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SPEAKER OF THE HOUSE

**Testimony of Speaker Sara Gideon  
In Support of LD 1410  
An Act To Create Paid Family and Medical Leave Benefits  
Friday, April 19, 2019**

Senator Bellows, Representative Sylvester, and esteemed members of the Labor and Housing Committee, thank you for welcoming me and others today. I'm Sara Gideon and I represent the town of Freeport, part of Pownal, and I also have the distinct honor of serving as the Speaker of the Maine House. I am pleased to bring forward LD 1410, An Act to Create Paid Family and Medical Leave Benefits for your consideration today.

Whether we have a new baby, a sick parent or an injured spouse, taking time off to care for our family member or our self is a need almost every one of us experiences during some point in our lives. This is true no matter where people live, what their income level is, or what kind of job they do. Yet most workers here in Maine and nationally do not have access to any compensated leave from work when these common, but serious, life events occur.

Recognizing that family is our most important shared value, and that workers are our businesses' most important resource, this Paid Family and Medical Leave Act seeks to balance family and medical leave with the necessities of economic security for families and financial flexibility for businesses.

**How Does it Work?**

LD 1410 creates a universal benefit program through the creation of an employee based insurance fund. Employees build the fund with a payroll contribution of less than 1% of their weekly wage, which is a few dollars each paycheck for the average Maine worker.

Anyone who has worked and paid into the fund for 26 weeks or more during the previous year is eligible to take leave while drawing a percentage of their pay from the insurance fund.

Workers can take leave for up to 20 weeks for a medical disability and up to 12 weeks to care for a family member, which includes sickness or injury and the birth or adoption of a child. This applies to full-time or part-time workers. Individuals who are self-employed can choose to opt in.

**The Fund**

The insurance fund is built on a progressive model in two ways. First, up to \$12,000 of a worker's wages are exempt from payroll contributions, meaning lower and middle income workers pay a lower effective tax rate. Second, replacement wages are structured to ensure those

same low and middle income earners can access relatively more of their earnings, up to a cap of the state's Average Weekly Wage (currently \$844 per week).

### **Existing Family and Medical Leave Policies**

The existing Federal FMLA provides up to 12 weeks of unpaid, job protected leave. However, due to restrictions on the program - you must work for an employer with more than 50 employees, have worked at least 12 months, at least 1,250 hours over the past 12 months, and of course, be able to afford taking the time off unpaid - only 59% of workers nationally are able to access the benefits of FMLA.

Some companies and unions currently offer their own paid parental or medical leave. This can be a worker recruitment and retention tool or simply a reflection of the organization's values. Under this bill, employers and unions retain the flexibility to offer individual plans above and beyond the universal state plan.

### **Broad and Bipartisan Support**

Nationally, Democrats and Republicans are bringing this issue to the forefront of conversation. Whether it is the Gillibrand and DeLauro plan, the Rubio and Wagner plan, the Sinema and Cassidy plan, or even President Trump's plan - there are multiple conversations about the need for a federal policy. Across the U.S., six states and Washington, D.C. (Rhode Island, Massachusetts, California, Washington, New Jersey and New York) have all enacted Paid Family Leave. And our closest neighboring states (New Hampshire and Vermont), through both their Democratically controlled legislatures *and* their Republican Governors, have bills under consideration this legislative session.

That's because in the states where paid family leave has already become law AND been fully implemented, we have seen significantly positive results for workers and businesses.

For example, in California, 83% of workers in "lower quality" jobs who used the program returned to their previous employer - a 10 point improvement when compared to workers who did not use the program. And 87% of businesses had no increased costs as a result of the program while 9% indicated that the program had generated cost SAVINGS by reducing employee turnover and/or reducing their own benefit costs.

In New Jersey, a majority of medium and large businesses reported no increased administrative costs as a result of the program while nearly two thirds of small businesses (who might have been concerned about stretching other employees too thin or relying too heavily on employees to work more hours) reported no increased overtime pay costs because of the law.

In Rhode Island, 61% of employers surveyed one year after the State's law became effective were supportive of the program and fewer than 25% expressed any opposition.

For men and women, for seniors and millennials, paid family leave is directly connected to the economic and social concerns that the public raises in poll after poll. In fact, 8 in 10 voters support a comprehensive national paid family and medical leave policy that covers all people who work. As a state policy, in the absence of congressional action, this policy can become one of our best workforce attraction and retention assets. Additionally, it would help small

businesses and companies by reducing costly employee turnover and by alleviating the cost of wage replacement through affordable insurance. It is also a tool for small businesses to compete with larger ones for talent.

But it is the health and economic security of families that make this policy so vitally important. 1 in 4 new moms return to work within 10 days of giving birth - impacting infant and maternal health in the short and long term, changing the lifelong development of a child and adversely affecting the overall economic health of families and communities. There is strong evidence that paid family leave can reduce infant death and illness, increase the likelihood that babies get their pediatric check-ups and lower a mother's risk of health complications after childbirth.

Every year, thousands of Maine workers experience a personal or familial health issue or welcoming of a new child that forces them to make impossible choices: taking unpaid time off, the potential loss of their job, the neglect of their own health issues or tough choices regarding the care for a loved one. Creating paid family and medical leave will create a foundation for healthier families, healthier workplaces and the chance to have a growing and thriving population of families in Maine.

I will remain available today and in the weeks to come to work with you all to address concerns and perfect this legislation. Thank you for your consideration.