## Testimony in opposition to

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

Committee on Labor

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Good day Senator Tippin, Representative Roeder and members of the Committee.

My name is Luisa S Deprez. I am Professor Emerita of Sociology and Social Policy at the University of Southern Maine. I have a 50+ year record of working toward the eradication of poverty and the fostering of social justice. This bill undermines the latter – the fostering of social justice – and hence of the ability of families in this state to move towards greater security and stability. Let me explain why Paid Family Medical Leave is such an important step forward in both protecting families and in ensuring prosperity for the state of Maine.

One of the US's hallmark achievements in the protection of its citizens has been the establishment of social insurance programs – Social Security, Medicare and Medicaid, Unemployment Insurance, Workers' Compensation, and Social Security Disability Insurance. These government-administered programs provide some protection from the often-inevitable consequences of living - aging, sickness, disability, changing labor market conditions or failures. Millions of people in the US rely upon them. In Maine, well over one half of the population receives some type of benefit from one or more of these programs.

Not recognized by these programs however, is a new emerging crisis – dramatically changing family demographics especially among two-worker families. Erasing the "father knows best families" notions of old, pressures on these households are mounting as simultaneous needs for childcare and eldercare create strains on family budgets and inter-family dynamics.

In Maine, 72.2% of families with children have both parents working, many also undertaking family caregiving. Yet even dual incomes don't often ease the pressure. Parents are regularly faced with taking time off for caregiving or health issues, leading to lost wages that deepen their financial insecurity. During the COVID era in particular, women were forced to quit their jobs, interrupt careers and sacrifice earnings that were a major source of family income and in many cases, the only source of income. Of the 166,000 family caregivers in Maine most are women, who are providing unpaid care that totals nearly \$3 billion. There is no evidence that indicates that these challenges will lessen: if anything, they will grow.

An NIH <u>survey</u> found that family care-giving to elders is not a short-term obligation: only 15% had provided care for 1 year or less; nearly 70% were caregiving for 2 to 10 years; and 15% had provided care for more than 10 years. The increase in the <u>percentage</u> of elders in Maine will have a significant impact on the increased need for elder support. The <u>cost of assisted living</u> will, for most families, be unapproachable depending on where you live: average cost in Lewiston is \$9,735 per month, while the average cost in Portland is \$8,365 per month.

Families with young children require access to child care yet the lack of quality, affordable day care is expensive and unreliable: center-based child care for a toddler is \$11,284 and \$7,800 for family-based childcare. In 2022 there were 62,120 children under the age of 5 in Maine, undoubtedly all in need of care at some level.

Maine's strength lies in its commitment to serve and support its citizens. In 2023 it became the 13<sup>th</sup> state in the country to <u>address</u> these challenges head-on by establishing a <u>Paid Family and Medical Leave program</u>. This critical program will provide workers with the financial security they need to care for themselves and their loved ones, without sacrificing their livelihoods.

What does this mean for families in Maine?

Beginning in 2026, <u>eligible workers</u> in the private and public sector will have up to 12 weeks of <u>paid time off</u> available to care for a family member with a serious health condition; to bond with a child after birth, fostering or adoption; to care for their own medical needs; to deal with a family member's impending military deployment; or to stay safe after abuse or violence.

Benefits will be determined by a tiered system based on the state average weekly wage. Both employers (those with 15+ employees) and employees will contribute to the PFML Fund. Payroll contributions will begin in 2025 to allow time to accumulate sufficient funds to pay for benefits and the operations of the program. Self-employed individuals are eligible for Paid Family and Medical Leave but must choose to opt in for coverage.

Critics argue that paid leave is too costly for businesses. However, <u>evidence</u> suggests otherwise. Social insurance models, where both employers and employees contribute a small percentage of wages to fund the program, have proven affordable and sustainable. The cost of doing nothing—losing valued workers in a tight employment market, lost productivity, mounting employee recruitment expenses—is far greater than the cost of <u>investing</u> in paid leave programs. It is, in fact, an essential complement to worker protections.

At its core, Paid Family Medical Leave is not just about policy—it's a reflection of our values, of who we are as a society. It's about affirming the dignity and worth of every person, especially in moments of vulnerability. It's about ensuring that no one has to choose between their livelihood and caring for their family. It acknowledges the dignity of caregivers and says, "You are not alone." In this way, it isn't just a benefit; it's a promise that we're all in this together.

Most people don't think of Social Security payments, unemployment benefits, or workers' compensation as insurance, but that's precisely what they are: a system that provides a cushion to shield participants from financial harm. Government social insurance programs protect workers and their families against common risks to financial security.

Paid Family Medical Leave in Maine now stands alongside these social insurance programs to ensure that Maine families are protected in times of need. This protection is critical to the state's economic stability and its growth. Now is not the time to question this policy but to adopt and support it as a commitment of the state to its residents and to their, and the state's, future.

Thank you for this opportunity,

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