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## Heading into 2025

### *What Hospitality Employers Need to Know*


# HOSPITALITY MAINE

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| 2..... | Overtime Salary Threshold                 |
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# Minimum Wage


Maine law, amended by citizens referendum in 2016, requires annual adjustments to the minimum wage based on the cost-of-living index, which increased 3.6% between August 2023 and August 2024. The municipalities of **Portland** and **Rockland** have enacted local ordinances that increase the minimum wage beyond the state level.

## **State Minimum Wage**

<u>2024</u>		<u>2025</u>
\$14.15/hour		\$14.65/hour


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## **State *Tipped* Wage**

<u>2024</u>		<u>2025</u>
\$7.08/hour		\$7.33/hour


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## **Local Minimum Wage (Portland & Rockland)**

<u>2024</u>		<u>2025</u>
\$15.00/hour		\$15.50/hour

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## **Local *Tipped* Wage (Portland & Rockland)**

<u>2024</u>		<u>2025</u>
\$7.50/hour		\$7.75/hour

## Overtime & Salary

### **“Phase 2” of the Federal Overtime Rule Not Slated to Take Effect**

A United States Department of Labor rule that was set to dramatically boost the salary threshold for the so-called “white collar” overtime exemptions was halted by a federal judge in November. The judge struck down the phase-two increase to ~\$59K, set to take effect on January 1, 2025.

That means the exemption threshold for Maine is set back to \$42,250.20 until the beginning of next year. Any salaried exempt workers who do not traditionally receive overtime will need to have an increase in salary to \$43,950.

*Reminder:* Salary amount is only one component of the [duties test](#), which means the employee’s job duties must primarily involve, executive, administrative, or professional duties as defined by the regulations. You are encouraged to speak with an attorney if you have questions about an employee’s specific eligibility for exemption.

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### ***Maine Overtime Exemption Threshold***

**2024**

**2025**



***\$42,250.20/year***  
***(\$816.35/week)***

***\$43,950.00/year***  
***(\$845.19/week)***

# Paid Family & Medical Leave

## **Paid Family and Medical Leave Withholdings Start 1/1/2025**

Starting January 1st, 2025, any employer with at least one Maine-based employee must begin payroll withholdings for their employees. Benefits are set to begin in May 2026.

**Employers with 15 or more** employees will contribute 1 percent of wages and may deduct up to half of the contribution (.5%) from the employees' wages.

**Employers with less than 15 employees** will contribute 0.5 percent of wages and may deduct the entire amount from the employees' wages.

Employers will begin their first quarterly wage reporting and premium payments starting April 1st and due by April 30th, 2025. The online system for employers to register their business information, designate a payroll processor, file quarterly wage reports, and remit quarterly premium contributions will be released in January. All employers must register for an account to begin wage reporting in April.

## **Final Rule Governing PFML Program Adopted**

The Chapter 1 Rule of the Paid Family & Medical Leave Program has been adopted by the Maine Department of Labor. The 27-page rule is very extensive and should attempt to fill in gaps within the program while remaining true to the law's intent. The rule further details important processes employers should know, including undue hardship exemptions, notification requirements, private plan substitution, and more.

Review the [Final Rule](#).

## **Additional Resources**

- **Access our webinar recording:** [PFML Webinar](#)
- **Print and post the required workplace poster:** [PFML Poster](#)
- **Sign up for PFML e-mail notifications:** [Email notifications](#)
- **Employers guide to PFML contributions :** [Employer guide \(MDOL\)](#)
- **PFML Employer Contribution Portal webinar:** [Employer Reporting Portal webinar](#)

# Maine Retirement Investment Trust

## **MERIT to Begin Enforcement, Penalties in 2025**

The Maine Retirement Investment Trust (MERIT) is a retirement savings program created by the Maine Retirement Savings Board. It requires all employers who have been in business for at least two years and have 5 or more employees to register their company and make employee contributions. Businesses with existing retirement plans can qualify for an exemption.

### **Employer Options for MERIT:**

1. Employer registers a business with MERIT, enrolls applicable employees and banking information, and makes appropriate payroll deductions to submit information on MERIT portal. Employers need to submit payroll withholdings every pay period.

or

2. Employer certifies exemption with MERIT. This option requires the employer to have a qualified retirement savings plan available to one, some, or all employees.

### **Relevant Information:**

- Employer contributions are not permitted in the MERIT program.
- For businesses not certifying an exemption, employees must be registered with the program no later than the individual's 120<sup>th</sup> day of employment.
- All businesses with 5 or more employees are required to take some form of action with the MERIT program. Financial penalties and enforcement for noncompliance will begin in 2025.

### **Additional Resources**

- [MERIT Employer Fact Sheet](#)
- [Register your business with MERIT](#)
- [Certify private plan exemption](#)
- [Qualified employer-sponsored plan exemptions](#)
- [MERIT FAQs](#)