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December 1, 2022

Ms. Colleen McCarthy Reid, Esq.
Office of Policy and Legal Analysis
Maine Legislature

Via Email: colleen.mccarthyreid@legislature.maine.gov

Re: Actuarial Analysis of Maine Paid Family and Medical Leave Program

Dear Ms. McCarthy Reid,

At the Commission's request, we have calculated the weekly contributions and benefit amounts for employees with salaries ranging from \$10,000 to \$250,000, based on the following paid family and medical leave program design options¹:

1. Benefits replace 80% of income up to 120% of the state average weekly wages
2. Benefits replace 90% of income up to 120% of the state average weekly wages

We have also researched the legislation in other states related to coordinating PFML with benefits from other sources, such as Workers' Compensation and Unemployment Insurance, and we have reviewed the memorandum developed by the Maine Paid Leave Coalition to compare the design and costs of the PFML program that organization describes to those under consideration by the Commission. This letter contains the results of our analysis, research, and review, as well as other information related to the Maine PFML program.

Weekly Contributions and Benefit Amounts

We calculated the weekly contributions and benefit amounts for employees with different salaries using the following contribution rates, which are consistent with the rates included in our letter from November 28, 2022:

Table 1 Estimated PFML Contribution Rates								
Income Replacement	Maximum Benefit	Wage Base	Cost Share Method	Cost Share Proportion				Total
				25% / 75%		50% / 50%		
				ER	EE	ER	EE	
80%	120% SAWW	Unlimited	Equal Amount	0.24%	0.61%	0.48%	0.41%	0.82%
80%	120% SAWW	Unlimited	Equal Rate	0.21%	0.64%	0.44%	0.44%	0.82%
90%	120% SAWW	Unlimited	Equal Amount	0.29%	0.74%	0.58%	0.50%	0.99%
90%	120% SAWW	Unlimited	Equal Rate	0.26%	0.77%	0.53%	0.53%	0.99%

¹ The other design features are consistent with those specified in the latest PFML program design grid in the document "Recs for PFML Program Chart for Dec 2".

In Table 1, we included contribution rates for both cost share methods discussed during our meeting last Tuesday. In the “Equal Amount” method, the cost share percentage (i.e., 25%, 50%, and 75%) represents the proportion of total contributions paid by employers and employees. Under this method, the contribution rates are not the same under the 50%/50% option because of the assumed small employer exemptions; however, the total contributions from employers and employees would be equal. In the “Equal Rate” method, the contribution rates were calibrated to produce the same contribution rate for employers and employees under the 50%/50% option.

The tables on pages 3-6 show the weekly contributions and benefit amounts for employees whose salaries range from \$10,000 to \$250,000 in increments of \$5,000, for the program options included in Table 1. A description of the tables is provided below:

- **Table 2 (page 3):** Benefits replace 80% of income up to 120% of SAWW. Contribution rates are based on the “Equal Amount” Cost Share Method.
- **Table 3 (page 4):** Benefits replace 80% of income up to 120% of SAWW. Contribution rates are based on the “Equal Rate” Cost Share Method.
- **Table 4 (page 5):** Benefits replace 90% of income up to 120% of SAWW. Contribution rates are based on the “Equal Amount” Cost Share Method.
- **Table 5 (page 6):** Benefits replace 90% of income up to 120% of SAWW. Contribution rates are based on the “Equal Rate” Cost Share Method.

Annual Salary	Weekly Benefit Amount	Replacement Ratio	Weekly Contributions			
			25% / 75% Cost Share		50% / 50% Cost Share	
			Employer	Employee	Employer	Employee
\$10,000	\$154	80%	\$0.46	\$1.17	\$0.92	\$0.79
\$15,000	\$231	80%	\$0.69	\$1.76	\$1.38	\$1.18
\$20,000	\$308	80%	\$0.92	\$2.35	\$1.85	\$1.58
\$25,000	\$385	80%	\$1.15	\$2.93	\$2.31	\$1.97
\$30,000	\$462	80%	\$1.38	\$3.52	\$2.77	\$2.37
\$35,000	\$538	80%	\$1.62	\$4.11	\$3.23	\$2.76
\$40,000	\$615	80%	\$1.85	\$4.69	\$3.69	\$3.15
\$45,000	\$692	80%	\$2.08	\$5.28	\$4.15	\$3.55
\$50,000	\$769	80%	\$2.31	\$5.87	\$4.62	\$3.94
\$55,000	\$846	80%	\$2.54	\$6.45	\$5.08	\$4.34
\$60,000	\$923	80%	\$2.77	\$7.04	\$5.54	\$4.73
\$65,000	\$1,000	80%	\$3.00	\$7.63	\$6.00	\$5.13
\$70,000	\$1,077	80%	\$3.23	\$8.21	\$6.46	\$5.52
\$75,000	\$1,154	80%	\$3.46	\$8.80	\$6.92	\$5.91
\$80,000	\$1,231	80%	\$3.69	\$9.38	\$7.38	\$6.31
\$85,000	\$1,308	80%	\$3.92	\$9.97	\$7.85	\$6.70
\$90,000	\$1,377	80%	\$4.15	\$10.56	\$8.31	\$7.10
\$95,000	\$1,377	75%	\$4.38	\$11.14	\$8.77	\$7.49
\$100,000	\$1,377	72%	\$4.62	\$11.73	\$9.23	\$7.88
\$105,000	\$1,377	68%	\$4.85	\$12.32	\$9.69	\$8.28
\$110,000	\$1,377	65%	\$5.08	\$12.90	\$10.15	\$8.67
\$115,000	\$1,377	62%	\$5.31	\$13.49	\$10.62	\$9.07
\$120,000	\$1,377	60%	\$5.54	\$14.08	\$11.08	\$9.46
\$125,000	\$1,377	57%	\$5.77	\$14.66	\$11.54	\$9.86
\$130,000	\$1,377	55%	\$6.00	\$15.25	\$12.00	\$10.25
\$135,000	\$1,377	53%	\$6.23	\$15.84	\$12.46	\$10.64
\$140,000	\$1,377	51%	\$6.46	\$16.42	\$12.92	\$11.04
\$145,000	\$1,377	49%	\$6.69	\$17.01	\$13.38	\$11.43
\$150,000	\$1,377	48%	\$6.92	\$17.60	\$13.85	\$11.83
\$155,000	\$1,377	46%	\$7.15	\$18.18	\$14.31	\$12.22
\$160,000	\$1,377	45%	\$7.38	\$18.77	\$14.77	\$12.62
\$165,000	\$1,377	43%	\$7.62	\$19.36	\$15.23	\$13.01
\$170,000	\$1,377	42%	\$7.85	\$19.94	\$15.69	\$13.40
\$175,000	\$1,377	41%	\$8.08	\$20.53	\$16.15	\$13.80
\$180,000	\$1,377	40%	\$8.31	\$21.12	\$16.62	\$14.19
\$185,000	\$1,377	39%	\$8.54	\$21.70	\$17.08	\$14.59
\$190,000	\$1,377	38%	\$8.77	\$22.29	\$17.54	\$14.98
\$195,000	\$1,377	37%	\$9.00	\$22.88	\$18.00	\$15.38
\$200,000	\$1,377	36%	\$9.23	\$23.46	\$18.46	\$15.77
\$205,000	\$1,377	35%	\$9.46	\$24.05	\$18.92	\$16.16
\$210,000	\$1,377	34%	\$9.69	\$24.63	\$19.38	\$16.56
\$215,000	\$1,377	33%	\$9.92	\$25.22	\$19.85	\$16.95
\$220,000	\$1,377	33%	\$10.15	\$25.81	\$20.31	\$17.35
\$225,000	\$1,377	32%	\$10.38	\$26.39	\$20.77	\$17.74
\$230,000	\$1,377	31%	\$10.62	\$26.98	\$21.23	\$18.13
\$235,000	\$1,377	30%	\$10.85	\$27.57	\$21.69	\$18.53
\$240,000	\$1,377	30%	\$11.08	\$28.15	\$22.15	\$18.92
\$245,000	\$1,377	29%	\$11.31	\$28.74	\$22.62	\$19.32
\$250,000	\$1,377	29%	\$11.54	\$29.33	\$23.08	\$19.71

Table 3 – Benefits Replace 80% of Income up to 120% of SAWW – “Equal Rate” Cost Share Method						
Annual Salary	Weekly Benefit Amount	Replacement Ratio	Weekly Contributions			
			25% / 75% Cost Share		50% / 50% Cost Share	
			Employer	Employee	Employer	Employee
\$10,000	\$154	80%	\$0.40	\$1.23	\$0.85	\$0.85
\$15,000	\$231	80%	\$0.61	\$1.85	\$1.27	\$1.27
\$20,000	\$308	80%	\$0.81	\$2.46	\$1.69	\$1.69
\$25,000	\$385	80%	\$1.01	\$3.08	\$2.12	\$2.12
\$30,000	\$462	80%	\$1.21	\$3.69	\$2.54	\$2.54
\$35,000	\$538	80%	\$1.41	\$4.31	\$2.96	\$2.96
\$40,000	\$615	80%	\$1.62	\$4.92	\$3.38	\$3.38
\$45,000	\$692	80%	\$1.82	\$5.54	\$3.81	\$3.81
\$50,000	\$769	80%	\$2.02	\$6.15	\$4.23	\$4.23
\$55,000	\$846	80%	\$2.22	\$6.77	\$4.65	\$4.65
\$60,000	\$923	80%	\$2.42	\$7.38	\$5.08	\$5.08
\$65,000	\$1,000	80%	\$2.63	\$8.00	\$5.50	\$5.50
\$70,000	\$1,077	80%	\$2.83	\$8.62	\$5.92	\$5.92
\$75,000	\$1,154	80%	\$3.03	\$9.23	\$6.35	\$6.35
\$80,000	\$1,231	80%	\$3.23	\$9.85	\$6.77	\$6.77
\$85,000	\$1,308	80%	\$3.43	\$10.46	\$7.19	\$7.19
\$90,000	\$1,377	80%	\$3.63	\$11.08	\$7.62	\$7.62
\$95,000	\$1,377	75%	\$3.84	\$11.69	\$8.04	\$8.04
\$100,000	\$1,377	72%	\$4.04	\$12.31	\$8.46	\$8.46
\$105,000	\$1,377	68%	\$4.24	\$12.92	\$8.88	\$8.88
\$110,000	\$1,377	65%	\$4.44	\$13.54	\$9.31	\$9.31
\$115,000	\$1,377	62%	\$4.64	\$14.15	\$9.73	\$9.73
\$120,000	\$1,377	60%	\$4.85	\$14.77	\$10.15	\$10.15
\$125,000	\$1,377	57%	\$5.05	\$15.38	\$10.58	\$10.58
\$130,000	\$1,377	55%	\$5.25	\$16.00	\$11.00	\$11.00
\$135,000	\$1,377	53%	\$5.45	\$16.62	\$11.42	\$11.42
\$140,000	\$1,377	51%	\$5.65	\$17.23	\$11.85	\$11.85
\$145,000	\$1,377	49%	\$5.86	\$17.85	\$12.27	\$12.27
\$150,000	\$1,377	48%	\$6.06	\$18.46	\$12.69	\$12.69
\$155,000	\$1,377	46%	\$6.26	\$19.08	\$13.12	\$13.12
\$160,000	\$1,377	45%	\$6.46	\$19.69	\$13.54	\$13.54
\$165,000	\$1,377	43%	\$6.66	\$20.31	\$13.96	\$13.96
\$170,000	\$1,377	42%	\$6.87	\$20.92	\$14.38	\$14.38
\$175,000	\$1,377	41%	\$7.07	\$21.54	\$14.81	\$14.81
\$180,000	\$1,377	40%	\$7.27	\$22.15	\$15.23	\$15.23
\$185,000	\$1,377	39%	\$7.47	\$22.77	\$15.65	\$15.65
\$190,000	\$1,377	38%	\$7.67	\$23.38	\$16.08	\$16.08
\$195,000	\$1,377	37%	\$7.88	\$24.00	\$16.50	\$16.50
\$200,000	\$1,377	36%	\$8.08	\$24.62	\$16.92	\$16.92
\$205,000	\$1,377	35%	\$8.28	\$25.23	\$17.35	\$17.35
\$210,000	\$1,377	34%	\$8.48	\$25.85	\$17.77	\$17.77
\$215,000	\$1,377	33%	\$8.68	\$26.46	\$18.19	\$18.19
\$220,000	\$1,377	33%	\$8.88	\$27.08	\$18.62	\$18.62
\$225,000	\$1,377	32%	\$9.09	\$27.69	\$19.04	\$19.04
\$230,000	\$1,377	31%	\$9.29	\$28.31	\$19.46	\$19.46
\$235,000	\$1,377	30%	\$9.49	\$28.92	\$19.88	\$19.88
\$240,000	\$1,377	30%	\$9.69	\$29.54	\$20.31	\$20.31
\$245,000	\$1,377	29%	\$9.89	\$30.15	\$20.73	\$20.73
\$250,000	\$1,377	29%	\$10.10	\$30.77	\$21.15	\$21.15

Table 4 – Benefits Replace 90% of Income up to 120% of SAWW – “Equal Amount” Cost Share Method						
Annual Salary	Weekly Benefit Amount	Replacement Ratio	Weekly Contributions			
			25% / 75% Cost Share		50% / 50% Cost Share	
			Employer	Employee	Employer	Employee
\$10,000	\$173	90%	\$0.56	\$1.42	\$1.12	\$0.96
\$15,000	\$260	90%	\$0.84	\$2.13	\$1.67	\$1.44
\$20,000	\$346	90%	\$1.12	\$2.85	\$2.23	\$1.92
\$25,000	\$433	90%	\$1.39	\$3.56	\$2.79	\$2.40
\$30,000	\$519	90%	\$1.67	\$4.27	\$3.35	\$2.88
\$35,000	\$606	90%	\$1.95	\$4.98	\$3.90	\$3.37
\$40,000	\$692	90%	\$2.23	\$5.69	\$4.46	\$3.85
\$45,000	\$779	90%	\$2.51	\$6.40	\$5.02	\$4.33
\$50,000	\$865	90%	\$2.79	\$7.12	\$5.58	\$4.81
\$55,000	\$952	90%	\$3.07	\$7.83	\$6.13	\$5.29
\$60,000	\$1,038	90%	\$3.35	\$8.54	\$6.69	\$5.77
\$65,000	\$1,125	90%	\$3.63	\$9.25	\$7.25	\$6.25
\$70,000	\$1,212	90%	\$3.90	\$9.96	\$7.81	\$6.73
\$75,000	\$1,298	90%	\$4.18	\$10.67	\$8.37	\$7.21
\$80,000	\$1,377	90%	\$4.46	\$11.38	\$8.92	\$7.69
\$85,000	\$1,377	84%	\$4.74	\$12.10	\$9.48	\$8.17
\$90,000	\$1,377	80%	\$5.02	\$12.81	\$10.04	\$8.65
\$95,000	\$1,377	75%	\$5.30	\$13.52	\$10.60	\$9.13
\$100,000	\$1,377	72%	\$5.58	\$14.23	\$11.15	\$9.62
\$105,000	\$1,377	68%	\$5.86	\$14.94	\$11.71	\$10.10
\$110,000	\$1,377	65%	\$6.13	\$15.65	\$12.27	\$10.58
\$115,000	\$1,377	62%	\$6.41	\$16.37	\$12.83	\$11.06
\$120,000	\$1,377	60%	\$6.69	\$17.08	\$13.38	\$11.54
\$125,000	\$1,377	57%	\$6.97	\$17.79	\$13.94	\$12.02
\$130,000	\$1,377	55%	\$7.25	\$18.50	\$14.50	\$12.50
\$135,000	\$1,377	53%	\$7.53	\$19.21	\$15.06	\$12.98
\$140,000	\$1,377	51%	\$7.81	\$19.92	\$15.62	\$13.46
\$145,000	\$1,377	49%	\$8.09	\$20.63	\$16.17	\$13.94
\$150,000	\$1,377	48%	\$8.37	\$21.35	\$16.73	\$14.42
\$155,000	\$1,377	46%	\$8.64	\$22.06	\$17.29	\$14.90
\$160,000	\$1,377	45%	\$8.92	\$22.77	\$17.85	\$15.38
\$165,000	\$1,377	43%	\$9.20	\$23.48	\$18.40	\$15.87
\$170,000	\$1,377	42%	\$9.48	\$24.19	\$18.96	\$16.35
\$175,000	\$1,377	41%	\$9.76	\$24.90	\$19.52	\$16.83
\$180,000	\$1,377	40%	\$10.04	\$25.62	\$20.08	\$17.31
\$185,000	\$1,377	39%	\$10.32	\$26.33	\$20.63	\$17.79
\$190,000	\$1,377	38%	\$10.60	\$27.04	\$21.19	\$18.27
\$195,000	\$1,377	37%	\$10.88	\$27.75	\$21.75	\$18.75
\$200,000	\$1,377	36%	\$11.15	\$28.46	\$22.31	\$19.23
\$205,000	\$1,377	35%	\$11.43	\$29.17	\$22.87	\$19.71
\$210,000	\$1,377	34%	\$11.71	\$29.88	\$23.42	\$20.19
\$215,000	\$1,377	33%	\$11.99	\$30.60	\$23.98	\$20.67
\$220,000	\$1,377	33%	\$12.27	\$31.31	\$24.54	\$21.15
\$225,000	\$1,377	32%	\$12.55	\$32.02	\$25.10	\$21.63
\$230,000	\$1,377	31%	\$12.83	\$32.73	\$25.65	\$22.12
\$235,000	\$1,377	30%	\$13.11	\$33.44	\$26.21	\$22.60
\$240,000	\$1,377	30%	\$13.38	\$34.15	\$26.77	\$23.08
\$245,000	\$1,377	29%	\$13.66	\$34.87	\$27.33	\$23.56
\$250,000	\$1,377	29%	\$13.94	\$35.58	\$27.88	\$24.04

Table 5 – Benefits Replace 90% of Income up to 120% of SAWW – “Equal Rate” Cost Share Method						
Annual Salary	Weekly Benefit Amount	Replacement Ratio	Weekly Contributions			
			25% / 75% Cost Share		50% / 50% Cost Share	
			Employer	Employee	Employer	Employee
\$10,000	\$173	90%	\$0.50	\$1.48	\$1.02	\$1.02
\$15,000	\$260	90%	\$0.75	\$2.22	\$1.53	\$1.53
\$20,000	\$346	90%	\$1.00	\$2.96	\$2.04	\$2.04
\$25,000	\$433	90%	\$1.25	\$3.70	\$2.55	\$2.55
\$30,000	\$519	90%	\$1.50	\$4.44	\$3.06	\$3.06
\$35,000	\$606	90%	\$1.75	\$5.18	\$3.57	\$3.57
\$40,000	\$692	90%	\$2.00	\$5.92	\$4.08	\$4.08
\$45,000	\$779	90%	\$2.25	\$6.66	\$4.59	\$4.59
\$50,000	\$865	90%	\$2.50	\$7.40	\$5.10	\$5.10
\$55,000	\$952	90%	\$2.75	\$8.14	\$5.61	\$5.61
\$60,000	\$1,038	90%	\$3.00	\$8.88	\$6.12	\$6.12
\$65,000	\$1,125	90%	\$3.25	\$9.63	\$6.63	\$6.63
\$70,000	\$1,212	90%	\$3.50	\$10.37	\$7.13	\$7.13
\$75,000	\$1,298	90%	\$3.75	\$11.11	\$7.64	\$7.64
\$80,000	\$1,377	90%	\$4.00	\$11.85	\$8.15	\$8.15
\$85,000	\$1,377	84%	\$4.25	\$12.59	\$8.66	\$8.66
\$90,000	\$1,377	80%	\$4.50	\$13.33	\$9.17	\$9.17
\$95,000	\$1,377	75%	\$4.75	\$14.07	\$9.68	\$9.68
\$100,000	\$1,377	72%	\$5.00	\$14.81	\$10.19	\$10.19
\$105,000	\$1,377	68%	\$5.25	\$15.55	\$10.70	\$10.70
\$110,000	\$1,377	65%	\$5.50	\$16.29	\$11.21	\$11.21
\$115,000	\$1,377	62%	\$5.75	\$17.03	\$11.72	\$11.72
\$120,000	\$1,377	60%	\$6.00	\$17.77	\$12.23	\$12.23
\$125,000	\$1,377	57%	\$6.25	\$18.51	\$12.74	\$12.74
\$130,000	\$1,377	55%	\$6.50	\$19.25	\$13.25	\$13.25
\$135,000	\$1,377	53%	\$6.75	\$19.99	\$13.76	\$13.76
\$140,000	\$1,377	51%	\$7.00	\$20.73	\$14.27	\$14.27
\$145,000	\$1,377	49%	\$7.25	\$21.47	\$14.78	\$14.78
\$150,000	\$1,377	48%	\$7.50	\$22.21	\$15.29	\$15.29
\$155,000	\$1,377	46%	\$7.75	\$22.95	\$15.80	\$15.80
\$160,000	\$1,377	45%	\$8.00	\$23.69	\$16.31	\$16.31
\$165,000	\$1,377	43%	\$8.25	\$24.43	\$16.82	\$16.82
\$170,000	\$1,377	42%	\$8.50	\$25.17	\$17.33	\$17.33
\$175,000	\$1,377	41%	\$8.75	\$25.91	\$17.84	\$17.84
\$180,000	\$1,377	40%	\$9.00	\$26.65	\$18.35	\$18.35
\$185,000	\$1,377	39%	\$9.25	\$27.39	\$18.86	\$18.86
\$190,000	\$1,377	38%	\$9.50	\$28.13	\$19.37	\$19.37
\$195,000	\$1,377	37%	\$9.75	\$28.88	\$19.88	\$19.88
\$200,000	\$1,377	36%	\$10.00	\$29.62	\$20.38	\$20.38
\$205,000	\$1,377	35%	\$10.25	\$30.36	\$20.89	\$20.89
\$210,000	\$1,377	34%	\$10.50	\$31.10	\$21.40	\$21.40
\$215,000	\$1,377	33%	\$10.75	\$31.84	\$21.91	\$21.91
\$220,000	\$1,377	33%	\$11.00	\$32.58	\$22.42	\$22.42
\$225,000	\$1,377	32%	\$11.25	\$33.32	\$22.93	\$22.93
\$230,000	\$1,377	31%	\$11.50	\$34.06	\$23.44	\$23.44
\$235,000	\$1,377	30%	\$11.75	\$34.80	\$23.95	\$23.95
\$240,000	\$1,377	30%	\$12.00	\$35.54	\$24.46	\$24.46
\$245,000	\$1,377	29%	\$12.25	\$36.28	\$24.97	\$24.97
\$250,000	\$1,377	29%	\$12.50	\$37.02	\$25.48	\$25.48

Coordination with Benefits from Other Sources

In most states, an employee who is eligible for workers' compensation and/or unemployment benefits would be ineligible for PFML benefits. In California and Massachusetts, PFML benefits offset any workers' Compensation and/or unemployment benefits. The policies adopted by different states are summarized below:

California

Source: https://edd.ca.gov/en/disability/faq_di_workers_compensation/

“In most cases, you cannot receive Disability Insurance (DI) or Paid Family Leave (PFL) benefits for the same period you are receiving Temporary Disability or Permanent Disability benefits from your employer or employer's workers' compensation insurance carrier. However, if your workers' compensation weekly benefit is less than your DI or PFL weekly benefit, you could receive the difference between the two rates.”

New Jersey

Source: <https://nj.gov/labor/myleavebenefits/worker/tdi/>

“If you become disabled due to an injury or illness related to your job, contact the Division of Workers' Compensation. If your disability is work-related and your employer's workers' compensation carrier denies you benefits or stops benefit payments, you may file an application with us. To be eligible, you must:

1. Meet all the requirements of the Temporary Disability Benefits law, and
2. File a formal claim petition with the Division of Workers' Compensation, and
3. Agree to reimburse the Division of Temporary Disability Insurance if you are awarded Workers' Compensation benefits.”

Rhode Island

Source: <https://dlt.ri.gov/individuals/temporary-disability-caregiver-insurance/temporary-disability-tdi-faq>

“You cannot receive TDI or TCI for any period that you receive Workers' Compensation (WC). If you were injured on the job you must file a claim for WC. If you have filed for WC and the claim is being contested, you may be eligible for TDI pending settlement of the WC claim. If you later receive WC for any weeks that TDI has been paid, you must notify us immediately so that any adjustments can be made.”

Washington

Source: https://paidleave.wa.gov/app/uploads/2020/07/Benefit-Guide-V.6_FINAL.pdf

“As long as you have worked enough hours in the qualifying period, you can use Paid Family and Medical Leave. You cannot, however, claim Unemployment Insurance or workers' compensation benefits and Paid Family and Medical Leave at the same time.”

Colorado

Source: <https://www.youtube.com/watch?v=YQd8usZ9zeI>

“FAMLI benefits may not be taken with Workers’ Compensation benefits for the same reason for the absence. FAMLI benefits and Unemployment benefits cannot be collected at the same time.”

Massachusetts

Source: <https://www.mass.gov/info-details/how-other-leave-and-benefits-can-affect-your-paid-family-and-medical-leave>

“Workers’ compensation benefits will reduce your paid leave benefit amount. However, if you have a permanent partial disability that happened prior to your PFML application, you may be able to receive both workers’ compensation and paid leave benefits at the same time. Unemployment benefits you get during your leave will reduce your paid leave benefit amount. Unemployment benefits you got before your leave started won’t affect your paid leave benefits.”

Oregon

Source: *Oregon Revised Statutes 657B.030 - Use of other paid leave benefits in addition to paid family and medical leave insurance benefits*

“In any week in which an employee is eligible to receive workers’ compensation or unemployment benefits under ORS chapter 656 or 657, the employee is disqualified from receiving family and medical leave insurance benefits. [2019 c.700 §6]”

New York

Employees who are eligible for workers’ compensation benefits are ineligible for disability (DBL) benefits. Paid family leave and workers’ compensation benefits are coordinated such that the sum of the benefits shall not exceed the employee’s average weekly wage. In the case that the sum of benefits exceeds the employee’s average weekly wage, the paid family leave benefit is reduced.

Source: *New York Workers’ Compensation Law Article 9 Disability Benefits, § 206. Non-duplication of benefits*

“1. No disability benefits shall be payable under section two hundred four or two hundred seven of this article:

...

2. If an employee who is eligible for disability benefits under section two hundred three or two hundred seven of this article is disabled and has claimed or subsequently claims workers' compensation benefits under this chapter or benefits under the volunteer firefighters' benefit law or the volunteer ambulance workers' benefit law, and such claim is controverted on the ground that the employee's disability was not caused by an accident that arose out of and in the course of his employment or by an occupational disease, or by an injury in line of duty as a volunteer firefighter or volunteer ambulance worker, the employee shall be entitled in the first instance to receive benefits under this article for his or her disability. If benefits have been paid under this article in respect to a disability alleged to have arisen out of and in the course of the

employment or by reason of an occupational disease, or in line of duty as a volunteer firefighter or a volunteer ambulance worker, the employer or carrier or the <1>chair making such payment may, at any time before award of workers' compensation benefits, or volunteer firefighters' benefits or volunteer ambulance workers' benefits, is made, file with the board a claim for reimbursement out of the proceeds of such award to the employee for the period for which disability benefits were paid to the employee under this article, and shall have a lien against the award for reimbursement, notwithstanding the provisions of section thirty-three of this chapter or section twenty-three of the volunteer firefighters' benefit law or section twenty-three of the volunteer ambulance workers' benefit law provided the insurance carrier liable for payment of the award receives, before such award is made, a copy of the claim for reimbursement from the employer, carrier or <2>chair who paid disability benefits, or provided the board's decision and award directs such reimbursement therefrom.

3. No family leave benefits shall be payable under section two hundred four of this article:

(a) During periods when the employee is receiving total disability payments pursuant to a claim for workers' compensation, volunteer firefighters' benefits or volunteer ambulance workers' benefits, except that when the employee is receiving payments for partial disability or reduced earnings under such laws, the family leave benefit, when combined with the benefits under such laws shall not exceed the average weekly wage in the employment for which family leave benefits are sought;"

Private Insurance Options

The contribution rates we developed for the Maine PFML program options do not include an explicit adjustment for allowing insurance companies to participate in the program through private insurance options. This is because the impact of allowing private options on expected claim costs is difficult to estimate. First, PFML claim incidence rates tend to be higher for larger employers, and larger employers may be more likely to elect private plans (see letter from July 1, 2022). This would mean PFML claim incidence assumptions could potentially be lowered if private options are allowed. On the other hand, if insurers can underwrite cases and vary their premium rates by employer, there may be adverse selection risk issues because benefits provided through the state fund would be based on a single community rate. This would lead us to believe that the PFML claim incidence rates could potentially be increased if private options are included. Because the magnitude of these impacts is unknown, but potentially offsetting, we have assumed that there is no net impact on PFML claim incidence rates from including a private insurance option. It is true, however, that total PFML contributions and claim amounts would be lower than those shown in our projections if some employers purchase coverage through private insurance options.

Anecdotally, in New York (PFL effective in 2018) and Massachusetts (PFML effective in 2021), where private options are allowed and there is strong participation from insurance companies, the contribution rates for benefits provided through the state fund were lowered recently. In Massachusetts, the PFML rate was lowered in both 2021 and 2022, and in New York the PFL rate was lowered for 2023. On the other hand, although Washington allows private (voluntary) PFML options, the vast majority of employers provide benefits through the state fund, and the Washington PFML contribution rate has increased twice since contributions began.

Observations on the Maine Paid Leave Coalition's Cost Estimates

We reviewed the document from the Maine Paid Leave Coalition (Coalition) titled "Paid Family and Medical Leave Insurance: Model-Based Estimates of Worker Usage and Costs in Maine". We noticed

similarities and differences in the benefit design and contribution rates when compared to the PFML program options in Table 1. The maximum benefit period (12 weeks up to a combined maximum of 16 weeks), covered workers (all private and public workers and self-employed can opt in), and wage base (unlimited wages) that we assumed in our analysis are the same as the Coalition's program design. However, the income replacement ratio and maximum benefit amount are different. In the Coalition's program design, benefits replace 90% of weekly wages up to 50% of the statewide average weekly wage, plus 65% of weekly wages beyond 50% of the statewide average weekly wage, up to a maximum benefit equal to the statewide average weekly wage. These benefits would be lower than the program options in Table 1 that feature 90% income replacement for employees who earn above 50% of the statewide average weekly wage. They also feature a lower maximum benefit amount (100% of the state average weekly wage) than all of the plans included in Table 1 (120% of the state average weekly wage).

The Coalition estimated a contribution rate of 0.86% for the PFML program described above. For comparison, the total contribution rates in Table 1 are equal to 0.82% and 0.99%. The Coalition's analysis assumes the state average weekly wage is equal to \$857 based on data from 2018. In our analysis, we assumed the state average weekly wage in 2024 is equal to \$1,148, which was extrapolated from the 2022 state average weekly wage of \$1,036 based on wage growth forecasts from the Maine Consensus Economic Forecasting Commission. There are other differences in the assumptions and calculation methods used by the Coalition and Milliman.

Financial Projections

Please see Appendix A of this letter for financial projections corresponding to the program options included in Table 1.

General

This letter was prepared by Milliman for the specific purpose of providing the Maine Commission To Develop A Paid Family and Medical Leave Benefits Program with estimated contribution rates for PFML program options, under the terms of the agreement between Milliman and the Maine Legislative Council dated May 16, 2022. Milliman recognizes that this report may be public records subject to disclosure to third parties. Milliman does not intend to benefit and assumes no duty or liability to any third-party recipients of the report. To the extent that this report is not subject to disclosure under applicable public records laws, Maine Legislative Council shall not disclose Milliman's work to any third parties without our prior written consent.

In performing the analysis, Milliman relied on information provided by the Maine Department of Labor and the Maine Commission to Develop a Paid Family and Medical Leave Benefits Program, as well as on public information from various sources. Milliman did not audit or independently verify any of the information furnished, except that we did review the data for reasonableness and consistency. To the extent that any of the data or other information supplied to us was incorrect or inaccurate, the results of our analysis could be materially affected.

The results of our analysis are based on carefully constructed assumptions and methodologies that have been described in this report. Actual experience, however, will differ from those assumptions. As such,

actual results will vary from the estimates provided and the cost of the proposed PFML program may be either higher or lower than the amounts illustrated in this report. In preparing this information, we have utilized actuarial models as defined by Actuarial Standards of Practice. The intended purpose of these models is to project future claim costs for paid family and medical leave benefits.

I, Paul Correia, am a consulting actuary with Milliman and a member of the American Academy of Actuaries. I meet the qualification standards of these organizations to render the actuarial opinion contained herein.

We look forward to discussing this information with you in the near future. In the meantime, please feel free to contact me if you have any questions. I can be reached at paul.correia@milliman.com or (207) 771-1204. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Paul Correia".

Paul Correia, FSA, MAAA
Principal and Consulting Actuary

c.c. Dan Skwire (Milliman)
The Commission to Develop a Paid Family and Medical Leave Benefits Program

Appendix A Financial Projections

We developed financial projections corresponding to the PFML program options and contribution rates from Table 1. Please note that the financial projections depend on a variety of actuarial assumptions about future experience, including but not limited to employment and wage growth, PFML claim experience, expenses, and investment income. It is nearly certain that actual experience will vary from these assumptions, meaning that the program's actual fund balance will be higher or lower than the illustrated values.

The following projections are included in this appendix:

Projection	Income Replacement	Maximum Benefit	Wage Base	Cost Share Proportion	Cost Share Method
1	80%	120% SAWW	Unlimited	25% / 75%	Equal Amount
2	80%	120% SAWW	Unlimited	50% / 50%	Equal Amount
3	90%	120% SAWW	Unlimited	25% / 75%	Equal Amount
4	90%	120% SAWW	Unlimited	50% / 50%	Equal Amount

We can develop projections corresponding to the "Equal Rate" cost share method at the Commission's request.

Projection 1:

80% Income Replacement

120% SAWW

Unlimited Wage Base

25% / 75% Cost Share – Equal Amount

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<i>Eligible Employees</i>		606,383	607,595	607,595	607,595	606,380
<i>Taxable Wages (\$ millions)</i>						
Small Employers (< 15 Employees)	\$5,358.5	\$5,584.0	\$5,824.1	\$6,074.6	\$6,304.9	\$6,544.0
<u>All Other Employers</u>	\$32,040.1	\$33,388.3	\$34,824.0	\$36,321.4	\$37,698.7	\$39,128.3
Total	\$37,398.6	\$38,972.3	\$40,648.1	\$42,396.0	\$44,003.7	\$45,672.3
<i>Claims</i>						
Family		11,114	11,693	12,161	12,526	12,501
<u>Medical</u>		24,998	26,300	27,352	28,173	28,117
Total		36,112	37,993	39,513	40,699	40,617
<i>Benefit Payments (\$ millions)</i>						
Family		\$67.5	\$73.8	\$80.1	\$86.0	\$89.3
<u>Medical</u>		\$182.2	\$199.3	\$216.2	\$232.3	\$241.1
Total		\$249.6	\$273.2	\$296.3	\$318.3	\$330.4
<i>Expenses (\$ millions)</i>						
Family		\$3.6	\$3.9	\$4.2	\$4.5	\$4.7
<u>Medical</u>		\$15.8	\$17.3	\$18.8	\$20.2	\$21.0
Total	\$65.0	\$19.4	\$21.2	\$23.0	\$24.7	\$25.7
<i>Total Expenditure (\$ millions)</i>						
Family		\$71.0	\$77.7	\$84.3	\$90.6	\$94.0
<u>Medical</u>		\$198.0	\$216.7	\$235.0	\$252.5	\$262.1
Total	\$65.0	\$269.0	\$294.4	\$319.3	\$343.0	\$356.0
<i>Contribution Rate</i>						
Employer	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%
Employee	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Overall*	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
<i>Contributions (\$ millions)</i>						
Employer	\$76.4	\$79.6	\$83.0	\$86.6	\$89.9	\$93.3
<u>Employee</u>	\$229.3	\$239.0	\$249.3	\$260.0	\$269.8	\$280.1
Total	\$305.7	\$318.6	\$332.3	\$346.6	\$359.7	\$373.4
<i>Investment Income (\$ millions)</i>						
	\$2.4	\$2.9	\$3.3	\$3.6	\$3.8	\$4.1
<i>EOY Fund Balance (\$ millions)</i>						
Target Fund Balance (\$ millions)	\$240.7	\$292.7	\$333.6	\$364.2	\$384.6	\$405.8
Fund Balance % of Prior Year Expenditure			124%	124%	120%	118%

* The overall contribution rate is equal to total contributions divided by total taxable wages every year, and does not equal the sum of employer and employee contribution rates due to small employer exemptions.

Projection 2

80% Income Replacement

120% SAWW

Unlimited Wage Base

50% / 50% Cost Share – Equal Amount

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<i>Eligible Employees</i>		606,383	607,595	607,595	607,595	606,380
<i>Taxable Wages (\$ millions)</i>						
Small Employers (< 15 Employees)	\$5,358.5	\$5,584.0	\$5,824.1	\$6,074.6	\$6,304.9	\$6,544.0
<u>All Other Employers</u>	\$32,040.1	\$33,388.3	\$34,824.0	\$36,321.4	\$37,698.7	\$39,128.3
Total	\$37,398.6	\$38,972.3	\$40,648.1	\$42,396.0	\$44,003.7	\$45,672.3
<i>Claims</i>						
Family		11,114	11,693	12,161	12,526	12,501
<u>Medical</u>		24,998	26,300	27,352	28,173	28,117
Total		36,112	37,993	39,513	40,699	40,617
<i>Benefit Payments (\$ millions)</i>						
Family		\$67.5	\$73.8	\$80.1	\$86.0	\$89.3
<u>Medical</u>		\$182.2	\$199.3	\$216.2	\$232.3	\$241.1
Total		\$249.6	\$273.2	\$296.3	\$318.3	\$330.4
<i>Expenses (\$ millions)</i>						
Family		\$3.6	\$3.9	\$4.2	\$4.5	\$4.7
<u>Medical</u>		\$15.8	\$17.3	\$18.8	\$20.2	\$21.0
Total	\$65.0	\$19.4	\$21.2	\$23.0	\$24.7	\$25.7
<i>Total Expenditure (\$ millions)</i>						
Family		\$71.0	\$77.7	\$84.3	\$90.6	\$94.0
<u>Medical</u>		\$198.0	\$216.7	\$235.0	\$252.5	\$262.1
Total	\$65.0	\$269.0	\$294.4	\$319.3	\$343.0	\$356.0
<i>Contribution Rate</i>						
Employer	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
Employee	0.41%	0.41%	0.41%	0.41%	0.41%	0.41%
Overall*	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
<i>Contributions (\$ millions)</i>						
Employer	\$152.9	\$159.3	\$166.2	\$173.3	\$179.9	\$186.7
<u>Employee</u>	\$152.9	\$159.3	\$166.2	\$173.3	\$179.9	\$186.7
Total	\$305.7	\$318.6	\$332.3	\$346.6	\$359.7	\$373.4
<i>Investment Income (\$ millions)</i>						
	\$2.4	\$2.9	\$3.3	\$3.6	\$3.8	\$4.1
<i>EOY Fund Balance (\$ millions)</i>						
Target Fund Balance (\$ millions)	\$240.7	\$292.7	\$333.6	\$364.2	\$384.6	\$405.8
Fund Balance % of Prior Year Expenditure			124%	124%	120%	118%

* The overall contribution rate is equal to total contributions divided by total taxable wages every year, and does not equal the sum of employer and employee contribution rates due to small employer exemptions.

Projection 3

90% Income Replacement

120% SAWW

Unlimited Wage Base

25% / 75% Cost Share – Equal Amount

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<i>Eligible Employees</i>		606,383	607,595	607,595	607,595	606,380
<i>Taxable Wages (\$ millions)</i>						
Small Employers (< 15 Employees)	\$5,358.5	\$5,584.0	\$5,824.1	\$6,074.6	\$6,304.9	\$6,544.0
<u>All Other Employers</u>	\$32,040.1	\$33,388.3	\$34,824.0	\$36,321.4	\$37,698.7	\$39,128.3
Total	\$37,398.6	\$38,972.3	\$40,648.1	\$42,396.0	\$44,003.7	\$45,672.3
<i>Claims</i>						
Family		11,464	12,061	12,544	12,920	12,894
<u>Medical</u>		25,784	27,128	28,213	29,059	29,001
Total		37,248	39,189	40,757	41,979	41,895
<i>Benefit Payments (\$ millions)</i>						
Family		\$82.6	\$90.4	\$98.1	\$105.4	\$109.4
<u>Medical</u>		\$222.4	\$243.4	\$264.0	\$283.6	\$294.4
Total		\$305.1	\$333.8	\$362.1	\$389.0	\$403.7
<i>Expenses (\$ millions)</i>						
Family		\$4.3	\$4.8	\$5.2	\$5.5	\$5.8
<u>Medical</u>		\$19.3	\$21.2	\$23.0	\$24.7	\$25.6
Total	\$65.0	\$23.7	\$25.9	\$28.1	\$30.2	\$31.4
<i>Total Expenditure (\$ millions)</i>						
Family		\$87.0	\$95.2	\$103.2	\$110.9	\$115.1
<u>Medical</u>		\$241.8	\$264.5	\$286.9	\$308.3	\$320.0
Total	\$65.0	\$328.8	\$359.7	\$390.2	\$419.2	\$435.1
<i>Contribution Rate</i>						
Employer	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%
Employee	0.74%	0.74%	0.74%	0.74%	0.74%	0.74%
Overall*	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
<i>Contributions (\$ millions)</i>						
Employer	\$92.2	\$96.1	\$100.2	\$104.5	\$108.5	\$112.6
<u>Employee</u>	\$276.8	\$288.4	\$300.8	\$313.7	\$325.6	\$338.0
Total	\$369.0	\$384.5	\$401.0	\$418.3	\$434.1	\$450.6
<i>Investment Income (\$ millions)</i>						
	\$3.0	\$3.6	\$4.1	\$4.4	\$4.6	\$4.8
<i>EOY Fund Balance (\$ millions)</i>						
	\$304.0	\$362.7	\$407.7	\$439.8	\$459.1	\$479.2
Target Fund Balance (\$ millions)			\$394.5	\$431.7	\$468.2	\$503.0
Fund Balance % of Prior Year Expenditure			124%	122%	118%	114%

* The overall contribution rate is equal to total contributions divided by total taxable wages every year, and does not equal the sum of employer and employee contribution rates due to small employer exemptions.

Projection 4

90% Income Replacement

120% SAWW

Unlimited Wage Base

50% / 50% Cost Share – Equal Amount

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<i>Eligible Employees</i>		606,383	607,595	607,595	607,595	606,380
<i>Taxable Wages (\$ millions)</i>						
Small Employers (< 15 Employees)	\$5,358.5	\$5,584.0	\$5,824.1	\$6,074.6	\$6,304.9	\$6,544.0
<u>All Other Employers</u>	\$32,040.1	\$33,388.3	\$34,824.0	\$36,321.4	\$37,698.7	\$39,128.3
Total	\$37,398.6	\$38,972.3	\$40,648.1	\$42,396.0	\$44,003.7	\$45,672.3
<i>Claims</i>						
Family		11,464	12,061	12,544	12,920	12,894
<u>Medical</u>		25,784	27,128	28,213	29,059	29,001
Total		37,248	39,189	40,757	41,979	41,895
<i>Benefit Payments (\$ millions)</i>						
Family		\$82.6	\$90.4	\$98.1	\$105.4	\$109.4
<u>Medical</u>		\$222.4	\$243.4	\$264.0	\$283.6	\$294.4
Total		\$305.1	\$333.8	\$362.1	\$389.0	\$403.7
<i>Expenses (\$ millions)</i>						
Family		\$4.3	\$4.8	\$5.2	\$5.5	\$5.8
<u>Medical</u>		\$19.3	\$21.2	\$23.0	\$24.7	\$25.6
Total	\$65.0	\$23.7	\$25.9	\$28.1	\$30.2	\$31.4
<i>Total Expenditure (\$ millions)</i>						
Family		\$87.0	\$95.2	\$103.2	\$110.9	\$115.1
<u>Medical</u>		\$241.8	\$264.5	\$286.9	\$308.3	\$320.0
Total	\$65.0	\$328.8	\$359.7	\$390.2	\$419.2	\$435.1
<i>Contribution Rate</i>						
Employer	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%
Employee	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Overall*	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
<i>Contributions (\$ millions)</i>						
Employer	\$184.2	\$192.0	\$200.2	\$208.8	\$216.8	\$225.0
<u>Employee</u>	\$185.1	\$192.9	\$201.2	\$209.9	\$217.8	\$226.1
Total	\$369.4	\$384.9	\$401.4	\$418.7	\$434.6	\$451.1
<i>Investment Income (\$ millions)</i>						
	\$3.0	\$3.6	\$4.1	\$4.4	\$4.6	\$4.8
<i>EOY Fund Balance (\$ millions)</i>						
Target Fund Balance (\$ millions)	\$304.4	\$363.5	\$408.9	\$441.5	\$461.3	\$481.9
Fund Balance % of Prior Year Expenditure			124%	123%	118%	115%