



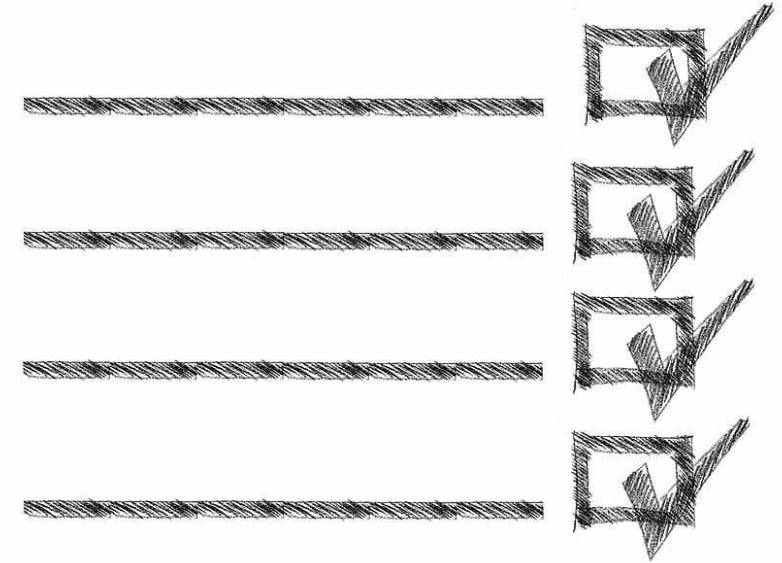
# MAINE SMALL BUSINESS DEVELOPMENT CENTERS

## 2025 Mandates:

### What Business Owners Need to Know

Presented By:

Ali Lane, Dan Umphrey, & Peter Harriman,  
Certified Business Advisors



Funded in part through a cooperative agreement with the U.S. Small Business Administration:





## Purpose of this Presentation

This Webinar is an overview of several mandates that are either in effect or will be in effect in 2025/2026 that affect small business owners

- Corporate Transparency Act
  - 1099/W2 Reporting (including 1099-K)
- Minimum Wage (Non-Exempt and Exempt)
- PTO and Mandatory Retirement (briefly)
  - PWFA
- Family Leave Law (The Star of the Show!)

Slide will be sent to attendees, and the webinar is being recorded

# Who Are We?

## Maine SBDC Certified Business Advisors



Ali Lane  
USM



Peter Harriman  
USM



Dan Umphrey  
NMDC



# Who do we serve?

- Small Business Entities (as defined by the SBA)
- Individuals Starting or Acquiring Businesses
- For-Profits\*
- Maine-Based
- All Industries\*
- Underserved Populations

*\*Some Exceptions Apply*



# What Do We Do?

*No-Cost, Confidential Business Advising to Current & Aspiring Small Business Owners*

- Business Plans/Planning
- Business Strategy & Growth
- Financing
- Marketing
- Operations & Management
- Buying/Selling/Exiting
- And More!

EIDL      MERG      PPP  
SVOG      CDBG      RRF  
LMNOP



## Our Differentiators: Consistency & Quality

- 13 full-time advisors
- Certification with required professional development hours
- One-on-one advising
- Market Research Tools: SBDCNet & Vertical IQ
- Connections/relationships with other resources

*900 Hours/Year!*

# Disclaimer

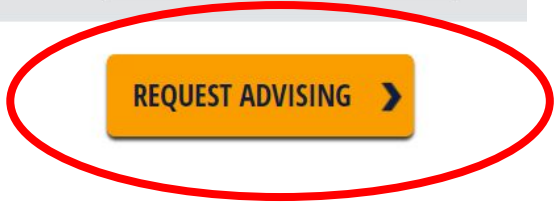
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# https://www.mainesbdc.org/



Maine Small Business  
Development Centers

*Building Maine's Future, One Business at a Time.*





# OR Find us on YouTube

The image shows a screenshot of the YouTube channel page for 'Maine Small Business Development Centers'. The channel name is 'Maine Small Business Development Centers' with 648 subscribers. The channel banner features the text 'Helping Small Businesses Do Big Things' over a background of hands writing on a document, with various social media icons (heart, star, @, comment) overlaid. A red circle highlights the 'Subscribe' button. The video player shows a video titled 'What you should know about the Maine SBDC?' with 931 views and 2 years ago. The video thumbnail is a grid of people in a virtual meeting. The video description states: 'The pandemic has changed the way everything works, but what hasn't changed is our dedication to helping the small businesses of Maine! With virtual meetings and a little creativity, our Business Advisors are still here to help you out. Request Advising today: [https://mainesbdc.centerdynamics.com/...](https://mainesbdc.centerdynamics.com/)' and 'Take Me Higher" by Jahzzar is licensed under a Attribution-...'. The 'READ MORE' link is visible. The YouTube navigation menu is on the left, and the channel navigation menu is at the top of the video player area. The 'AMERICA'S SBDC MAINE' logo is in the bottom right corner.

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What you should know about the Maine SBDC?

931 views • 2 years ago

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READ MORE

AMERICA'S SBDC MAINE

# Beneficial Ownership Information (BOI) Reporting

- Part of the 2021 Corporate Transparency Act
- Corporate Transparency=  
“The extent to which a corporation’s actions are observable by outsiders”
- Note: It’s going to feel like you are entering the same information twice

# The correct website: <https://boiefiling.fincen.gov/>



FINANCIAL CRIMES  
ENFORCEMENT NETWORK

[BOI E-FILING](#) | [FILE BOIR](#) | [HELP](#)

**BOI e-Filing Alert:** Please note that beneficial ownership information reporting requirements have been affected by a recent federal court order. The Department of the Treasury is appealing that order. In the meantime, reporting companies are not currently required to file a BOIR and are not subject to liability if they fail to do so while the applicable order remains in force. However, reporting companies may still opt to file a BOIR. More information is available on our website (<https://www.fincen.gov/boi>).

## Welcome to the BOI E-Filing System

The BOI E-Filing System supports the electronic filing of the Beneficial Ownership Information Report (BOIR) under the Corporate Transparency Act (CTA). The CTA requires certain types of U.S. and foreign entities to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury.



**File BOIR**

Need to file a BOIR?  
Click here!



**Help**

Looking for more  
information? Click here



Beneficial Ownership Information (BOI) Reporting

Need to file a BOIR? Click here!

**GET STARTED**



Bank Secrecy Act (BSA) Reporting

Need to file another type of  
BSA report? Click here!

**BSA E-FILING**

## News & Announcements

Jan 04 2024

Need assistance? Go to the Help section in the blue banner to find filing instructions and other guidance materials.

# File the Beneficial Ownership Information Report (BOIR)

Select the filing method that works best for you:



## File PDF BOIR

- Adobe Reader is required
- Prepare report offline at your own pace, save as you go
- Reuse PDF BOIR when filing updates/corrections
- Download BOIR transcript upon submission

[Prepare BOIR](#)

[Submit BOIR](#)



## File Online BOIR

- Adobe Reader NOT required
- Prepare report online and submit now
- Prepare new Online BOIR when filing updates/corrections
- Download BOIR transcript upon submission

[Prepare & Submit BOIR](#)

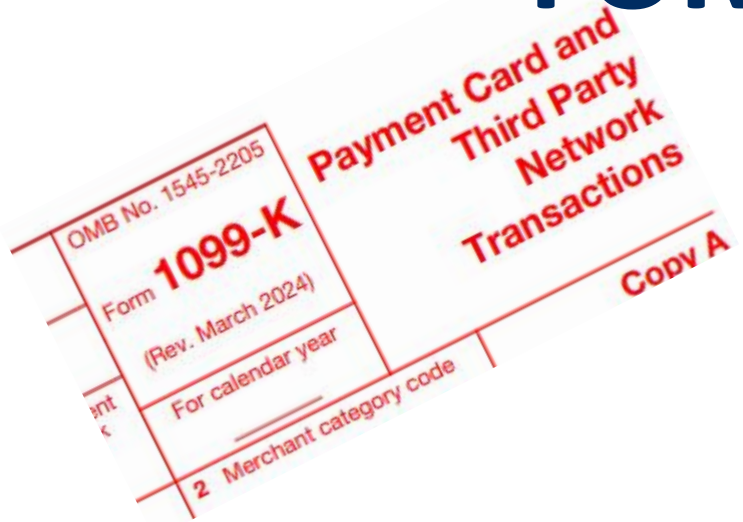
Company Formation	Filing Deadline
Before Jan 1, 2024	By Jan 1, 2025
In 2024	90 days of formation date
On or after Jan 1, 2025	90 days of formation date
Changes	30 days of the change



# Beneficial Ownership Information (BOI) Reporting

- Current situation
  - Deadline stay due to ongoing litigation**
  - Voluntary submission only**
- What do you do now?
  - Be prepared to file but, technically, right now (12/19/24) you are not required to do so**
  - Watch the news in the coming weeks before the original 1/1/25 deadline**

# FORMS! FORMS! FORMS!



Form 1099-K reports payments from payment apps or online marketplaces and from credit, debit or stored-value cards

The (Sort of) Original Schedule

2023 - \$20,00 Threshold

2024 - \$5,000 Threshold

~~2025 - \$600 Threshold~~

2025 - \$2,500 Threshold

2026 - \$600 Threshold



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# What Does This MEAN?

Or Put Another Way...

What Does This  
**NOT** Mean?



# Swarm of Forms

(The *(mostly)* true technical term that refers to many forms)



**1099/W2 Reporting** - Maine requires you to report if you have more than 10 TOTAL forms with the Maine Tax Portal (Previously only required when it was 200)

**I9 form** - New Form as of 8/1/2023 - should have an expiration date of 5/31/2027 - Rule of 3 - I9 needs to be completed within 3 days of hire and be kept for 3 years (or 1 year after employment ends, whichever is later)

USCIS  
Form I-9  
OMB No.1615-0047  
Expires 05/31/2027

# Minimum Wage; To Exempt or Not Exempt

- A non-exempt employee is a worker who is entitled to overtime pay under the Fair Labor Standards Act (FLSA) for working more than 40 hours in a workweek. These employees are typically paid hourly (but can be salaried) and must receive at least the federal minimum wage.

Federal Minimum Wage = \$7.25/Hour

	<u>2024</u>	<u>2025</u>
Maine State Minimum Wage =	\$14.15	\$14.65
“Tipped” Wages =	\$7.08	\$7.33
Portland/Rockland Minimum Wage =	\$15.00	\$15.50
“Tipped” Wages =	\$7.50	\$7.75

# “I am Exempt!”

- An exempt employee is someone who is not subject to the Fair Labor Standards Act's (FLSA) overtime and minimum wage regulations:

## **Compensation**

- Exempt employees are paid a salary or fee, and are typically paid the same amount each work week, regardless of how much or how well they work.

## **Job duties**

- Exempt employees usually perform high-level tasks that require independent judgment and expertise, and often have executive, professional, or administrative responsibilities.

## **Maine Salary Requirements:**

2024 – \$42,450.20 annually or \$816.35 weekly

2025 – \$43,951 annually or \$845.21 weekly

**\*\*NOTE – Legislation to increase to \$58,656 annually or \$1,128 weekly**

# First, Some Worker Provisions Already on the Books - PTO and Mandatory Retirement

**PTO** (January 1, 2021) - Applied to Employers with more than 10 employees in Maine for more than 120 days (except seasonal industries\*).

- Employee accrues 1 hour Earned Paid Leave for every 40 hours worked, up to 40 hours in a year.

**Mandatory Retirement** (January 17, 2024) - An Employer with 5 or more employees (part time or full time) throughout the year needs to (at a minimum) set up the employee in the Maine MERIT system - <https://meritsaves.org/>

Requires employees to contribute toward retirement or opt out

\*\*\* Might be able to offset any costs with Secure Act 2.0 Credit\*\*\*

# FEDERAL - PWFA - Pregnant Workers Fairness Act

## Final Rules Effective June 18, 2024

- Generally, the Pregnant Workers Fairness Act (PWFA) requires a covered employer to provide a “reasonable accommodation” to a qualified employee’s or applicant’s known limitations related to, affected by, or arising out of pregnancy, childbirth, or related medical conditions, unless the accommodation will cause the employer an “undue hardship.”
- PWFA applies to private and public-sector (state & local gov) employers with 15 or more employees

Some examples of possible reasonable accommodations under the PWFA include:

- Additional, longer, or more flexible breaks to drink water, eat, rest, or use the restroom;
- Changing food or drink policies to allow for a water bottle or food;
- Changing equipment, devices, or workstations, such as providing a stool to sit on, or a way to do work while standing;
- Changing a uniform or dress code or providing safety equipment that fits;
- Changing a work schedule, such as having shorter hours, part-time work, or a later start time;
- Telework;
- Temporary reassignment;
- Temporary suspension of one or more essential functions of a job;
- Leave for health care appointments;
- Light duty or help with lifting or other manual labor; or
- Leave to recover from childbirth or other medical conditions related to pregnancy or childbirth.

# FEDERAL - PWFA - Pregnant Workers Fairness Act - KEY DEFINITIONS

- **Covered Employer** - Private and public sector employers that have 15 or more employees.
- **Qualified Employee** - An employee who can perform all of the “essential functions” of the job, or is only temporarily unable to do so.
- **Undue Hardship** - Employer does not have to provide reasonable accommodation if it causes *significant difficulty or expense*.

# MAINE - Paid Family Leave

- Beginning in 2026, eligible workers in the private and public sector will have 12 weeks of paid time off available to them for family or medical reasons including illness, to care for a relative, or for the birth of a child.
- Starting Jan 1, 2025 - employers will begin collecting and sending payments to MDOL
- May 1, 2026 is when first benefits expected to start being paid out
  - o Under 15 employees - 0.5% rate from EITHER employer or employee wages
  - o 15 or more employees - 1% rate with no more than 0.5% from Employee wages

Portal will be created and live January 6th, first payment to State in April  
Self employed can also elect to pay into the system

# CONTRIBUTIONS TO PFML FUND

- The contribution per employee is 1% of an individual's wage rate, split between the employee and employer.
- Employers with fewer than 15 employees are exempted from the employer share of contributions but they must still withhold 50% of the premium from their employees wages. Self-employed individuals who opt-in are only responsible for the 50% premium rate.

## Example of contribution breakdown for employers/employees:

- **For employers with 15 or more employees**  
For an employer with an annual payroll of \$1 million a year, the annual premium would be \$10,000 (\$1M x 1%). The employer would contribute \$5,000 per year (0.5%) and the employees, combined, would contribute \$5,000 per year (0.5%).
- **For employers with less than 15 employees**  
For an employer with an annual payroll of \$250,000, the annual premium would be \$1,250 (\$250K x 0.5%). The employer may deduct the entire amount from the employees' wages and would be responsible for remitting the premium.



# Reasons and Types of Leave

## Reasons for requesting leave:

**Family leave:** To care for a new child (birth, adoption, fostering), to care for family with serious health condition.

**Medical leave:** To care for one's own medical needs.

**Safe leave:** For victims of domestic abuse.

**Military deployment:** For emergencies related to military deployment (qualifying exigency).

## Types of leave

**Continuous leave:** An employee is taking leave that is ongoing for days or weeks at a time. (Ex. Employee is taking 6 weeks off to bond with newborn).

**Intermittent leave:** An employee is still working but will need to take time off in increments (Ex. An employee undergoing chemotherapy works in the morning, has chemotherapy treatment in the afternoon, and will need a day to recover).

**Reduced leave:** An employee is still working but is on a reduced schedule working certain number days of the week while on leave for the rest. (Ex. Employee normally works Monday-Friday but is now only working Monday, Wednesday and Thursday for the next 8 weeks to care for a family member with a serious medical condition).

# REQUIREMENTS AND ELIGIBILITY

- Absent an emergency, illness or necessity to take leave, an employee must give “reasonable notice” to the employer of their intent to take leave.
- Proof must be provided that the individual qualifies under one of the approved reasons for leave.
- The individual must have earned at least six times the state average weekly wage (SAWW) in four of the last five completed quarters before accessing the benefit.
- The scheduling of an employee taking leave must not cause “undue hardship” on the employer.



## IMPORTANT INFORMATION FOR EMPLOYERS

- Individuals who have not worked for an employer for at least 120 days are not guaranteed job protections when taking leave.
- An employer may apply for a private plan substitution showing what they offer is "substantially equivalent" to the state plan. They may opt out and administer their own plan as long as their plan meets the obligations required under the PFML law (rights, protections and benefits).
- The Department holds the right to withdraw approval of a private plan if any of the terms and conditions are violated.
- If an employer fails to provide notice about the Maine PFML program and the employee's right to take it if necessary, the employee's obligation to inform the employer they are taking leave is waived.

# Questions

Type your questions in the chat below or "Raise Your Hand" and unmute yourself!

