

**Commission to Develop
a Paid Family and Medical Leave Benefits Program**

Written Comments

Submitted to Commission as of 9:00 am October 3, 2022



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Portland, ME 04122
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September 30, 2022

The Honorable Mattie Daughtry
Senate Chair, Maine Paid Family and Medical Leave Commission

The Honorable Kristen Cloutier
House Chair, Maine Paid Family and Medical Leave Commission

Re: Maine PFML Commission - Private Equivalent Plan Option

Senator Daughtry and Representative Cloutier: -

Thank you for your strong leadership guiding the Maine Paid Family and Medical Leave Commission. Unum appreciates the policy dialogue that has occurred in the year since the Commission began this important task. This thoughtful and strategic approach prepares our state to bring forth a Maine-made solution. On behalf of our nearly 3,000 Maine employees, and as a Maine-based national leader in the paid leave space, it is clear that we share a common goal with the Commission - to provide financial protection when Mainers need it most.

Paid leave is our top public policy priority, and Unum has engaged with the Commission from day one. Recent activity, including the release of the Milliman report, the news of a PFML ballot referendum, and the fast-approaching recommendation deadline, leads us to touch base prior to your next meeting. Specifically, we encourage the Commission to further study, discuss, and consider the inclusion of private equivalent plan options, as it was not included in the Milliman report. We also understand that the Commission will be requesting that Milliman perform additional analyses, and we urge the Commission to include an analysis of a private equivalent plan option in its request of Milliman.

We strongly believe that the inclusion of a robust private equivalent plan option will play a key role in the long-term success of any future PFML program in Maine. Ten of the twelve states that have enacted statutory PFML allow for private equivalent plans that meet or exceed state standards, as does the proposed ballot question. Increasingly, the public-private partnership approach is proving fundamental to enacting meaningful, sustainable programs.

Private equivalent plan options provide flexibility for employers, allowing for a holistic approach to employee benefits. Often, private plans go above and beyond minimum standards to include other valuable employee benefits. In doing so, public-private partnerships empower the State to invest strategically by focusing on those who need it most, while encouraging innovation and integration that leads to stronger overall benefits for Maine workers.

Our experience shows that the largest employers drive a significantly higher claims incidence rate compared to small and medium sized businesses. This is a financial and administrative burden that private insurers are prepared to take on. In Maine, where more than 98% of businesses are small businesses, private equivalent plans prevent the State from taking on this increased risk, especially as many large Maine employers already self-fund these benefits for their employees today.

In fact, Massachusetts experiences the highest private equivalent plan participation rate in the nation, while at the same time maintaining the healthiest state PFML fund. This has led them to decrease contribution rates for workers, highlighting the positive impact of flexible private plan options.

Unum remains willing to come before the Commission to share our experience and answer any questions it may have as it relates to the importance of public-private partnerships for PFML. We look forward to next week's meeting and the Commission's recommendation. Thank you both again for your pivotal role in bringing us one step close to paid leave in Maine.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Q. Simonds". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Q. Simonds
EVP, Chief Operating Officer, Unum

Cc:

The Honorable Paul Stearns
Member, Maine Paid Family and Medical Leave Commission (House)

The Honorable Kimberley Rosen
Member, Maine Paid Family and Medical Leave Commission (Senate)

Colleen McCarthy-Reid

McCarthyReid, Colleen

From: Paul Stearns <pastearns1955@gmail.com>
Sent: Saturday, October 1, 2022 7:48 AM
To: McCarthyReid, Colleen
Subject: Fwd: follow up

This message originates from outside the Maine Legislature.

Hi Colleen,

Although this feedback is in a fairly informal format, I am hoping that it can be included in the record. I believe that the group has been leaning in this direction in their previous conversations.

Thanks,

Paul

----- Forwarded message -----

From: Rhonda Taylor <RTaylor@mhfcu.com>
Date: Fri, Sep 16, 2022 at 12:29 PM
Subject: follow up
To: Stearns, Paul <Paul.Stearns@legislature.maine.gov>

This message originates from outside the Maine Legislature.

Paul,

Thanks for giving me a call back. So you can share – it is important to know that businesses will be able to opt out of the Maine Paid-Leave Plan if we are already providing a comparable benefit for our employees. Maine Highlands FCU has always made our employees a top priority when it comes to benefits. It is one of the best retention tools that we have.

Thanks again !!

Rhonda Taylor, CCUE | President/CEO

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Paul A. Stearns
Maine State Representative
House District # 119
207.343.2615 (C)

Abbot, Beaver Cove, Bowerbank, Greenville, Guilford, Monson, Parkman, Sangerville, Sebec, Shirley, Willimantic plus the unorganized territories of Blanchard Township, Northeast Piscataquis (including Barnard and Elliottsville Townships) and Northwest Piscataquis

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