

§850-F. Premiums

1. Authorized. Payroll premiums must be paid in order to finance the payment of family leave benefits and medical leave benefits under this subchapter and administration of the program.

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

2. Employer to remit employer contribution reports and premiums. Beginning January 1, 2025, for each employee, an employer shall remit employer contribution reports and premiums in the form and manner determined by the administrator. Employer contribution reports and premiums must be remitted quarterly.

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

3. Premium amount. The following provisions govern the premium amount.

A. Beginning January 1, 2025, the premium amount may not be more than a combined rate of 1.0% of wages. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

B. Annually, for the 2028 calendar year and each calendar year thereafter, not later than October 1st, the department shall set the premium for the coming calendar year based on a percentage of employee wages and at the rate necessary to obtain a total amount of premium contributions in order to maintain the solvency of the fund at a level of at least the annualized amount described in section 850-E, subsection 3, plus an amount equal to 100% of the cost of administration of the payment of those benefits during the previous fiscal year, less the amount of net assets remaining in the fund as of June 30th of the current calendar year. If, for the 2028 calendar year or any calendar year thereafter, the premium rate adjustment pursuant to this subsection is an increase and results in the difference between the rate of the upcoming calendar year and the current calendar year equaling more than 0.1% of wages paid, the department shall submit a report regarding fund solvency and factors contributing to rate setting to the joint standing committee of the Legislature having jurisdiction over labor matters. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

4. Self-employed individuals. The following provisions govern self-employed individuals.

A. A self-employed individual who elects coverage under section 850-G shall pay up to 50% of the premium required by subsection 3 on that individual's income from self-employment. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

B. A self-employed individual who elects coverage under section 850-G shall remit the premium amount required by this subsection directly to the administrator, in the form and manner required by the commissioner by rule. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

5. Employers. The following provisions govern employers.

A. An employer with 15 or more employees may deduct up to 50% of the premium required for an employee by subsection 3 from that employee's wages and shall remit 100% of the combined premium contribution required by subsection 3 to the fund. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

B. An employer with fewer than 15 employees may deduct up to 50% of the premium required for an employee by subsection 3 from that employee's wages and shall remit 50% of the premium required by subsection 3 to the fund. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

6. Limit on wages to determine premiums. Premiums are required up to the contribution and benefit base limit established annually by the federal Social Security Administration for purposes of the federal Old-Age, Survivors, and Disability Insurance program limits pursuant to 42 United States Code, Section 430.

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

7. Use. The premiums collected under this subchapter must be used exclusively for the payment of family leave benefits and medical leave benefits and the costs of administration of the program.

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

8. Approved private plan. An employer with an approved private plan under section 850-H is not required to remit premiums under this section to the fund.

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

9. Failure or refusal to make premium contributions. An employer that fails or refuses to make premium contributions as required in this section must be assessed 1.0% of its total annual payroll for each year it so failed to comply in addition to any amounts previously owed, or fraction thereof, in addition to the total amount of family leave benefits and medical leave benefits paid to covered individuals for whom it failed to make premium contributions. The rate of assessment imposed by this subsection must be adjusted annually consistent with subsection 3, paragraph B.

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

10. Self-employed individual who elects coverage and fails or refuses to make premium contributions. A self-employed individual who elects coverage under section 850-G and who fails or refuses to make premium contributions for at least 2 quarters as required in this section may be disqualified from family leave benefits and medical leave benefits. The self-employed individual's disqualification terminates upon:

A. The self-employed individual's remittance of all previously owed premium contributions as required in this section; and [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

B. Following remittance as required by paragraph A, the self-employed individual's remittance of premium contributions as required in this section for an additional number of quarters equivalent to the number of quarters for which the self-employed individual failed or refused to make premium contributions. [PL 2023, c. 412, Pt. AAA, §7 (NEW).]

[PL 2023, c. 412, Pt. AAA, §7 (NEW).]

SECTION HISTORY

PL 2023, c. 412, Pt. AAA, §7 (NEW).

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