

132nd MAINE LEGISLATURE

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Legislative Document

No. 1307

S.P. 537

In Senate, March 27, 2025

An Act to Suspend the Remittance Obligation for Paid Family and Medical Leave Private Plan Users

(EMERGENCY)

Reference to the Committee on Labor suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator BRADSTREET of Kennebec.
Cosponsored by Senator BICKFORD of Androscoggin and
Senators: CYRWAY of Kennebec, MARTIN of Oxford, STEWART of Aroostook,
Representatives: FLYNN of Albion, FOSTER of Dexter, GUERRETTE of Caribou.

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the State began imposing premiums on employers January 1, 2025 under the State's paid family and medical leave law; and

Whereas, under the State's plan, an employer that has a substantially equivalent private plan may be excepted from participating in the State's plan; and

Whereas, under rules adopted by the Department of Labor, employers cannot apply for the exception from the State's plan until after April 1, 2025; and

Whereas, this delay in the application and approval for an exception process causes employers that have a substantially equivalent private plan to continue to pay premiums for the State's plan, essentially requiring double payment for an equivalent benefit; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

- Sec. 1. Temporary suspension of mandatory payroll premiums for paid family and medical leave benefits program. Notwithstanding the Maine Revised Statutes, Title 26, section 850-F, subsection 2, the mandatory remittance by an employer of the payroll premium imposed pursuant to Title 26, section 850-F, subsection 3 to support the paid family and medical leave benefits program established in Title 26, section 850-B is suspended until January 1, 2026. An employer that wishes to continue participation in the program may continue to pay the payroll premium required by Title 26, section 850-F, subsection 2.
- **Sec. 2.** Rules establishing expedited exemption process and waiver of payroll premiums. Pursuant to its rule-making authority under the Maine Revised Statutes, Title 26, section 850-Q, the Department of Labor shall amend 12-702 C.M.R. Chapter 1: Rules governing the Maine Paid Family and Medical Leave Program to implement an expedited approval process for private plans that meet the requirements of Title 26, section 850-H. The rules must allow an employer that applies for an exemption from the plan to discontinue the payment of the payroll premium imposed pursuant to Title 26, section 850-F, subsection 3 while the application is pending. The rules must be in effect no later than November 1, 2025.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

36 SUMMARY

This bill immediately suspends the payroll premiums imposed on employers under the paid family and medical leave benefits program until January 1, 2026, but allows an employer that wants to participate in the program to continue to pay the premiums. The bill also requires the Department of Labor to amend its rules adopted for the program to establish an expedited process for approval of an employer's substitute private plan that is

- substantially equivalent to the program and to waive the payroll premiums during
- 2 consideration of an employer's application for exemption. The rules must be in effect no
- 3 later than November 1, 2025.