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April 16, 2025

RE: An Act to Make Changes to the Paid Family and Medical Leave Benefits Program

Dear Chairs Tipping and Roeder and Committee members:

As you are aware, Unum has been proudly operating in Maine since its foundation here 175 years ago. Unum employs approximately 2,300 Mainers, most of whom work from our campus in Portland. Additionally, Unum insures over half a million working Mainers, and it is nation's leading disability insurance provider, with over 26 million lives covered.

We appreciate the opportunity to provide testimony to support your continued work implementing Paid Family Medical Leave (PFML), and as such, we urge the Committee to consider the technical fixes outlined in LD 1333 to improve Maine's PFML Benefits program. Specifically, we would like to address:

- 1) The cost of administering the program
- 2) Alignment on restoration of employee position

Firstly, **Sec. 14. 26 MRSA §850-H, sub-§7**, as enacted by PL 2023, c. 412, Pt. AAA, §7, is amended to read:

7. Cost of administration. The department shall annually determine the total amount expended by the department for costs arising out of the administration of private plans. An employer offering a private plan pursuant to this section shall reimburse the department for the costs arising out of the private plan in the amount, form and manner determined by the department by rule. The department may recover reasonable expenses incurred by the department for the oversight of private plans by assessing a renewal fee on each employer offering a private plan. The renewal fee may not exceed \$250 for an employer with fewer than 50 employees and \$500 for an employer with 50 or more employees. The department shall transfer payments received pursuant to this subsection to the fund. The department shall report to the authority annually the amount of money collected pursuant to this subsection in the preceding year.

While we acknowledge the state's authority to recoup administrative costs associated with private plan exemptions, our customers deserve transparency when it comes to anticipating these costs. Providing a ceiling on these costs will allow for the annual planning process that benefits teams must consider when assessing how they plan to participate in offering PFML for Maine employees.

Secondly, **Sec. 16. 26 MRSA §850-J, sub-§1**, as enacted by PL 2023, c. 412, Pt. AAA, §7, is amended to read:

1. Restoration to position upon return to work. Except for an employee who has not been employed for at least 120 days, An employee who exercises the right to family leave or medical leave under this subchapter is entitled, upon return from that leave, to be restored by the employer to the position held by the employee when the leave commenced or to be restored to an equivalent position with equivalent employment benefits, pay and other terms and conditions

of employment. This subsection does not apply to an employee who is absent from work for more than 5 days without providing notice to the employer.

We recognize that employees may have circumstances that impede their ability to notify employers in a timely manner about their absence, however the lack of contact makes planning and temporary coverage a challenge when an employer is unable to determine whether the employee will be returning to work. Most employers have attendance policies (for instance, a three-day no-call-no-show policy) that will have been invoked if an employee has been out of work without proper notice. Requiring verification of their leave in a timely manner prevents misuse of the system and assists employers with planning – where possible – for periods of employee absence.

Sincerely,

Erin Piper
AVP, Government Affairs