



132nd MAINE LEGISLATURE

LD 2018

LR 2791(02)

An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Labor

Fiscal Note Required: Yes

Fiscal Note

No State fiscal impact - codifies existing interpretation of statute

Fiscal Detail and Notes

This bill prohibits the formation of private group trusts to pool risk among multiple employers for the provision of paid family and medical leave benefits, while still allowing multiple employers to share the cost of legal, accounting, and third-party administrator expenses. If allowed, such private group trusts would function as an alternative to the State trust, which pools the costs and risks of paid family and medical leave benefits statewide, and could potentially reduce the premium contributions paid to the State as well as the benefit claims paid out by the State.

In practice, the Department of Labor (department) has interpreted the statute establishing the paid family and medical leave benefits program to only allow coverage models explicitly identified in the statute and to prohibit all others. Consequently, the department has not approved any private group trusts to date and this fiscal note assumes there are none currently in operation. This bill codifies the department's interpretation in statute and therefore has no fiscal impact on the State.