Privatization & Paid Family & Medical Leave

Maine law allows the state to privatize the Paid Family & Medical Leave Program. This means the state could hire a private, for-profit company to oversee the Paid Family & Medical Leave Program. That's a bad idea. Here's why.



Privatizing paid leave is bad for everyone's bottom line.

For-profit companies are organized to make profits, not to serve people equitably. Having a built-in profit margin to the program's administration will raise costs for employers and employees. That's **bad for everyone's bottom line**.

State-run paid leave: Cost-effective & accountable.

Overhead costs for state-run programs are low. California's disability and paid family leave program administrative costs were 3% in 2021. These costs run much higher in the private sector.

Privatized paid leave: Expensive & falls short

The State of Connecticut is the only state with a private paid leave program. Their contractor **failed to meet performance standards, had higher erroneous claim denial rates than publicly administered programs, and running Connecticut's program has been nearly twice that of state-run programs**.

THE BOTTOM LINE:-

PRIVATE COMPANY + PROGRAM PROFIT MARGINS + ADMINISTRATION TOO EXPENSIVE FOR MAINE



Your voice matters.

Together we passed Paid Family & Medical Leave. With your help, we can win again: **let's keep paid leave** *for the public, by the public*.



Citations & learn more about privatization: mainepaidleave.org/no-privatization

Join us!

