

Anne M. Gallaudet
Scarborough, Maine

April 23, 2025

Re: LD 1169 – An Act Regarding Employer Payments for the Paid Family and Medical Leave Benefits Program

LD 1307 – An Act to Suspend the Remittance Obligation for Paid Family and Medical Leave Private Plan Users

LD 1712 – An Act to Amend the Paid Family and Medical Leave Benefits Program to Balance support of Businesses and Employees

Senator Tipping, Representative Roeder and Honorable Members of the Joint Labor Committee

I appreciate this opportunity to address you on this important matter. My name is Anne Gallaudet. I am a resident of Scarborough, Maine. I am writing *in opposition to* LD 1169, LD 1307 and LD 1712.

In July 2023, Governor Janet Mills passed and signed into law the Maine Paid Family and Medical Leave (PFML) law. To fund PFML, the State of Maine began imposing a 1% payroll tax split evenly between the employer and employee on January 1, 2025, Employees can start taking leave on May 1, 2026. The statute and implementing regulations are based on models working in other states.

Currently employers must pay into the Maine PFML insurance fund starting January 1, 2025. If they have a “substantially equivalent” private PFML program, they must seek approval from the Maine Department of Labor to discontinue paying into the state program. If their program is approved as “substantially equivalent”, they no longer must make their contributions to the state program.

LD 1169 would allow an employer to seek a refund on premiums paid to the state once their private PFML program has been approved by the Maine Department of Labor, and the refund must be paid within 90 days with interest.

LD 1307 allows an employer to suspend payroll premiums until January 1, 2026. LD 1307 also mandates that the Maine Department of Labor amend its rules governing the implementation of Maine’s PFML to provide for an expedited process for approval of an employer’s substitute private plan that is “substantially equivalent” to the state’s program and to waive payroll premiums during the review period.

LD 1712 requires several key modifications to the Maine PFML designed to benefit employers such as expanding bases on which an employer can claim “undue hardship”

allowing the employer to modify a leave request, lowering the benefit wage replacement to a flat 65% which will particularly impact our lower wage earners and reducing potential fines for premium contributions failures.

These bills offer up ideas that might well be worth thinking about down the road; but not now. Maine needs to launch its new Family and Medical Leave program *now* and do so guaranteeing its solvency and stability and without already reducing the potential beneficiaries or benefits. No one can deny the incredible number of months that have gone into enacting the underlying statute, developing the detailed regulations implementing the statute and ultimately beginning the program less than 4 months ago. The law and rules are well thought out and have the program's solvency in mind. It is not the time to start tinkering with the program just as it is being rolled out.

Thank you for considering my comments. Please vote "ought not to pass" on LD 1169, LD 1307 and LD 1712.

Anne Gallaudet,
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