

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 701

H.P. 492

House of Representatives, February 28, 2017

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.
Cosponsored by Senator MILLETT of Cumberland and
Representatives: FARNSWORTH of Portland, KORNFIELD of Bangor, McCREA of Fort
Fairfield, McCREIGHT of Harpswell, MONAGHAN of Cape Elizabeth, MOONEN of
Portland, Senator: CARSON of Cumberland.

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 subchapter, unless the context otherwise indicates,
7 the following terms have the following meanings.

8 A. "Employee" has the same meaning as in section 843, subsection 1.

9 B. "Employer" has the same meaning as in section 843, subsection 3.

10 C. "Family medical leave" has the same meaning as in section 843, subsection 4.

11 D. "Program" means the Maine Paid Family Leave Insurance Program created in this
12 subchapter.

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

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

32 **5. Fund created.** The Paid Family Leave Insurance Fund is created to collect
33 contributions and fund benefits under this subchapter. 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 of Labor shall determine the actuarially
 2 appropriate total contribution needed each year to fund benefits under this section. The
 3 department shall collect the entire required amount from employees. The aggregate
 4 employee contribution must be collected from individual employees on a sliding scale
 5 based on wages, as determined by the department.

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

12 **8. Maintenance of employee health 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, 29 United States
 20 Code, Section 2601 et seq. and the requirements for family medical leave under state law
 21 in subchapter 6-A. An employer may require an employee who is entitled to leave under
 22 federal or state law who takes family medical leave pursuant to this subchapter to take
 23 that leave concurrently with any leave taken pursuant to the federal Family and Medical
 24 Leave Act of 1993 or to subchapter 6-A.

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

SUMMARY

30 This bill creates the Maine Paid Family Leave Insurance Program to provide wage-
 31 replacement benefits to persons who qualify for family medical leave. The program is
 32 funded by employee contributions and provides 2/3 of a person's average weekly wage or
 33 100% of the state average weekly wage, whichever is lower, for up to 6 weeks in any 12-
 34 month period. Employee contributions are collected on a sliding scale based on wages.