**Program Design Recommendations for Commission’s Proposal for a Paid Family and Medical Leave Benefits Program**

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<th>Program Design Question</th>
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| What purposes can leave be used for? | • Adopt same purposes for leave that are permissible for federal FMLA:  
•  **And** also include safe leave and affinity relationships | • Bonding leave during first year  
• Caring for own serious health condition  
• Caring for a family member with serious health condition  
• Qualifying exigency leave for family member on active duty  
• Safe leave |
| Who is covered? | • Include all workers—full-time, part-time, temporary and seasonal workers | • Includes all workers |
| Are public sector workers automatically covered? | • Public employers may choose a substantially equivalent private plan (same as private employers). | • Public sector employers included  
• Current collective bargaining agreements continue to apply until expiration of contract |
| Can self-employed workers opt in to coverage? | • Yes, allow self-employed workers to opt in | • Yes |
| What are the requirements to qualify for benefits? e.g. minimum level of earned wages or period of time as an employee? | • Lookback for prior 4 Quarters  
• All employers for portability  
• Formula should be based on earned wages tied to a factor of the SAWW during base period—Committee of jurisdiction should recommend minimum requirement | • Lookback to 4 of the last 5 quarters  
• All employers included—multiple jobs  
• Earnings of at least 6 times the SAWW during base period |
| What family members are covered? | • Adopt same definition of family member as in state FMLA law  
•  **And** also include affinity relationships | • Mirrors state FMLA law  
• Includes affinity relationships |
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| Are employees who have children born, adopted, or fostered prior to effective date of PFML benefits eligible to take bonding leave? Are there any limits to that eligibility? | • Bonding leave may be taken during the first year after birth, adoption or placement in foster care  
• Estimated cost increase of claims in first year of 2% if included                                                                                          | • Bonding leave may be taken during the first year after birth, adoption or placement in foster care                                                                                                                                                                      |
| How is the program funded? What level of contributions are required from employers and employees?    | • Require employers with ≥15 employees and employees to contribute to program costs based on percentage of wages  
• 1% is desired maximum amount of total contribution  
• Employers and employees should be required to contribute to costs of program:  
• Commission members recommend that the contribution rate range between a 25% employer/75% employee split and a 50% employer/50% employee split | • Require employers with ≥15 employees and employees to contribute to program costs based on percentage of wages  
• Total contribution rate of 0.86% from 7/1/25 until 12/31/27  
• Beginning 1/1/28, contribution rate determined annually, but must be at least 135% of total claims in prior year plus 100% of administrative costs                                                                 |
| What is the wage base to be used for determining contributions? Use Social Security maximum wage limit or unlimited wages? | • Unlimited wage base recommended as it provides savings in overall contribution rate by spreading costs over larger wage base  
• Recognize that SS limit is commonly used in other state programs                                                                                           | • Social Security wage limit applied                                                                                                                                                                                                                           |
| Are small employers with fewer than 15 employees exempt from making contributions?          | • Yes                                                                                                                                                                                                                                                                                                            | • Yes                                                                                                                                                                                                                                                            |
| What percentage of wages do workers receive? Flat or tiered benefit structure?             | • 90% of wages recommended by majority  
• 80% wage replacement supported by all members voting on 11/29                                                                                                      | • 90% of employee’s average weekly wage equal to or less than 50% of the SAWW plus 65% of employee’s average weekly wage that is more than 50% of the SAWW                                                                                                             |
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<td>• Commission members recommend that both options be presented for consideration by Legislature</td>
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| What is the maximum weekly benefit? Is the state average weekly wage? Or lower or higher? | • 120% of the SAWW | • Until 1/1/27, maximum weekly benefit is $1000  
• After 1/1/27, maximum weekly benefit is SAWW |
| For how long can a worker receive benefits? Are there specified maximum benefit periods for different types of leave? Is there a combined maximum benefit period? | • 16-week maximum total combined limit  
• 12-week maximum limit for particular qualifying need  
• Recommend that program evaluate data on claims costs and funding to determine if combined maximum limit can be extended in future | • 16-week maximum total combined limit  
• 12-week maximum limit for particular qualifying need |
| Is there an unpaid 7-day waiting period? Or no waiting period? | • 7-day medical waiting period (straw vote 7-1) | • No specific waiting period in proposed legislation |
| Are workers entitled to have their jobs back when they return? | • Address this issue through provisions in current federal and state FMLA laws  
• Do not include explicit language in any PFML legislation | • Provides that employees employed at least 120 days by an employer must be restored to prior position |
| Is an employer allowed to use an equivalent or more generous private insurance plan to provide the benefit? | • Yes, allow a private plan option that is substantially equivalent | • Yes |
| How is the benefit provided? What is the organization and structure for administering the benefit? | • Simple  
• Robust financial review and audit process | • Program overseen and administered by the Department of Labor, Bureau of Labor Standards |
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| Wil employees be allowed to take intermittent leaves of absence? If so, are there minimum increments (e.g., 4 hours, 8 hours, etc.) | • Yes, minimum increment of 1 work day for ease of administration  
• Members believe that employee may use other paid leave or sick leave to meet needs for intermittent leave in shorter increments | • Covered individual may take leave intermittently in increments of one hour or shorter periods if consistent with increments the employer typically uses to measure leave  
• Benefits are not payable to employee until the covered individual has accumulated at least 8 hours of benefits |
| How will benefit interact with workers’ compensation? And with unemployment compensation? | • Any WC benefits and unemployment benefits should be primary and employee should not receive concurrent benefits  
• Do not want to impact stability of WC system or UI system  
• Any legislative proposal must address interaction with WC and UI explicitly in statute  
• Committee of jurisdiction should consider issue carefully with input from agencies responsible for administering WC and UI benefits | • Covered individual may not receive WC benefits for total incapacity concurrent with PFML benefits  
• Covered individual may receive concurrent benefits for partial incapacity and PFML benefits may not be reduced by WC benefits  
• Covered individual may not receive benefits concurrently with unemployment benefits |