

TO:	Board of County Commissioners
FROM:	James H. Gailey, County Manager
DATE:	June 16, 2025
SUBJECT:	Third-Party Paid Family Medical Leave Policy

## **Requested Action:**

Authorize County staff to sign a contract with MetLife for a Paid Family Medical Leave Policy and Life Insurance Policy.

## **Background & Purpose of Request:**

Staff have been in discussions with Cross Insurance regarding an alternative plan for the Paid Family Medical Leave (PFML) program.

As you know, the Paid Family Medical Leave program requiring all employers to contribute 1% of employee salaries (split 50/50 between employer and employee) to a new state-run PFML program administered by the Department of Labor was approved approximately a year ago. While the DOL is currently collecting these contributions, the program is not scheduled to begin until next spring.

Given potential challenges with the state program's implementation, we have been exploring alternative third-party solutions, an option for which the County has already received approval from the Department of Labor. Many other towns and counties are also considering this route, and several private insurance carriers offer suitable policies.

County staff believe pursuing a private option is in our best interest. We have secured a rate of 0.83% for two years through MetLife, which is lower than the state's 1% assessment. Furthermore, the MetLife policy wouldn't require payments until May 2026, resulting in immediate savings for both employees and the County.

A condition of the MetLife PFML policy is the requirement to also enroll in a \$10,000 life insurance policy for each employee, with an annual fee of \$7,751.00.

Despite this additional cost for life insurance, our projections indicate that the County could realize approximately \$124,780.98 in savings during the 13-month period from April 2025 to April 2026 by choosing the private PFML plan, primarily due to the delayed start of payments compared to the DOL plan. Even after the private plan payments commence, we anticipate ongoing savings of roughly \$4,500 per month, or \$54,000 annually. We are proposing to cover the \$7,751.00 annual cost of the life insurance policy within these projected savings.

I have included the Maine DOL letter of approval as well as the MetLife policy.



Funding Amount and Source:	Budgeted General Fund 2025/2026
Effective Date:	May 2026
Attachments:	MetLife Contract & Maine DOL letter