



Testimony in Support of LD 952,

“An Act to Exempt Agricultural Employers and Employees from the Maine Paid Family and Medical Leave Benefits Program”

Senator Tipping, Representative Roeder, and the distinguished members of the Committee on Labor, my name is Harris Van Pate, and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free-market think tank, a nonpartisan, nonprofit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to submit testimony in support of LD 952, “An Act to Exempt Agricultural Employers and Employees from the Maine Paid Family and Medical Leave Benefits Program.”

This bill is a critical corrective measure to shield one of Maine’s most vital—and vulnerable—sectors from the damaging effects of a burdensome, one-size-fits-all government mandate.

A Unique Industry Facing Unique Challenges

Maine’s agricultural economy is already strained by rising costs, labor shortages, and a highly seasonal workforce. Family farms and agricultural employers operate on slim margins and face unpredictable conditions tied to markets and weather. Forcing these employers and their workers to pay into a state-run Paid Family and Medical Leave (PFML) program—one that they are unlikely to benefit from—only compounds their burdens.

Many agricultural workers are seasonal, migratory, or employed part-time, making them unlikely to qualify for or use the full scope of PFML benefits. Yet under current law, they are still required to pay into the system. LD 952 rightly recognizes that this is not only unfair but economically harmful.

Payroll Taxes Hurt Working Mainers

The PFML scheme is funded through a new payroll tax of up to 1%, split between employers and employees, or entirely paid by workers in small operations. This amounts to a \$233.5 million annual tax increase on Maine’s labor force.¹ For agricultural employees, who already earn below-average wages, hundreds of dollars are deducted from their paychecks annually for a benefit they likely won’t use.

¹ Two years of inflation applied to \$218.4 million in 2023 dollars.

<https://www.dol.gov/sites/dolgov/files/WB/paid-leave/Simulation-Model-Estimates-Maine-June.pdf>



Worse, for small family farms that may fall just above the 15-employee threshold, this represents yet another costly mandate, driving up the cost of doing business and threatening their long-term viability.

Maine cannot afford this Bureaucratic Overreach

The PFML program represents a massive government expansion that is still in its infancy. States like Massachusetts² and Washington³ have struggled with similar programs. They've seen spiraling costs, delays in benefit payments, and growing budget deficits.

LD 952 offers a commonsense fix: exempting the agricultural sector from a program that does not meet its needs and ensuring workers and employers are reimbursed for contributions already made.

Supporting Flexibility, Not Mandates

Agricultural employers, like many small businesses across Maine, already strive to accommodate their workers' personal and family needs. A top-down government mandate ignores the flexibility and trust that often define the employer-employee relationship in this sector. Rather than imposing a rigid, bureaucratic system, we should support policies that let small businesses and workers negotiate the benefits that work best for them.

Conclusion

LD 952 protects a cornerstone of Maine's economy from unjustified taxation and overregulation. It restores fairness, respects the unique characteristics of agricultural labor, and represents a vital step toward scaling back a profoundly flawed and burdensome program.

Maine Policy Institute strongly supports LD 952 and urges the Committee to give this bill a unanimous "Ought to Pass" recommendation. Thank you for your time and consideration.

² "In FY 2024, the Department approved 179,564 applications for PFML. This is a 25.26% increase in approved applications over FY 2023.

<https://worklaw.com/blog/massachusetts-department-of-family-and-medical-leave-issues-important-pfml-updates>

³ "In two of its first four years, the PFML program had negative net income. This means that expenses (benefits and administrative costs) exceeded revenue (premiums and investment income)."

https://leg.wa.gov/jlarc/reports/2024/PFML/p_11/default.html