's base period or elects coverage and meets the requirements of section 850-G; and

B. Meets the administrative requirements outlined in this subchapter and any rules adopted pursuant to this subchapter and files an application for family leave benefits or medical leave benefits; and

C. Has been employed for at least 120 days by the employer from whom the employee is taking leave.

Sec. 2. 26 MRSA §850-B, sub-§5, as amended by PL 2023, c. 643, Pt. ZZZ, §4, is further amended to read:

5. Intermittent leave requirements. Leave permitted by this section may be taken by an employee intermittently in increments equaling not less than one work day, ~~or on a reduced leave schedule otherwise unless a lesser increment is~~ agreed to by the employee and the employer, except that the employee and employer may not agree ~~for to~~ leave under this section to be taken in increments of less than one hour. ~~The taking of leave intermittently or on a reduced leave schedule pursuant to this subsection may not result in a reduction in the total amount of leave to which the covered individual is entitled under this subchapter.~~

Sec. 3. 26 MRSA §850-B, sub-§7, as enacted by PL 2023, c. 412, Pt. AAA, §7, is amended to read:

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COMMITTEE AMENDMENT "A" to S.P. 383, L.D. 894 (S-200)

1       7. **Notice to employer.** Absent an emergency, illness or other sudden necessity for  
2 taking leave, an employee shall give reasonable notice to the employee's supervisor of the  
3 employee's intent to use leave under this subchapter. Use of such leave must be scheduled  
4 to prevent undue hardship on the employer as reasonably determined by the employer. If  
5 an employer fails to provide notice as required under section 850-I, the employee's  
6 obligation to provide notice under this subsection is waived. For purposes of this  
7 subsection, the conditions that constitute undue hardship include, but are not limited to:

8       A. The employer employs fewer than 15 employees;

9       B. When, during the period between 3 days before Memorial Day until Labor Day, the  
10 employer is experiencing a labor shortage;

11       C. The employer generates at least 60% of the employer's annual revenue or production  
12 during a 5-month period, and it is during that 5-month period; or

13       D. When more than 25% of the employer's employees are already on leave or have  
14 requested and been approved for leave, including, but not limited to, vacation or  
15 medical or family leave.

16       An employer may determine additional conditions that constitute undue hardship based on  
17 an individualized assessment of the effect of the leave request on that employer's  
18 operations.

19       A decision of an employer to deny the requested scheduling of leave based on undue  
20 hardship as determined under paragraphs A to D is not reviewable by the department or  
21 subject to appeal pursuant to section 850-K. A decision of an employer to deny the  
22 scheduling of leave based on undue hardship for any condition other than those listed in  
23 paragraphs A to D is reviewable by the department and subject to appeal pursuant to section  
24 850-K. This subsection may not be construed to prevent an employer from granting leave  
25 despite a determination of undue hardship by the employer.

26       **Sec. 4. 26 MRSA §850-B, sub-§10, ¶D,** as enacted by PL 2023, c. 412, Pt. AAA,  
27 §7, is amended to read:

28       D. Require a public employer, ~~as defined in section 962, subsection 7,~~ or employee of  
29 ~~a public~~ an employer that is a party to a collective bargaining agreement in existence  
30 ~~on the effective date of this subchapter~~ October 25, 2023 to apply any of the rights and  
31 responsibilities under this subchapter until the existing collective bargaining agreement  
32 expires.

33       **Sec. 5. 26 MRSA §850-B, sub-§11,** as enacted by PL 2023, c. 412, Pt. AAA, §7,  
34 is amended to read:

35       **11. Concurrent with leave under state and federal law.** Leave taken under this  
36 subchapter runs concurrently with leave taken under the federal Family and Medical Leave  
37 Act of 1993, 29 United States Code, Section 2611, et seq., and under subchapter 6-A.  
38 Employees may take leave under this subchapter while ineligible for leave under the federal  
39 Family and Medical Leave Act of 1993 in the same benefit year. An employee may not  
40 take leave under this subchapter unless leave available to the employee under the federal  
41 Family and Medical Leave Act of 1993 is taken concurrently.

42       **Sec. 6. 26 MRSA §850-B, sub-§13** is enacted to read:

1 **13. Bureau of Paid Family and Medical Leave; responsibilities of commissioner.**  
 2 Except as otherwise provided in this subchapter, the Commissioner of Labor shall  
 3 administer this subchapter through the Bureau of Paid Family and Medical Leave. The  
 4 commissioner may employ persons, make expenditures, require reports, make  
 5 investigations, impose assessments, coordinate with other departments and bureaus and  
 6 take other actions the commissioner determines necessary or suitable to administer this  
 7 subchapter. The commissioner shall determine methods of operational procedures in  
 8 accordance with the provisions of this subchapter.

9 **Sec. 7. 26 MRSA §850-D, sub-§2**, as enacted by PL 2023, c. 412, Pt. AAA, §7, is  
 10 repealed and the following enacted in its place:

11 **2. Filing of application.** The filing of an application for family leave and medical  
 12 leave benefits is governed by this subsection.

13 A. An individual may file an application for family leave benefits or medical leave  
 14 benefits no more than 60 days before the anticipated start date of family leave and  
 15 medical leave.

16 B. An individual may file an application for family leave benefits no more than 15  
 17 days after the start date of family leave.

18 C. An individual may file an application for medical leave benefits no more than 30  
 19 days after the start date of medical leave. The administrator shall waive the 30-day  
 20 filing deadline for good cause.

21 The administrator shall institute forms and procedures that are not unduly burdensome to  
 22 an individual claiming benefits.

23 **Sec. 8. 26 MRSA §850-F, sub-§5**, as enacted by PL 2023, c. 412, Pt. AAA, §7, is  
 24 amended to read:

25 **5. Employers.** The following provisions govern employers.

26 A. An employer with 15 or more employees may deduct up to 50% of the premium  
 27 required for an employee by subsection 3 from that employee's wages and shall remit  
 28 100% of the combined premium contribution required by subsection 3 to the fund. The  
 29 employee shall pay 50% of the premium amount as required by subsection 3, unless  
 30 the employer chooses to deduct up to 50% of the premium required for an employee  
 31 by subsection 3 from that employee's wages.

32 B. An employer with fewer than 15 employees may deduct up to 50% of the premium  
 33 required for an employee by subsection 3 from that employee's wages and shall remit  
 34 50% of the premium required by subsection 3 to the fund. The employee shall pay  
 35 50% of the premium amount as required by subsection 3, unless the employer chooses  
 36 to deduct up to 50% of the premium required for an employee by subsection 3 from  
 37 that employee's wages.

38 **Sec. 9. 26 MRSA §850-F, sub-§9**, as enacted by PL 2023, c. 412, Pt. AAA, §7, is  
 39 amended to read:

40 **9. Failure or refusal to make premium contributions.** An employer that fails or  
 41 refuses to make premium contributions as required in this section ~~must~~ may be assessed  
 42 1.0% of its total annual payroll for each year it so failed to comply in addition to any  
 43 amounts previously owed, or fraction thereof, in addition to the total amount of family

1 leave benefits and medical leave benefits paid to covered individuals for whom it failed to  
 2 make premium contributions. The rate of assessment imposed by this subsection must be  
 3 adjusted annually consistent with subsection 3, paragraph B. The department shall exercise  
 4 discretion to waive, in whole or in part, the amount of any such payments if the recovery  
 5 would be against equity and good conscience.

6 **Sec. 10. 26 MRSA §850-F, sub-§11 is enacted to read:**

7 **11. Enforcement to collect delinquent premium contributions, penalties and**  
 8 **assessments.** If an employer fails to make a payment in whole or in part of premium  
 9 contributions, including penalties or assessments imposed, and the employer has exhausted  
 10 all rights to an appeal, the department may enforce collection by:

11 A. Filing a civil action to collect unpaid premium contributions, penalties and  
 12 assessments in the name of the commissioner, and the employer may be ordered to pay  
 13 the costs of that action; and

14 B. Collecting by levy on a 3rd party that has possession or control of property in which  
 15 the employer may have an interest the amount owed to the department for delinquent  
 16 premium contributions, penalties and assessments consistent with section 1233.

17 **Sec. 11. 26 MRSA §850-F, sub-§12 is enacted to read:**

18 **12. Liability of successor for delinquent premium contributions, penalties and**  
 19 **assessments.** An individual or organization that acquires an employer's organization, trade  
 20 or business or a substantial part of the assets of that organization, trade or business is liable  
 21 to the department for any premium contributions, penalties and assessments unpaid by the  
 22 employer in the amount owed. The individual's or organization's liability under this  
 23 subsection may not exceed the reasonable value of the organization, trade or business or  
 24 assets acquired. Upon written request, the department shall provide the successor individual  
 25 or organization with information about the amount owed and other information as  
 26 determined necessary.

27 **Sec. 12. 26 MRSA §850-H, sub-§6, as enacted by PL 2023, c. 412, Pt. AAA, §7,**  
 28 **is amended to read:**

29 **6. Violations.** Employers offering private plans that violate this section are subject to  
 30 a fine of \$100 per violation. If an employer's private plan benefit coverage is found to have  
 31 lapsed during a period of a private plan substitution approved under this section, the  
 32 employer may be assessed a fine equal to the amount of the premiums the employer would  
 33 owe to the fund pursuant to section 850-F for the time period in which coverage was not  
 34 provided plus a penalty of 1.0% of that employer's total payroll for the same period. An  
 35 employer may not deduct any employee portion of the premiums to pay this fine. The  
 36 department shall transfer any fines collected pursuant to this subsection to the fund. The  
 37 department by rule shall establish a process for the assessment and appeal of fines under  
 38 this subsection.

39 **Sec. 13. 26 MRSA §850-H, sub-§7, as enacted by PL 2023, c. 412, Pt. AAA, §7,**  
 40 **is amended to read:**

41 **7. Cost of administration.** The department shall annually determine the total amount  
 42 expended by the department for costs arising out of the administration of private plans. An  
 43 employer offering a private plan pursuant to this section shall reimburse the department for

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1 ~~the costs arising out of the private plan in the amount, form and manner determined by the~~  
2 ~~department by rule. The department may recover reasonable expenses incurred by the~~  
3 ~~department for the oversight of private plans by assessing a renewal fee on each employer~~  
4 ~~offering a private plan. The renewal fee may not exceed \$250 for an employer with fewer~~  
5 ~~than 50 employees and \$500 for an employer with 50 or more employees. The department~~  
6 ~~shall transfer payments received pursuant to this subsection to the fund. The department~~  
7 ~~shall report to the authority annually the amount of money collected pursuant to this~~  
8 ~~subsection in the preceding year.~~

9 **Sec. 14. 26 MRSA §850-H, sub-§9 is enacted to read:**

10 **9. Refund of premium contributions.** Premium contributions may be refunded  
11 pursuant to this subsection.

12 A. An employer that remitted premium contributions to the fund on or after January 1,  
13 2025 and that received approval to substitute a private plan pursuant to this section  
14 before January 1, 2026 is entitled to reimbursement of all premium contributions made  
15 to the fund, together with any interest earned thereon, upon written request submitted  
16 by mail to the department. Within 30 days of receipt of an employer's written request  
17 for reimbursement of premium contributions under this paragraph, the department shall  
18 refund the employer's premium contributions to the employer, together with any  
19 interest earned thereon from the date of receipt of the request. For purposes of this  
20 paragraph, an employer's request for reimbursement is deemed to be received by the  
21 department on the date on which the employer's request for reimbursement was mailed  
22 to the department.

23 B. An employer that elected to deduct any portion of its premium contribution from its  
24 employees' wages as permitted by section 850-F, subsection 5 shall refund its  
25 employees for their portion of premium contributions, together with any interest earned  
26 thereon, within 30 days of receipt of the refund from the department under paragraph  
27 A.

28 **Sec. 15. 26 MRSA §850-H, sub-§10 is enacted to read:**

29 **10. Time limit for processing applications.** When the department receives a  
30 completed application for approval of a private plan, the department shall make a  
31 determination within 30 days of the date of receipt. If the department approves the private  
32 plan, the effective date for the purposes of a refund of any premiums paid to the department  
33 is the date the application was received by the department.

34 **Sec. 16. 26 MRSA §850-J, sub-§1, as enacted by PL 2023, c. 412, Pt. AAA, §7,**  
35 **is amended to read:**

36 **1. Restoration to position upon return to work.** ~~Except for an employee who has~~  
37 ~~not been employed for at least 120 days, an~~ An employee who exercises the right to family  
38 leave or medical leave under this subchapter is entitled, upon return from that leave, to be  
39 restored by the employer to the position held by the employee when the leave commenced  
40 or to be restored to an equivalent position with equivalent employment benefits, pay and  
41 other terms and conditions of employment. This subsection does not apply to an employee  
42 who is absent from work for more than 10 days without providing notice to the employer.

43 **Sec. 17. 26 MRSA §850-M, sub-§1-A is enacted to read:**

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COMMITTEE AMENDMENT "A" to S.P. 383, L.D. 894 (S-200)

1 1-A. State tax. An individual filing a new claim for family leave benefits or medical  
2 leave benefits under this subchapter may elect to have the administrator deduct and  
3 withhold state income tax from the individual's payment of benefits at the rate of 5%. The  
4 department shall advise an individual filing a new claim, at the time the individual files the  
5 claim, that:

6 A. The benefits are subject to state income tax;

7 B. Requirements exist pertaining to estimated tax payments;

8 C. The individual may elect to have state income tax deducted and withheld from the  
9 individual's payment of benefits at the rate of 5%; and

10 D. The individual is permitted to change a previously elected withholding status.

11 **Sec. 18. 26 MRSA §1401-A, sub-§2, as amended by PL 2017, c. 110, §10, is**  
12 **further amended to read:**

13 **2. Commissioner; entities incorporated.** The department consists of a  
14 Commissioner of Labor, referred to in this chapter as "the commissioner," appointed by  
15 the Governor and subject to review by the joint standing committee of the Legislature  
16 having jurisdiction over labor matters and to confirmation by the Legislature, to serve at  
17 the pleasure of the Governor, and the following entities ~~as previously created or established~~  
18 are incorporated into the Department of Labor:

19 A. The Bureau of Unemployment Compensation;

20 B. The Bureau of Employment Services;

21 C. The Bureau of Labor Standards;

22 D. The Bureau of Rehabilitation Services;

23 F. The Center for Workforce Research and Information; ~~and~~

24 I. The State Workforce Board; and

25 J. The Bureau of Paid Family and Medical Leave.

26 **Sec. 19. 36 MRSA §5122, sub-§1, ¶QQ is enacted to read:**

27 QQ. For each taxable year beginning on or after January 1, 2026, an amount equal to  
28 the amount of family leave benefits or medical leave benefits paid pursuant to Title 26,  
29 section 850-C, to the extent those benefits are not included in the taxpayer's federal  
30 adjusted gross income.

31 **Sec. 20. 36 MRSA §5122, sub-§2, ¶AAA is enacted to read:**

32 AAA. For each taxable year beginning on or after January 1, 2026, an amount equal  
33 to the amount of any family leave benefits or medical leave benefits that were repaid  
34 by the taxpayer pursuant to Title 26, section 850-L, subsection 2 that have been  
35 previously taxed under this Part.

36 **Sec. 21. 36 MRSA §5255-D is enacted to read:**

37 **§5255-D. Withholding on paid family and medical leave benefits**

38 When an individual receiving family leave benefits or medical leave benefits under the  
39 paid family and medical leave benefits program established in Title 26, section 850-B

1 makes an election pursuant to Title 26, section 850-M, subsection 1-A, the administrator  
 2 of the paid family and medical leave benefits program shall deduct and withhold state  
 3 income tax at the rate of 5% from the family leave benefits or medical leave benefits paid  
 4 to the individual pursuant to Title 26, sections 850-B and 850-C.

5 **Sec. 22. Rules establishing expedited refund process and waiver of payroll**  
 6 **premiums by November 1, 2025.** Pursuant to its rule-making authority under the  
 7 Maine Revised Statutes, Title 26, section 850-Q, the Department of Labor shall amend  
 8 12-702 C.M.R. Chapter 1: Rules governing the Maine Paid Family and Medical Leave  
 9 Program to:

10 1. Implement a specified timeline for decisions on applications for substitution of  
 11 private plans that meet the requirements of Title 26, section 850-H, not to exceed 30 days  
 12 from the department's receipt of an employer's application for substitution of a private plan;  
 13 and

14 2. Conform to the provisions of Title 26, section 850-H, subsection 9 as provided in  
 15 this Act.

16 The rules must be in effect no later than November 1, 2025.

17 **Sec. 23. Appropriations and allocations.** The following appropriations and  
 18 allocations are made.

19 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

20 **Revenue Services, Bureau of 0002**

21 Initiative: Provides one-time funding for computer programming costs.

22 <b>GENERAL FUND</b>	<b>2025-26</b>	<b>2026-27</b>
23 All Other	\$0	\$12,844
24		
25 <b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$12,844</b>

26  
 27 **ADMINISTRATIVE AND FINANCIAL**  
 28 **SERVICES, DEPARTMENT OF**  
 29 **DEPARTMENT TOTALS**

30	<b>2025-26</b>	<b>2026-27</b>
31 <b>GENERAL FUND</b>	<b>\$0</b>	<b>\$12,844</b>
32		
33 <b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$12,844</b>

34 **LABOR, DEPARTMENT OF**

35 **Paid Family and Medical Leave Insurance Fund Z383**

36 Initiative: Allocates one-time funds for the cost to calculate and refund contributions paid  
 37 by employers with a private plan in place before January 1, 2026 that is approved by the  
 38 Department of Labor.

39 <b>PAID FAMILY AND MEDICAL LEAVE</b>	<b>2025-26</b>	<b>2026-27</b>
40 <b>INSURANCE FUND</b>		
41 All Other	\$20,000	\$0



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## COMMITTEE AMENDMENT "A" to S.P. 383, L.D. 894 (S200)

1			
2	PAID FAMILY AND MEDICAL LEAVE	\$20,000	\$0
3	INSURANCE FUND TOTAL		
4			
5	<b>LABOR, DEPARTMENT OF</b>		
6	<b>DEPARTMENT TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
7			
8	PAID FAMILY AND MEDICAL LEAVE	\$20,000	\$0
9	INSURANCE FUND		
10			
11	<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$20,000</b>	<b>\$0</b>
12			
13	<b>SECTION TOTALS</b>	<b>2025-26</b>	<b>2026-27</b>
14			
15	GENERAL FUND	\$0	\$12,844
16	PAID FAMILY AND MEDICAL LEAVE	\$20,000	\$0
17	INSURANCE FUND		
18			
19	<b>SECTION TOTAL - ALL FUNDS</b>	<b>\$20,000</b>	<b>\$12,844</b>
20			

21 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
22 number to read consecutively.

## 23 SUMMARY

24 This amendment is the minority report of the committee. The amendment replaces the  
25 bill. The amendment makes the following changes to the paid family and medical leave  
26 benefits program.

27 1. It requires an employee to be employed with an employer for 120 days before being  
28 eligible to take leave.

29 2. It clarifies that intermittent leave of an employee of less than one work day may not  
30 be taken unless it is agreed to by the employee and the employer.

31 3. It provides examples of what type of conditions constitute undue hardship for an  
32 employer and allows an employer to determine other conditions, based on that employer's  
33 specific business, that constitute undue hardship. It also provides that the decision of an  
34 employer to deny the requested scheduling of leave based on the examples provided is not  
35 reviewable by the Department of Labor. It clarifies that a decision of an employer to deny  
36 the scheduling of leave based on undue hardship for any condition other than the examples  
37 is reviewable by the department.

38 4. It applies the same delay of implementation to private employers with collective  
39 bargaining agreements as currently applies to public employers.

40 5. It prohibits the taking of paid leave unless the employee simultaneously takes any  
41 available unpaid leave.

**COMMITTEE AMENDMENT**

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COMMITTEE AMENDMENT "A" to S.P. 383, L.D. 894 (S-200)

1 6. It establishes in statute the Bureau of Paid Family and Medical Leave within the  
2 Department of Labor to administer the paid family and medical leave benefits program.

3 7. It requires an employee to file an application for family leave benefits no more than  
4 15 days after the start of family leave and to file an application for medical leave benefits  
5 no more than 30 days after the start of the medical leave.

6 8. It provides that it is the obligation of the employee to pay premiums unless the  
7 employer chooses to deduct premiums from the employee's wages.

8 9. It changes the applications of penalties against employers from mandatory to  
9 discretionary.

10 10. It establishes remedies for the Department of Labor to enforce the collection of  
11 delinquent premium contributions, penalties and assessments on employers that fail to  
12 make payments required by the program.

13 11. It establishes liability for individuals or organizations with respect to premium  
14 contributions, penalties and assessments owed by employers acquired by those individuals  
15 or organizations.

16 12. It establishes penalties for employers that allow private plan benefit coverage to  
17 lapse during a period of an approved private plan substitution.

18 13. It allows an employer whose private plan is approved by the Department of Labor  
19 to request a refund of the premiums paid if that employer had a substantially equivalent  
20 private plan in place before January 1, 2026. The department, after verifying the amount  
21 paid by the employer, is required, within 30 days of receipt of the refund request, to refund  
22 the employer the premiums paid, plus interest that accrues to the date the refund payment  
23 is issued. It requires the employer to reimburse any employee from whom a premium was  
24 collected and submitted to the department.

25 14. It establishes that the Department of Labor must determine approval of a private  
26 plan within 30 days of receipt of an application and requires the department to update its  
27 rules.

28 15. It clarifies that the provision that provides that an employee who takes leave is  
29 entitled to be restored to the employee's former position does not apply to an employee who  
30 is taking retroactive paid leave and who did not notify the employer for more than 10 days  
31 of the employee's absence.

32 16. It provides that benefits paid from the program are subject to state income tax to  
33 the extent those benefits are not included in the taxpayer's federal adjusted gross income.  
34 It also provides that a taxpayer's federal adjusted gross income may be reduced by the  
35 amount subject to repayment that has been previously taxed by the State. It also allows  
36 individuals filing a new claim for family leave benefits or medical leave benefits to elect  
37 to have the administrator of the program deduct and withhold state income tax from the  
38 individual's payment of benefits at the rate of 5% and requires the administrator of the  
39 program to deduct and withhold state income tax. It also requires the department to advise  
40 individuals filing a new claim for benefits that the benefits are subject to state income tax.

41 17. It places limits on the fees charged for private plan substitutions.

42 **FISCAL NOTE REQUIRED**

43 (See attached)

**COMMITTEE AMENDMENT**

**132nd MAINE LEGISLATURE****LD 894****LR 296(02)****An Act to Amend the Laws Governing Paid Family and Medical Leave****Fiscal Note for Bill as Amended by Committee Amendment "A" (S-200)****Committee: Labor****Fiscal Note Required: Yes**

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**Fiscal Note**

	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>Projections FY 2027-28</b>	<b>Projections FY 2028-29</b>
<b>Net Cost (Savings)</b>				
General Fund	(\$817,000)	(\$4,157,656)	(\$4,512,500)	(\$4,816,500)
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$12,844	\$0	\$0
Paid Family and Medical Leave Insurance Fund	\$20,000	\$0	\$0	\$0
<b>Revenue</b>				
General Fund	\$817,000	\$4,170,500	\$4,512,500	\$4,816,500
Other Special Revenue Funds	\$43,000	\$219,500	\$237,500	\$253,500
Paid Family and Medical Leave Insurance Fund	(\$25,000,000)	(\$30,000,000)	\$0	\$0

**Correctional and Judicial Impact Statements**

This bill may increase the number of civil suits filed in the court system. The additional workload associated with the minimal number of new cases does not require additional funding at this time. The collection of additional fines and filing fees will increase General Fund or other dedicated revenue by minor amounts.

**Fiscal Detail and Notes**

This bill includes a revenue increase to the General Fund of \$817,000 in fiscal year 2025-26 and \$4,170,500 in fiscal year 2026-27 due to the taxation of family leave benefits and medical leave benefits effective January 1, 2026. The bill also includes a revenue increase to the Local Government Fund of \$43,000 in fiscal year 2025-26 and \$219,500 in fiscal year 2026-27.

This bill includes a revenue increase to the General Fund of \$817,000 in fiscal year 2025-26 and \$4,170,500 in fiscal year 2026-27 due to the taxation of family leave benefits and medical leave benefits effective January 1, 2026. The bill also includes a revenue increase to the Local Government Fund of \$43,000 in fiscal year 2025-26 and \$219,500 in fiscal year 2026-27.

The Department of Labor estimates that reimbursing certain employers that remitted premium contributions to the Paid Family and Medical Leave Insurance Fund on or after January 1, 2025 and who received approval to substitute private plan before January 1, 2026 will reduce revenue in the fund by \$25.0 million in fiscal year 2025-26 and \$30.0 million in fiscal year 2026-27.

CA(5-200)

This bill includes a one-time Paid Family and Medical Leave Insurance Fund allocation of \$20,000 in fiscal year 2025-26 to the Department of Labor for the cost associated with calculating and refunding contributions paid by employers with a private plan in place on or before January 1, 2026 that is approved by the Department of Labor.