



MARYLAND SHRM STATE COUNCIL

LEGISLATIVE UPDATE



FAMILY AND MEDICAL LEAVE INSURANCE (FAMLI)



**JULY 1, 2025
PAYROLL CONTRIBUTIONS**



**JULY 1, 2026
BENEFIT CLAIMS**



State Plan payroll contribution period begins July 1, 2025

- **ALL** workers will pay into the system through payroll tax, regardless of their eligibility to claim benefits, hours worked, or employer size. There are no exceptions.
- Employers will remit payroll taxes to the state on a quarterly basis
- DOL's FAMLI division is developing an employee notice for employers to provide employee explaining the payroll deductions

State Plan benefits begin July 1, 2026

- If qualifying events occurred within one year of the this date, employees may submit a claim

Similarities to FMLA



Same qualifying events as FMLA

- Care for yourself or a family member with a serious health condition
- Welcome a child
- Prepare for a family member's deployment



Leave can be taken consecutively or intermittently



Health benefit continuation – employer continues health benefits while employee is on leave. Employee continues to pay in any arrangement that would have occurred under FMLA.



12 week annual limit. There is only one exception to this, which is different than FMLA – for a parent who requires leave for birth/bonding time and their own serious health situation in the same 12-month

Differences from FMLA



Definition of “family member” is expanded from FMLA definition (underline indicates expanded eligibility) – child, parent or parent-in-law, spouse, grandparent, grandchild, sibling





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SOME CLARIFICATIONS

- ? What about employees who split their time between MD and other states? FAMLI considers localized rules, similar to the well-established state unemployment guidelines. It does NOT matter where the employee lives, it only matters where the employee works.
- ? Employers have a duty to make employees aware of their FAMLI eligibility as employers learn of qualifying events. DOL FAMLI division will be releasing a template form to use for notification prior to each qualifying event.
- ? Employers cannot require workers to use accrued paid time off while on leave. It can be mutually agreed that the employer can “top off” the FAMLI benefit by paying out accrued benefit leave to close the “gap” between the benefit and the employee’s normal pay.
- ? Alternative FAMLI Purpose Leave (AFPL) – If the employer offers leave specifically designed for FAMLI purposes – for example, a parental leave bank - then the employer can require to take the AFPL concurrent with the FAMLI leave.
 - For example: Employer has parental leave policy for 8 weeks at 100% of pay. If employee applies for FAMLI leave, they’d only be eligible for 4 weeks of FAMLI benefit, because the 8 weeks of AFPL is paid and the 4 remaining weeks of eligible FAMLI benefit would be paid. The total of 12 week benefit is allowed, and the AFPL reduces the FAMLI benefit. 12 weeks total is allowable concurrently.
- ? DOL FAMLI & Employer Communication & Claim Management. The division is putting in a lot of work to design the portal which employees and employers will use throughout the claim process. Employers will be notified each time an employee enters a claim and have 5 days to respond with applicable information. Employers will also be updated & notified for appeals, leave extensions, etc.
- ? Private Plans: Equivalent-private insurance plan (EPIP)
 - There are two EPIP options: Commercial or Self-insured plans.
 - Either way, you have to apply with the department to get it approved.
 - Commercial plans will be available through brokers/carriers
 - Self-insured plans will require surety bond to insure financing to pay out benefits and self-insured EPIP employers will be required to report claims data to the state.

What Can I do Now?

- ☑ Sign up to receive emails from FAMLI by visiting <https://paidleave.maryland.gov>
- ☑ Begin including FMALI contributions in future budget planning
- ☑ Start thinking about how your existing benefit may interact with FAMLI
- ☑ Consider either: register with the FAMLI division or select a commercial plan or build self-insurance based on final regulations to be published Summer 2024
- ☑ Review DRAFT regulation by visiting <https://paidleave.maryland.gov>

