



# PFML Policy Proposals

Presented by the Maine Paid Leave Coalition

**MAINE**   
**PAID FAMILY LEAVE**

# Our Coalition

The Maine Paid Leave Coalition is a group of partners working together to create comprehensive paid family and medical leave, and to implement a system that works for all Mainers, leaving no one behind.

# Our Members

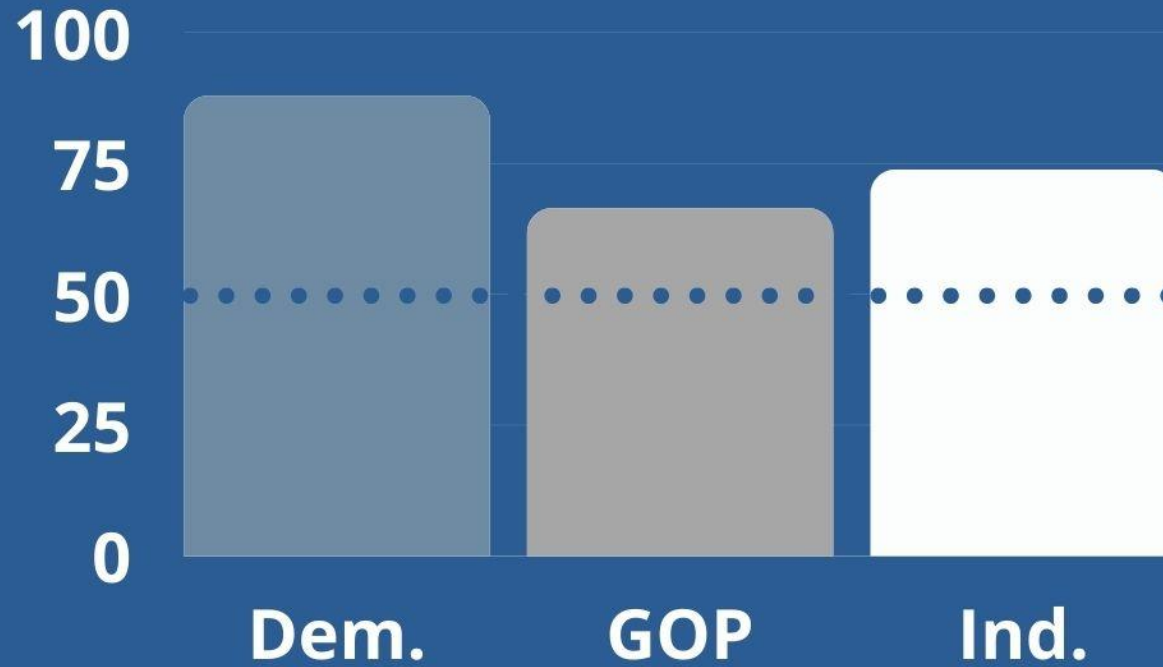
- AARP Maine
- Alzheimer's Association: Maine Chapter
- American Academy of Pediatrics: Maine Chapter
- BirthRoots
- Disability Rights Maine
- EQME
- In Her Presence
- Maine Association of Certified Professional Midwives
- Maine AEYC
- MECEP
- Maine Children's Alliance
- MECASA
- MCEDV
- Maine Employment Lawyers Association
- Maine Equal Justice
- Maine Family Planning
- Maine People's Alliance
- Maine State Breastfeeding Coalition
- Maine Women's Lobby
- Mainers for Working Families
- NASW: Maine Chapter
- Paid Leave for ME
- Planned Parenthood of Northern New England
- Restore The Floor
- Southern Maine Workers' Center



**Mainers support the creation of  
a statewide Paid Family &  
Medical Leave program.**

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*PanAtlantic's 2020  
Omnibus Survey,  
October 2020*



**The creation of Paid Family & Medical Leave is supported by all political parties.**



**CD1**



**CD2**

**Mainers in both Congressional Districts support Paid Family & Medical Leave.**

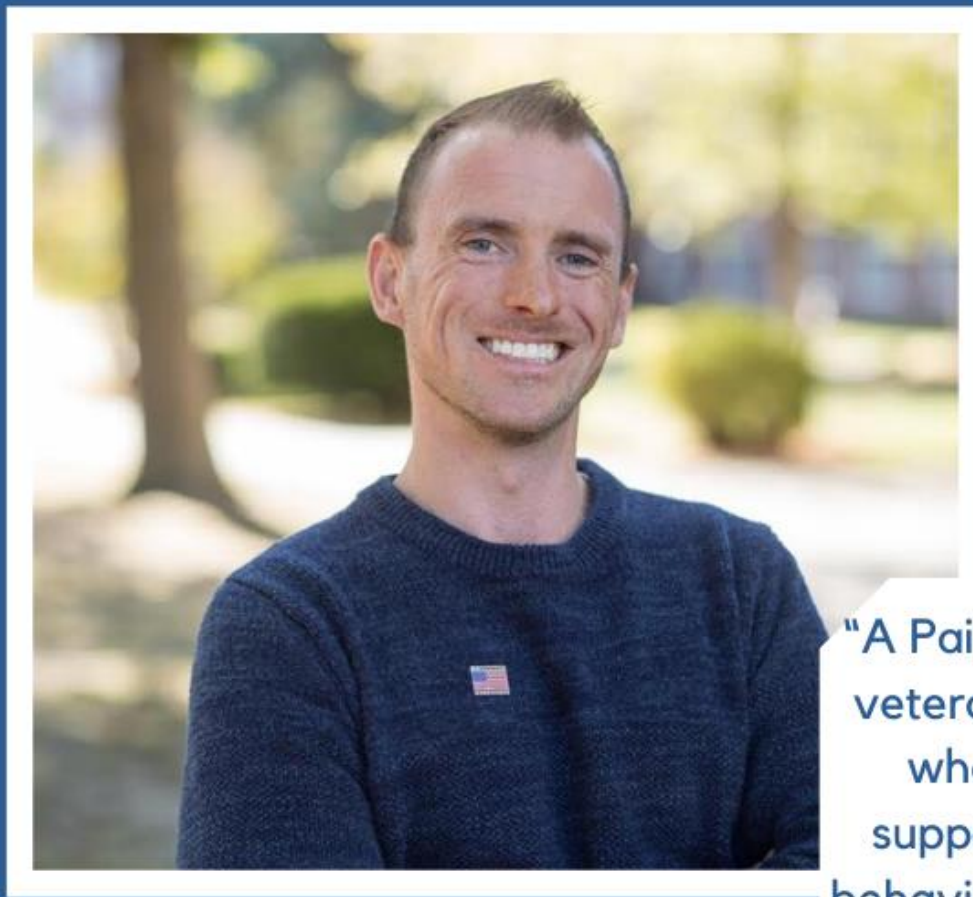
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# Coalition Values and Principles

# Policies should be universal.

**All workers** should have access to paid family and medical leave regardless of the size of the business, sector of the economy in which they work, full- or part-time status, or self-employment. **Carve-outs or opt-outs make the program more expensive and potentially unsustainable.**





# MAINE

## PAID FAMILY LEAVE

"A Paid Leave program would help veterans maintain a stable income when taking off time work to support the family's medical and behavioral health care needs. When a veteran is willing to seek VA care, it should not come at a significant professional and financial cost."

-Stephen

#PaidLeave4ME



[Mainefamilyleave.com](http://Mainefamilyleave.com)

Gender inclusive and gender responsive.

PFML policies must include all workers of all gender identities including men, women, transgender and non-binary people.



# MAINE

## PAID FAMILY LEAVE

"Neither of us have paid leave policies at our jobs in healthcare and higher education, so we did everything that we could to build our own safety net."

-Dana

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[Mainefamilyleave.com](http://Mainefamilyleave.com)

# Should include job protection.

Studies clearly show that workers will not make use of PFML or take the length of time they need **if doing so means they risk losing their jobs**, even if they have paid into the program.



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## PAID FAMILY LEAVE

"I started looking for work right away, despite severe vertigo, slurred speech, and loss of short term memory. I started a new job less than two months later, against my doctor's instructions."

-Andrea

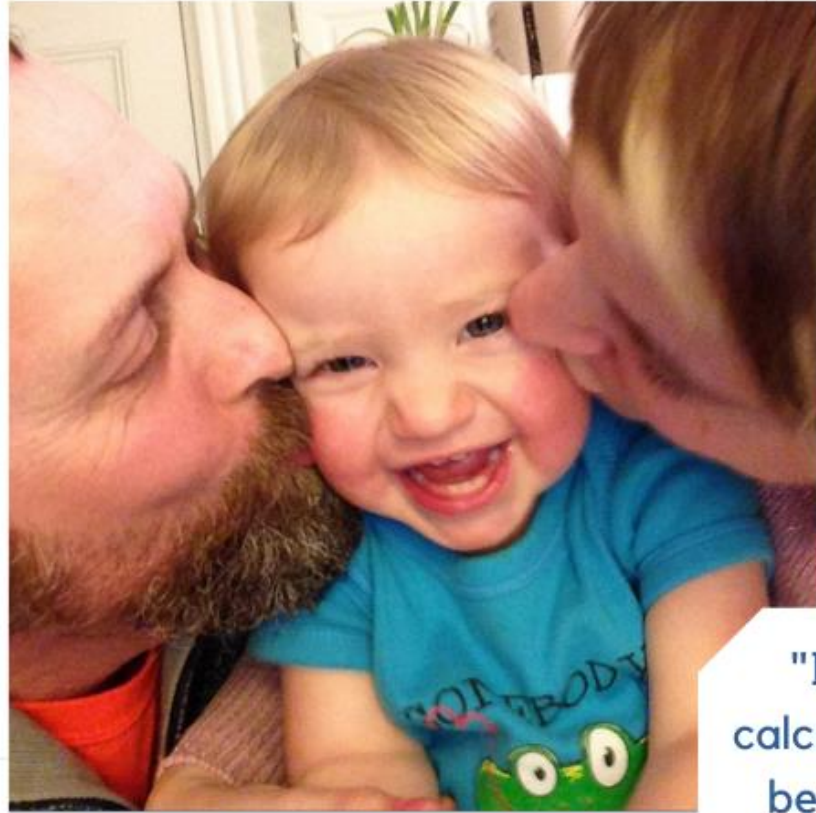
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# Should include all kinds of family.

Families are configured in a multitude of ways. Inclusive policies should include the most **comprehensive definition of family** possible to ensure workers can care for a broad range of family members.



# MAINE

## PAID FAMILY LEAVE

"I am not sure how the state calculates a "per diem rate," but it begs the question: how do you calculate and remunerate the love you give another human, especially in the form of fostering?"

- Katrina

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[mainefamilyleave.com](http://mainefamilyleave.com)

# Should be comprehensive.

Proposals should be comprehensive, covering leave for bonding with and caring for a **new child**, caring for a **sick family member**, addressing **one's own** serious medical and mental health needs, and preparation and reintegration following **military deployment**.





# MAINE

## PAID FAMILY LEAVE

"It's been almost 11 years now since my wife first started showing signs of Younger Onset Alzheimer's Disease. Her primary care provider told us she was "too young" to have Alzheimer's and dismissed my concerns"

-Thom

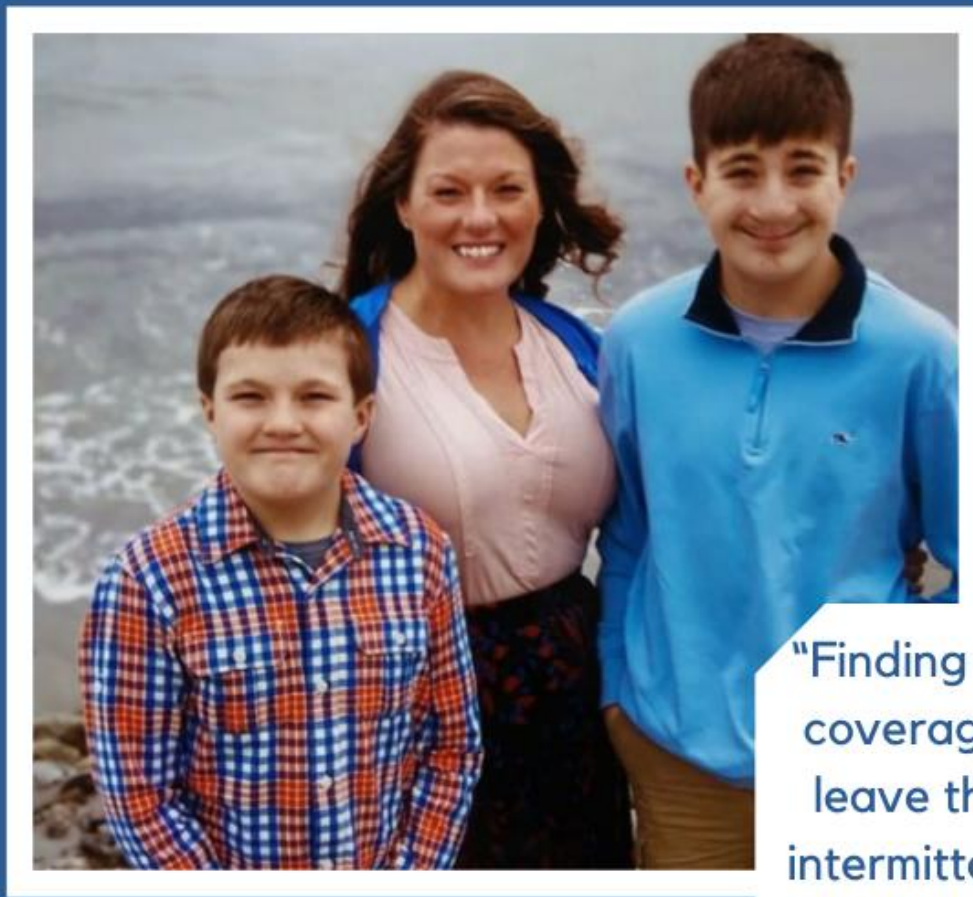
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# Should be a social insurance system.

Domestic and international evidence and experience suggest that there are real advantages to a social insurance model to fund PFML. There are **cost efficiencies** achieved in a universal program, the **benefits are portable**, and small business owner expenses are more predictable.



# MAINE

## PAID FAMILY LEAVE

"Finding a job with adequate health coverage and comprehensive paid leave that would allow me to take intermittent time off to help my child recover from surgery has been next to impossible."

-Fran

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[Mainefamilyleave.com](http://Mainefamilyleave.com)

# Should include adequate wage replacement.

Wage replacement rates need to be high enough for workers, especially low-income workers, to live on. **When wage replacement is inadequate, many low-wage workers do not take leave** for which they are eligible because the low benefit level places them at risk of financial instability.



# MAINE

## PAID FAMILY LEAVE

"I got to be home with my baby for seven weeks -- two of them using paid time off and three of them unpaid. I was required to pay back my health insurance premium for those three weeks. I also returned to work with zero vacation or sick time remaining"

-Harley

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Should be long enough.

Programs should offer workers enough time to fully address their needs.

Birth, bonding, recovery, death and dying all take time – which is why **paid sick time is inadequate** to address the real need.



# MAINE

## PAID FAMILY LEAVE

"My situation became a crisis when at the age of 59 I needed a knee replacement. I was forced to postpone it a year because I required 10 weeks of unpaid leave and needed to organize my finances to cover that."

-Dale

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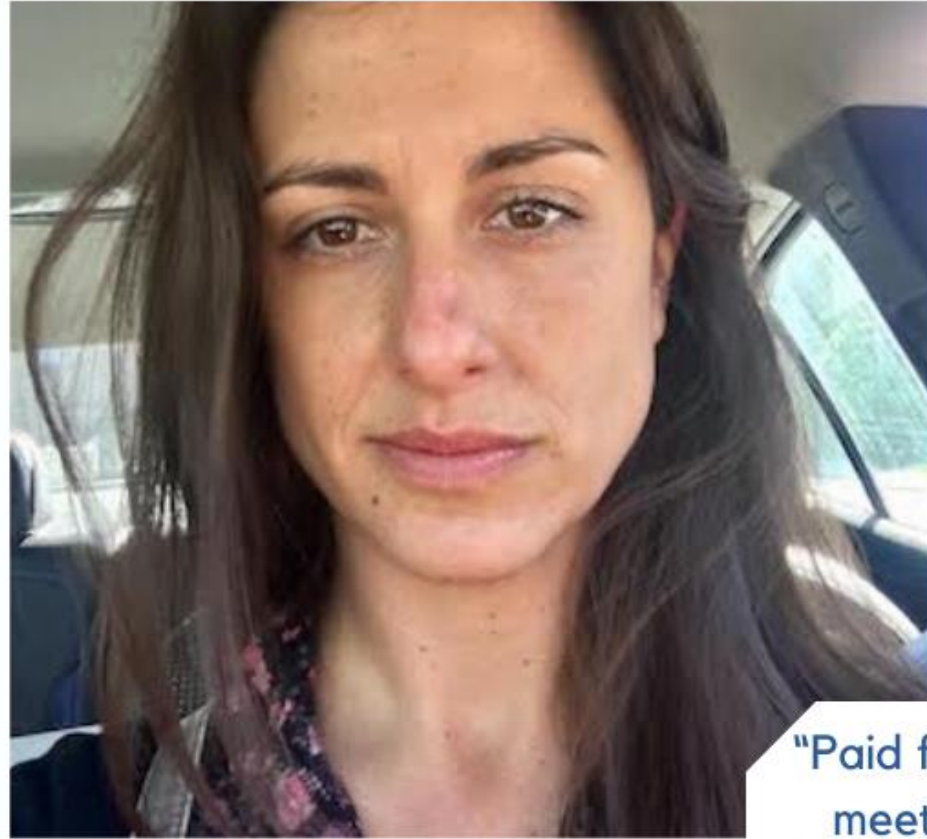


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Should be paid by workers and employers.

Studies show both employers and employees benefit from paid leave programs. By sharing costs across both groups, the **costs are significantly lowered for all** involved.





# MAINE

## PAID FAMILY LEAVE

"Paid family leave allowed me to meet my family and personal obligations while maintaining the financial security of a career I had worked so hard to build."

-Lindsay

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# Outreach must be included.

Research shows that low-income workers, workers of color, and workers with less than a college education are the least likely to know about, and therefore access, their state's paid family and medical leave program.

# No federal pre-emption.

Federal proposals should not prevent states from enacting more robust paid family and medical leave laws; and the states' proposals should not preempt local proposals.

# How We Got There

James Myall, MECEP

# Method and Assumptions

Coalition members modeled the possible payroll tax implications of the different elements of a PFML policy with adaptations to the “Workers Plus” software shared by the US Department of Labor.

The calculations use Rhode Island’s usage rate to estimate costs, which is the highest of the 3 existing programs for which we have data. Actual usage and costs could be lower.

The model assumes a 90 percent wage replacement rate.

# Method and Assumptions

Based on this model, and our proposals, we expect a total cost in the range of .55 - .75.

**For a worker earning an average weekly wage of \$1,000, that's a total cost of approximately \$5.50 - \$7.50.**

# Specific Policy Proposals

# Length and Nature of Leave

This is the key question that many policies start from - who is eligible for leave, for what purposes, and for how long?

**We recommend:** One bucket of leave for all standard leave purposes (caregiving, bonding, and personal recovery), with a total cap of 20 weeks.



# Length and Nature of Leave

## Why?

This ensures that **all types of leave**, whether personal recovery, birth or placement of a child, or care for a family member, are equally valued, and places more discretion in the user's hands.

Capping income, and a replacement rate of less than 100% ensures that workers are unlikely to just take the total amount regardless of their need.

# Length and Nature of Leave

## **Where Else:**

Massachusetts has a 20-week cap for medical leave and 26-week total cap across all types of leave.

In TDI states (California, New Jersey, New York, and Rhode Island) the maximum duration of medical leave is 26 to 52 weeks.

States with newer programs are offering more leave - showing that the lessons learned work and programs can be expanded.

# Wage Replacement and Cap

This refers to the amount of income a person will receive when they file.

**We recommend:** Aligning income replacement with the Unemployment Insurance standard.

# Wage Replacement and Cap

- The average weekly wage (AWW) = \$1000/week.
- Wages of half the AWW (\$500/week) = 90% wage replacement.
- Wages above AWW/\$500 = 50% wage replacement.

**SO: Someone who earns \$750 per week = wage replacement of about \$600/week**

$$((\$500 \times .90 = \$450) + (\$300 \times .50 = \$150) = \$600).$$

# Wage Replacement and Cap

## Why?

COVID has made it clear that lower wage earners people need access to more robust benefits.

The UI standard is already a tool employers, workers, and system administrators are familiar with.

Systems that are easier to understand and administer are more accessible to the public and to those who interact with them.

# Payroll Tax Cap

Systems are usually funded with a payroll tax (just like social security). Some systems, such as Social Security, limit the total amount of income which can be taxed.

**We Recommend:** We suggest that there should be no cap on payroll taxes.

# Payroll Tax Cap

## Why?

This ensures that people of all income levels chip into the system, keeping the overall payroll tax very low.

Washington DC has no payroll tax cap - and their program rate is .62.

**Total for \$1,000/week = \$6.20 per person.**

# Employer/Employee Contribution

This refers to who pays the payroll tax for the program, and at what percentage.

**We Recommend:** Employers and employees each pay 50 percent of the total costs of the program.

We propose that small businesses (under 10) and self-employed people be exempt from the employer-side payroll tax.



# Employer/Employee Contribution

## Why?

Sharing the costs keeps the costs low for everyone.

Employers and workers both benefit and should both chip in – **7/10 states use this system.**

Small businesses are the least likely to be able to pick up added costs; exempting them ensures that Maine's small businesses are less burdened by this program.

# Employer/Employee Contribution

## Why?

Employers tend to be able to **hire and retain staff** for longer when employees have access to PFML – many states show that **small businesses thrive** with implementation.

Benefits outweigh the costs for employers who do not need to cover the wages of employees who are out on leave.

# Employer/Employee Contribution

## Where Else?

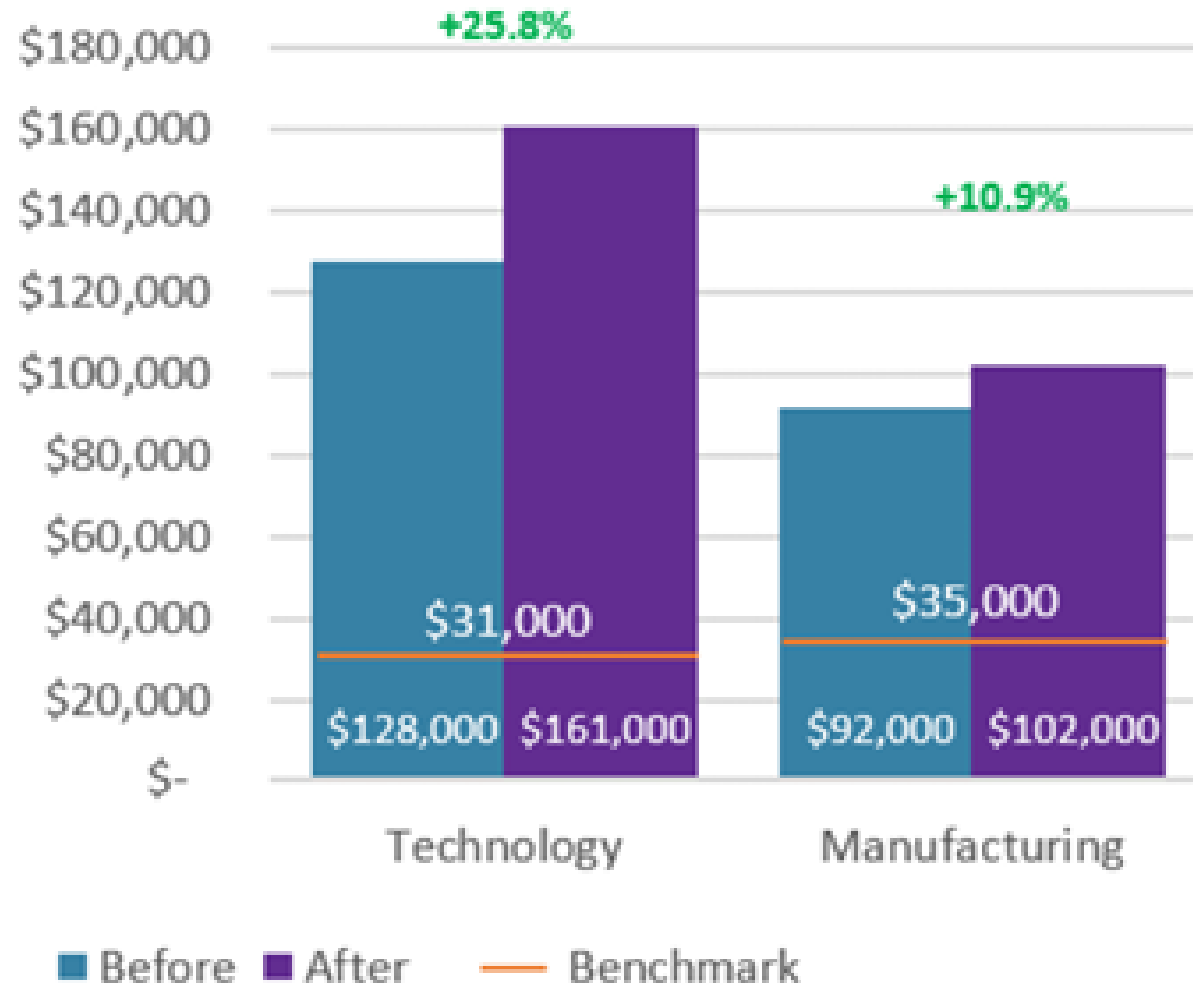
In CA, which has had program for a decade, 87% of business reported NO increased costs, and 1 in 10 report reduced costs from turnover savings.

<https://hbr.org/2011/01/paid-family-leave-pays-off-in>

A 2018 national assessment shows that implementation of PFML results in increased profit, due to an increase in productivity and human ROI.

<https://panoramaglobal.org/resources/understanding-the-business-impacts-of-paid-leave/>

# PROFIT PER FTE



*The Business  
Impacts of Paid  
Leave –  
Panorama,  
2019*

# Family Definition

This refers to how we define families, and how families can access leave for the caregiving parts of the program.

## **We Recommend:**

Using broad language which includes strong personal bonds, and then the existing definitions in the 'Maine Parentage Act' and 'domestic partners' as the basis for any statutory language or framework.

# Family Definition

## Why?

It is inclusive of the reality of many kinds of families in Maine

It relies on language that has been carefully crafted by Maine stakeholders for years - and would update as those definitions update.



[MaineFamilyLeave.Com](http://MaineFamilyLeave.Com)