

STATE OF MAINE DEPARTMENT OF LABOR 54 STATE HOUSE STATION AUGUSTA, MAINE 04333-0054

> Laura A. Fortman COMMISSIONER

Testimony of Dillon Murray, Legislative Liaison, Maine Department of Labor In Opposition to LD 55, An Act to Amend the Law Governing the Accrual of Earned Paid Leave To the Joint Standing Committee on Labor Hearing, March 19, 2025

Good afternoon Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor. My name is Dillon Murray, Legislative Liaison for the Maine Department of Labor (Department). I am here today to speak on behalf of the Department in respectful opposition to LD 55, "An Act to Amend the Law Governing the Accrual of Earned Paid Leave."

Maine's Earned Paid Leave (EPL) law, enacted in 2019 and implemented in 2021, was designed to provide employees with a guaranteed ability to accrue and use paid leave for any reason. EPL applies to employers with more than 10 or more employees in Maine for more than 120 calendar days in any calendar year. Under current law:

- Employees earn one hour of paid leave for every 40 hours worked, up to a maximum of 40 hours per year.
- Accrual begins at the start of employment, but employees are not eligible to use accrued leave until they have worked for 120 days.
- Employers must allow accrued, unused hours from the prior year to be available for use in the following year.
- Employers may require up to four weeks' notice for leave requests if the leave is foreseeable and does not create undue hardship on the business.
- The law acknowledges that some businesses may face operational challenges when employees take leave and allows employers to deny leave requests if granting them would cause undue hardship—providing a safeguard to ensure business continuity while still protecting employees' right to take earned leave. Undue Hardship is defined in Department Rules. This language is a summation of an already existing definition of "undue hardship" currently used in our Rules Governing Employment Leave for Victims of Violence.

The current law balances the needs of workers with business operational concerns by ensuring predictability and flexibility while maintaining a minimum standard of leave availability.

LD 55 seeks to amend the current law by allowing employers to set their own accrual limits for earned paid leave rather than adhering to the standard 40-hour accrual cap currently in statute. Specifically, the bill:

- Allows employers to define the maximum number of EPL hours an employee can accrue within a given year.
- Continues to require that unused, accrued leave from the prior year be available for use in the current year, but only up to the employer-defined limit.

The proposed changes undermine the original intent of the EPL law by removing the universal standard and leaving accrual entirely to employer discretion. This could result in significant unintended consequences:

- 1. **Effectively Eliminating Earned Paid Leave** Since employers would have the authority to set their own accrual limits, they could legally establish a one-hour limit, making earned paid leave practically nonexistent for employees.
- Erosion of Worker Protections The original EPL law was designed to provide a minimum standard of paid leave for all workers, ensuring predictability and fairness across industries. This bill could lead to wide disparities between businesses, creating an uneven playing field for workers in Maine.
- 3. **Reduced Economic Stability for Workers** Paid leave policies help workers manage health issues, caregiving responsibilities, and personal emergencies without fear of losing income. Weakening EPL standards could disproportionately impact low-wage and part-time workers, who are least likely to have access to other forms of paid leave.
- 4. Administrative Uncertainty for Businesses While some businesses may welcome additional flexibility, others may struggle with inconsistent policies across industries. The current law provides a clear, standardized framework, whereas this bill could introduce confusion and lead to disputes over leave policies.

The Maine Department of Labor opposes LD 55 because it does not align with the original legislative intent of the Earned Paid Leave law—to ensure all Maine workers have access to a baseline of paid leave. By permitting employers to set their own accrual limits, this bill could significantly weaken the law's effectiveness and reduce access to paid leave for many employees.

That said, the Department stands ready to implement and enforce whatever policy decisions are made by this Committee. We remain committed to educating both employers and workers on their rights and responsibilities regarding earned paid leave.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future work session.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.